

## NYISO Consumer Interest Liaison Weekly Summary

October 7 – October 11, 2019

### Notices:

- *The NYISO has received notification that a resource located in the GHIJ Locality will export Installed Capacity to ISO-NE for the month of November 2019. Pursuant to Market Services Tariff Section 5.11.4.1 and ICAP Manual Section 3.6.1, the NYISO has applied a Locality Exchange Factor (LEF) to the Locational Export Capacity in order to modify the November 2019 Minimum Unforced Capacity Requirement (UCAP Requirement) for Load Serving Entities (LSE) in the GHIJ Locality. The [LEFs for Capability Year 2019](#) can be found in the Installed Capacity section of the NYISO website under 'Installed Capacity Data' > 'Announcements' > 'Information and Announcements' > 'Information and Announcements'*
- *On October 7, 2019, NYISO filed with the New York State Department of Environmental Conservation supplemental comments regarding the revised rulemaking to set nitrogen oxide emission rate limits for simple cycle and regenerative combustion turbines during the ozone season. A copy of the comments is attached [[here](#)] for your use and is also available on the NYISO [website](#).*
- *The monthly Generator Status Update document has been posted on the NYISO's website. The posting is located in the Generator Status Update folder under the NY Power System Information and Outlook section at the following link: [Generator Status Update](#)*

### Meeting Summaries:

Monday, October 7, 2019

**Budget and Priorities Working Group**

EMS/BMS Project Update

Diane Peluso of the NYISO updated the status of the EMS/BMS project implementation. At this time the system upgrade is in parallel testing with the legacy system. There are issues that require resolution. The implementation date has been set to October 29, 2019. A “drop-dead” date of October 31, 2019 has been established and cannot be extended.

In the event that the deployment is not completed by October 31, 2019, the implementation date would be moved to March 1, 2020. Winter operating conditions would preclude implementation prior to March 1, 2019. The NYISO will update the project status through the BPWG and MC mailing lists as the effort continues.

#### 2020 Contingency Project Budget Recommendation

Brian Hurysz of the NYISO presented the contingency project budget recommendation in the event that the EMS/BMS system upgrade deployment is delayed to March 1, 2020. The system upgrade is currently in parallel testing with ABB and NYISO personnel working to resolve some remaining issues. October 31, 2019 remains the last deployment date available in 2019. If the October 31, 2019 date is not met, the NYISO will notify market participants and execute a contingency plan for a March 1, 2019 deployment.

Mr. Hurysz explained that the contingency plan would place some anticipated 2019 costs into the 2020 NYISO budget and would create other resource constraints, resulting in ten 2020 projects either cut or proceeding with a reduced scope.

The 2020 projects that would see changes as the result of the contingency plan implementation include:

- *Deployment of ESR (Energy Storage Resource) Participation Model revised from Q2 to Q4*
- *Ancillary Service Shortage Pricing (SOM) planned deployment in 2020 eliminated, Market Design Complete milestone remains*
- *Reserve for Resource Flexibility planned Deployment milestone revised to Market Design Complete*
- *Advanced Test Automation is eliminated*
- *Automated Default Bid Mitigation planned Deployment milestone revised to Development Complete*
- *Projects with scope reduction for 2020, remaining scope being deferred into 2021*
  - *EMS/BMS Operational Enhancements*
  - *Network Infrastructure Upgrade*
  - *Database Upgrade and Platform Migration*
  - *Application Platform Upgrade*
  - *NextEra Transmission Owner Integration*

Mr. Hurysz explained that the 2020 projects that would be affected by the contingency plan were identified based on resource constraints consisting of NYISO personnel, system hardware and software environments.

In response to a stakeholder inquiring whether 2020 projects with milestones extended past 2020 would be deemed as “Continuing” for the 2021 project prioritization process, Mr. Hurysz explained

that the projects that currently qualify for that status were high scoring projects in the 2020 stakeholder survey and would likely be moved into continuing status by stakeholders in the 2021 process.

Mr. Hurysz addressed the financial impact of the contingency plan noting that there would be cost increases due to EMS/BMS work being moved into 2020, but the cost increases would be offset with cost decreases due to 2020 project and project scope reductions. The net budget impact for the 2020 budget would be \$0. Details of the offsetting costs were provided to stakeholders.

The NYISO will continue to monitor the EMS/BMS system upgrade and update stakeholders as information is available as to whether the contingency plan will be required. To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/8547691/02\\_03%202020%20Contingency%20Project%20Budget%20Recommendation%20Draft.pdf/0ea1ba35-7450-dada-50b7-11670e6cd761](https://www.nyiso.com/documents/20142/8547691/02_03%202020%20Contingency%20Project%20Budget%20Recommendation%20Draft.pdf/0ea1ba35-7450-dada-50b7-11670e6cd761)

#### NYISO 2020 Contingency Budget Overview

Cheryl Hussey of the NYISO provided an overview of potential changes to the 2020 budget if it is determined that the NYISO should implement the contingency plan as a result of a delay in the EMS/BMS system upgrade implementation.

Ms. Hussey highlighted the incremental changes to the proposed budget including changes to program license extensions, consulting and computer services that would be required by the contingency plan. The incremental changes do not result in a financial impact to the NYISO budgeted revenue requirement as cost increases are offset by cost decreases from the 2020 project and project scope changes in the contingency plan.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/8547691/2020%20DRAFT%20Contingency%20Budget%20Presentation.pdf/f24c2caa-2c57-26e4-b379-e142dd0b88de>

#### BPWG: 2020 Proposed Corporate Goals

Cheryl Hussey of the NYISO presented the proposed NYISO corporate goals for 2020. The format of the corporate goals remains the same as in 2019.

There were revisions to the Quality Goal definition for 2020. Key Project Initiatives were revised to reflect 2020 projects.

Two new goals were added: 1. Customer Focused Interconnection Process 2. Organizational Effectiveness and Skills Assessment.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/8547691/Draft%202020\\_Corporate\\_Incentive\\_Goals.pdf/828ccefa-1550-eeef-306d-bc32729102bf](https://www.nyiso.com/documents/20142/8547691/Draft%202020_Corporate_Incentive_Goals.pdf/828ccefa-1550-eeef-306d-bc32729102bf)

#### **Tuesday, October 8, 2019**

#### **System Operation Advisory Subcommittee**

#### **NYISO Operations Report – September 2019**

#### **Peak Load**

The peak load for the month was 26,080 MW which occurred on Wednesday, September 11, 2019, HB17. Reserve requirements were as follows:

---

*Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYSIO or the discussions that take place at the meetings.*

Reserve	10 Sync	Non-Sync	30 Min
Requirement	655	1,310	1,965
For Hour	907	2,103	3,958
DSASP Cont.	54	0	54

**Major Emergencies** -- At 0943 on 09/03/2019 a Major Emergency was declared by the NYISO Shift Supervisor when the power flow on HQ Cedars exceeded its 105% Transient Stability Limit. The Major Emergency was terminated at 0951.

**Alert States** -- Alert State was declared on 10 occasions:

7 – Emergency Transfer Declared

1 – ACE Greater than (+or-) 500 MW

2 – Exceeding Central East Voltage Contingency Limit

Alert state was declared 17 times during September of 2018

**Thunder Storm Alerts**

1 TSA was declared in September 2019 for a total of 4.0 hours

**Reserve Activations** – 8

There were 13 Reserve Activations during September of 2018

**Emergency Actions**

None

**TLR3 Declared** – 0 for a total of 0 hours

**Tuesday, October 8, 2019**

**Joint Installed Capacity/Market Issues/Price Responsive Load Working Group**

**Uneconomic Production**

Zachary Stines of the NYISO presented an overview of the rules concerning uneconomic production. The NYISO tariff defines uneconomic production as follows: “Uneconomic production from an Electric Facility, that is, increasing the output of an Electric Facility to levels that would otherwise be uneconomic in order to cause, and obtain benefits from, a transmission constraint”.<sup>1</sup>

The NYISO is reviewing the uneconomic production rules to maintain mitigation measures that appropriately address all uneconomic situations and is seeking stakeholder feedback.

The existing rules are limited to an increase in either LBMP or Bid Production Cost Guarantees (BPCG), whereas the impact can often manifest in suppressing prices.

The NYISO sees an opportunity for potential rule enhancement by providing increased detail and clarity for specific uneconomic production impact thresholds and mitigation measures. There will be additional review and discussions with stakeholders to evaluate the requirement that an Electric Facility has to obtain benefits for uneconomic production to occur. Rules may be developed to address when uneconomic production results in reliability issues.

A stakeholder suggested that the impact requirement should consider conduct that suppresses prices as well as increasing prices. A second stakeholder noted that there are times when a generator may exhibit conduct that appears uneconomic to the market as a result of fuel issues and noted that follow-up and communication with the NYISO is a critical element in any new rule set.

The NYISO encourages stakeholder feedback, which can be sent to [deckels@nyiso.com](mailto:deckels@nyiso.com) for consideration as the effort moves forward. To see the complete presentation, please go to:

<sup>1</sup> MST Attachment H: 23.2.4.1.3

[https://www.nyiso.com/documents/20142/8577663/10-8-19\\_Stines\\_UneconomicProduction\\_Final.pdf/e2777f0d-c4a9-0720-d881-57bc911f12bb](https://www.nyiso.com/documents/20142/8577663/10-8-19_Stines_UneconomicProduction_Final.pdf/e2777f0d-c4a9-0720-d881-57bc911f12bb)

### Load Pocket Thresholds

Susan Jacon of the NYISO led a review of the process of setting Load Pocket Thresholds (LPTs) used to identify economic withholding in NYC. Ms. Jacon noted that the methodology defined by the tariff has not changed in more than 15 years and is under review for updating for today's markets.

Ms. Jacon presented the steps used to calculate the LPTs and explained inputs that could lead to a lack of flexibility in the process. It was noted that the calculation uses adjustments based on monthly values and does not account for daily changes in fuel prices.

The system topology for NYC has also changed since the process was developed and the assumption that a generator in a narrow load pocket has the potential to exercise market power in both its narrow load pocket and the broad load pockets may need to be updated.

The NYISO is conducting analysis to evaluate the process and to look for improvements. Stakeholder feedback can be sent to [sjacon@nyiso.com](mailto:sjacon@nyiso.com) for consideration if future discussions. To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/8577663/Load%20Pocket%20Thresholds\\_MIWG\\_October\\_2019\\_FINAL.pdf/dca755ec-d273-68e0-4bb1-c4394c73b8f0](https://www.nyiso.com/documents/20142/8577663/Load%20Pocket%20Thresholds_MIWG_October_2019_FINAL.pdf/dca755ec-d273-68e0-4bb1-c4394c73b8f0)

### New Business

The NYISO announced that the October 21, 2019 ICAP/MIWG meeting has been moved to October 22, 2019. The meeting will be held at the Troy Hilton Garden Inn on Hoosick Street in Troy, NY.

### **Friday, October 11, 2019**

#### **Joint Installed Capacity/Market Issues/Price Responsive Load Working Group**

##### NYISO 2019/2020 ICAP Demand Curve Reset -- Overview and Initial Key Considerations

Paul Hibbard of The Analysis Group (AG) presented an overview of the Demand Curve Reset (DCR) process. Mr. Hibbard explained that AG expects to begin the process with a review of the past framework for prior DCR development to maintain consistency. AG will only deviate from the past practices, data and assumptions if and to the extent improvements are identified or market conditions warrant change. Mr. Hibbard led a review of the existing DCR framework.

The NYISO requested that stakeholders submit any DCR process enhancements requiring tariff changes by September 19, 2019. Comments were received on proposed changes. A stakeholder proposes to extend the collar to limit the amount of increase or decrease to the annual reference price update beyond the current sunset date of the 2020/2021 DCR. Some stakeholders commented that the removal of the collar is necessary to provide accurate market price signals. Additional suggestions included minor changes to the values used in calculating the cost escalation rate that will not directly affect the tariff.

Todd Schatzki of AG addressed the potential impacts of the New York State Climate Leadership and Community Protection Act on the financial parameters in the process, as well as potential impacts of policies on technology/fuel type considerations. In response to a stakeholder question, Mr. Schatzki noted that the "peaker rule" will be considered in the determination.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/8663544/AG%20DCR%20-%20ICAPWG%20101119%20Final.pdf/562def6a-7bdf-5e02-d577-bfda9e23f379>

### NYISO 2019-2020 ICAP Demand Curve Reset – Burns McDonnell

---

*Please note: This summary is provided for informational purposes only. It is not intended to be a substitute for the presentations and other information provided by the NYISO or the discussions that take place at the meetings.*

Stephanie Villarreal of Burns McDonnell introduced the company to stakeholders. Burns McDonnell is the consultant selected by AG to identify potential peaking plant technologies for the 2019-2020 DCR process and calculate the gross Cost of New Entry (CONE).

Ms. Villarreal presented an outline of the steps that will be taken in the determination of the proxy plant technology and cost.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/8663544/BMcD%20DCR%20-%20ICAPWG%20101119%20Final.pdf/d224fd25-c5eb-da2f-4478-6c36c0cf46d2>

### Competitive Entry Exemption Proposals

Jonathan Newton updated the proposals to allow Competitive Entry Exemptions (CEE) for Additional Capacity Resource Interconnection Service (CRIS) and the Non-Qualifying Contract Rule. Mr. Newton highlighted incremental changes from the September 20, 2019 ICAPWG presentation.

A language change was made in the proposal concerning the consequences of withdrawing a CEE request or providing false, and misleading information per stakeholder feedback.

Additionally, the NYISO intends to make the rules effective for CY19. The NYISO proposes that requests for CEE may be submitted after the deadline specified in of Section 23.4.5.7.9.3.2 of the Services Tariff for 15 calendar days after the Commission issues an order accepting the revisions. Tariff language was provided and reviewed with stakeholders for discussion.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/8663544/CEE%20Enhancements\\_ICAPWG\\_10112019\\_for%20posting.pdf/c79b5955-8bac-5ef9-17bc-982571347b43](https://www.nyiso.com/documents/20142/8663544/CEE%20Enhancements_ICAPWG_10112019_for%20posting.pdf/c79b5955-8bac-5ef9-17bc-982571347b43)

### Class Year/Interconnection Queue Redesign - BSM Enhancements

Jonathan Newton of the NYISO led a review of the Buyer-Side Mitigation (BSM) changes for the Class Year/Interconnection Queue redesign. Mr. Newton highlighted changes made since the September 10, 2019 ICAPWG discussion. The September 10, 2019 proposal stated that the Renewable Exemptions in a “mini” deliverability study will count toward the proposed 1,000 MW Class Year Cap. The phrase “and Additional SDU studies that share a common Mitigation Study period” was inserted into the statement for clarity. A complete explanation of the update was provided for discussion with stakeholders.

The affected tariff sections were reviewed for stakeholder discussion.

An updated timetable was provided with a final working group tariff review scheduled for October 31, 2019 prior to Q4 governance action. To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/8663544/Class%20Year%20Redesign\\_BSM\\_ICAPWG\\_10112019\\_for%20posting.pdf/58104799-aadd-2353-97ea-f4b1d9f9d680](https://www.nyiso.com/documents/20142/8663544/Class%20Year%20Redesign_BSM_ICAPWG_10112019_for%20posting.pdf/58104799-aadd-2353-97ea-f4b1d9f9d680)

## **FERC Filings**

### **October 7, 2019**

NYISO responses to the Commission’s questions concerning the interconnection of distributed energy resources in the NYISO’s region

### **October 9, 2019**

NYISO filing on behalf of Rochester Gas and Electric Corporation (RGE) and RED-Rochester, LLC (RED) of an Amended and Restated Interconnection Agreement between RGE and RED (SA No. 2484)



## **FERC Orders**

**October 7, 2019**

FERC letter order accepting the LGIA (Service Agreement No. 2433) between NYPA and RG&E for Rochester Area Reliability Project (RARP) interconnection, effective 8/12/19 as requested.

### **Filings and Orders:**

[http://www.nyiso.com/public/markets\\_operations/documents/tariffviewer/index.jsp](http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp)