

## NYISO Consumer Interest Liaison Weekly Summary

**May 20 – May 24, 2019**

### **Notices:**

- *On May 20, 2019, the New York Independent System Operator filed, with the NY DEC, comments in response to the Proposed Rule Making titled “Set Nitrogen Oxide (NOx) Emission Rate Limits for Simple Cycle and Regenerative Combustion Turbines” published in the February 27, 2019 NYS Register. View a copy of the filing [here](#).*
- *An additional document, **Central Hudson Project Candidate - Capacity Zone Elimination**, has been posted under the May 15, 2019 BPWG meeting material [here](#). This was presented for the 2020 Project Prioritization Process.*
- *The NYISO will host its **annual Joint Board of Directors - Management Committee meeting** on June 3 and 4, 2019, at the Sagamore Resort in Bolton Landing, New York. The discussion topics for this year’s meeting are:*
  - *Topic 1: Reliability Considerations for a Grid in Transition*
  - *Topic 3: Market Considerations for a Grid in Transition**The agenda and briefing materials have been posted [here](#)*

### **Meeting Summaries:**

**Monday, May 20, 2019**

**Management Committee**

#### **Motion #1:**

Upon consideration of the draft report, presentation, Operating Committee discussion and action, and the report of the Market Monitoring Unit, the Management Committee (“MC”) hereby recommends that the NYISO Board of Directors approve the NYISO 2019-2028 Comprehensive Reliability Plan (“CRP”), as presented and discussed at the May 20, 2019 MC meeting.

***Motion passed unanimously***

#### **Motion #2:**

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The Management Committee (“MC”) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment CC of the NYISO’s Open Access Transmission Tariff (OATT), as described in the presentation entitled “NYISO-PJM JOA Changes” made to the MC on May 20, 2019.

*Motion passed unanimously*

**Motion #3:**

The Management Committee (“MC”) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to the Market Administration and Control Area Services Tariff, as more fully described in the presentation entitled “External SRE Penalty” made to the MC on May 20, 2019.

*Motion passed unanimously with abstentions*

**Motion #4:**

The Management Committee (MC) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled “Proposed Change to Acceptable Collateral for Foreign Market Participants,” made at the May 20, 2019 MC meeting.

*Motion passed unanimously*

**Tuesday, May 21, 2019**

**Joint Electric System Planning Working Group/Transmission Planning Advisory Subcommittee Updated Straw Proposal to Address Upgrades in the Public Policy Transmission Planning Process**

Yachi Lin of the NYISO updated the straw proposal to address upgrades in the Public Policy Transmission Planning Process (PPTPP), originally presented at the April 12, 2019 ESPWG meeting. The purpose of the straw proposal is to provide greater clarity to the responsibilities of Developers and Transmission Operators in public policy transmission projects.

Ms. Lin led a review of the original two proposals:

- Proposal One
  - Evaluation of Upgrades in the Public Policy Transmission Planning Process
- Proposal Two
  - Assignment Process for Upgrades

Ms. Lin provided a summary of comments received from stakeholders and solicited further stakeholder input on each issue.

The topic of cost containment was addressed at a high level to solicit feedback. In response to a stakeholder question on when the NYISO will address this topic in detail, Ms. Lin noted there will be an ESPWG/TPAS meeting dedicated to a discussion of cost containment on May 31, 2019.

In discussing the definition of the word “upgrade”, the NYISO provided definitions from several ISO/RTOs to frame the conversation. It was noted that MISO has established a more specific definition that was provided for discussion. Stakeholders offered several comments to the NYISO for consideration as the proposal is refined.

To see the complete presentation, please go to:

[https://www.nyiso.com/documents/20142/6550044/updated\\_straw\\_ESPWG\\_20190521.pdf/590adbda-dc34-8ed8-ea5e-1993f00da194](https://www.nyiso.com/documents/20142/6550044/updated_straw_ESPWG_20190521.pdf/590adbda-dc34-8ed8-ea5e-1993f00da194)

**Wednesday, May 22, 2019**

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

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## 2019 Master Plan Update

Ryan Patterson of the NYISO presented updates to the 2019 Master Plan. Mr. Patterson led a review of changes made to the Master Plan format as a result of stakeholder input.

Identified projects are assigned to one of three groupings; Grid Reliability and Resilience, Efficient Markets for Grid in Transition and New Resource Integration. Mr. Patterson highlighted the Comprehensive System Planning Process as a project added to the Grid Reliability and Resilience group. Several other projects had minor changes in either description or level of effort required to complete the project.

When questioned on the Comprehensive Mitigation Review change from medium effort to high effort, Mr. Patterson explained that although the physical changes required to the NYISO systems would not be overly complex, the high effort refers to the complexity of mitigation, and the volume of stakeholder conversations and presentations that will be required to reach consensus.

The NYISO encourages stakeholder feedback on the 2019 Master Plan. The final report is anticipated for December 2019 and will be coordinated with the 2020 NYISO Project Plan. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/6665211/5.22%20ICAPWG%20Master%20Plan%20Second%20Draft.pdf/2a3aaade-7a1d-9d59-f471-894b6586afe3>

## External Capacity Performance & Obligations: Deliverability & Eligibility

Amanda Carney of the NYISO continued the discussion on external capacity deliverability. The purpose of this portion of the project is to enhance understanding of the rules in neighboring Control Areas that relate to capacity deliverability, and enhance NYISO documentation where necessary to clarify deliverability requirements for external capacity suppliers. This effort will assist the NYISO and stakeholders in developing the policy to assure that capacity sold to the NYISO is deliverable as energy when called for by the NYISO. Having led a review of the requirements for the PJM and IESO Control Areas in a prior presentation, today's discussion was focused on exports from the ISO-NE control area to the NYCA.

Ms. Carney described the process required for suppliers in ISO-NE to qualify to sell capacity into the ISO-NE capacity auctions. The ISO-NE capacity market is a 3 year forward obligation. Resources in ISO-NE must obtain CNRC (Capacity Network Resource Capability), which is the equivalent of CRIS (Capacity Resource Interconnection Service) in the NYISO market. The equivalent of DMNC (Demonstrated Maximum Net Capability) in ISO-NE is referred to as SCC (Seasonal Claimed Capability).

Once the capacity amount is determined, the NYISO is proposing that an ISO-NE resource must meet one of the following two options in order to sell capacity to the NYISO:

1. The resource submits an Export De-List bid
  - a. This indicates that the resource has been determined by ISO-NE to be deliverable to the NY interface over which it intends to sell capacity
    - i. The analysis involves an evaluation of deliverability under a scenario in which all resources in the NE system are operating simultaneously
2. There is no import or export constraint between the resource and the NYCA
  - a. These are constraints from the ISO-NE Forward Capacity Auctions
  - b. Constraints are constant for the ISO-NE capacity commitment period (capability year), which is June-May

In discussing the details of the two options noted above, several stakeholders raised issues of varying interpretations regarding the ISO-NE rules and requirements. The timing of delisting a resource in relation to the 3-year forward obligation was also questioned by stakeholders. Ms. Carney noted that

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the NYISO did hold meetings with ISO-NE Capacity officials to discuss these specific issues, but would consider the stakeholder feedback and clarify the issues in a future ICAPWG meeting. Examples were provided to illustrate capacity export eligibility out of the ISO-NE Control Area. The next step in the process is to evaluate and discuss the export requirements in the HQ Control Area for further consideration.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/6665211/External%20Capacity%20Performance%20&%20Obligations.pdf/228c199d-aa45-73e5-a5f6-c73458a140ac>

#### Consumer Impact Analysis – External Capacity Performance and Obligation Methodology

Tariq Niazi of the NYISO presented the methodology to be used in evaluating the impact to consumers as a result of the updating the external capacity supplier performance and obligations. The NYISO is in the process of implementing changes to the requirements of suppliers that export Installed Capacity into the NYISO to assure the energy represented by the capacity is deliverable when the NYISO requires it. Prior to each Consumer Impact Analysis, the NYISO provides the methodology for the analysis to stakeholders for feedback.

Mr. Niazi presented the background and purpose of the External Capacity Performance and Obligations project to provide a more complete presentation. The NYISO will evaluate the project in four areas; Cost, Reliability, Environment/New Technology and Transparency to the market, as it does in all Consumer Impact Analyses.

Mr. Niazi provided the assumptions the NYISO will use for the analysis, assuming that due to tighter restrictions, some capacity suppliers will no longer participate in the market. Assumptions will include losses of 100 MW, 200 MW and 300 MW of supply to provide a range. The 2019 as found system will be used as a base case to analyze both the short and long term impacts. Stakeholders provided suggestions of additional parameters for the NYISO to consider.

The analysis will be completed and presented to stakeholders once the details of the market design are established. The NYISO strives to present the analysis to stakeholders a minimum of 30 days prior to governance action to allow stakeholders time for a complete evaluation of the impacts prior to voting.

To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/6665211/CIA%20-%20Methodology%20for%20External%20Capacity%20Performance%20%20Obligations.pdf/da91f3bd-5c5a-1bf2-05ad-b4d6516d87b0>

#### Reserving Transfer Capability for Balance-of-Period TCC Auctions

Michael Cadwalader of Atlantic Economics presented a proposed project candidate for the 2020 Project Prioritization Process. Mr. Cadwalader is a consultant for the joint utilities and frequently represents the Transmission Owners in the NYISO governance. The project proposal is titled Reserving Transfer Capability for Balance-of-Period TCC Auctions.

Mr. Cadwalader explained the process the NYISO uses to determine the amount of transfer capability to be made available for the Spring and Fall Centralized TCC Auctions. This process determines the transmission capability not required to support already-outstanding TCCs or Grandfathered Rights and is made available to be purchased in the auction. Mr. Cadwalader used the Spring 2019 Centralized TCC Auction as an example to reflect the allocation of the available capability to two-year, one-year and six-month TCCs. In this case, 70% of system transfer capability was made available for purchase in the auction. Mr. Cadwalader is advocating that a portion of the available transfer capability should be allocated to the Balance-of-Period (BOP) auction. It is theorized that by providing an allocation to

the BOP auction, net revenues would be increased. Mr. Cadwalader provided TCC cost data for stakeholder review.

The project candidate will be included in the 2020 Project Prioritization Process stakeholder scoring survey for stakeholders to reflect their interest in as a 2020 project. To see the complete presentation, please go to:

<https://www.nyiso.com/documents/20142/6665211/Reserving%20Transfer%20Capability%20for%20Balance-of-Period%20TCC%20Auctions.pdf/2a9df8c4-17e8-a6e2-9c58-69406ff3b6f6>

### Carbon Pricing Tariff Revisions

Ethan Avallone of the NYISO presented updates to tariff revisions in reference to the carbon pricing effort. Changes to previously presented tariff language were highlight for stakeholder feedback. In response to a stakeholder inquiry on support for the project from the New York Public Service Commission, the NYISO noted that discussions with Department of Public Service staff have been ongoing and will continue. It was also noted that the results of the Analysis Group study on additional impacts of carbon pricing are anticipated in a July report and will provide additional data for the continuing discussions.

A timeline was provided reflecting additional opportunities for stakeholder discussion of tariff language as the proposal is refined. To see the complete presentation, please go to:

<https://www.nyiso.com/icapwg?meetingDate=2019-05-22>

## **FERC Filings**

### **May 24, 2019**

NYISO compliance filing to establish an effective date for tariff revisions implementing Operator-Initiated Commitment Report related to Order No. 844.

### **May 22, 2019**

NYISO compliance filing in response to Order Nos. 845 and 845-A concerning revisions to the Large Facility Interconnection Procedures (“LFIP”) and Large Generator Interconnection Agreement (“LGIA”) set forth in its OATT

### **May 21, 2019**

Notice of immediate termination of Niagara Generation, LLC and NetPeak Energy Group, LLC from the ISO-Administered Markets in accordance with Section 2.7.5.3 of the NYISO’s OATT and Section 7.5.3 of the Services Tariff.

### **May 20, 2019**

NYISO filing of motion to reject re: the Light Power and Gas of NY LLC 4/25/19 answer concerning NYISO customer registration application

### **May 20, 2019**

NYISO and PJM second quarterly report on progress toward developing JOA revisions to address M2M redispatch coordination

## **FERC Orders**

### **May 21, 2019**

FERC order accepted revisions to modify the fixed price transmission congestion contract credit requirement effective June 18, 2019, as requested

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## **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)