

TO: NYISO

FROM: Jeff Bower on behalf of the NY UIU

DATE: May 9, 2019

SUBJECT: Comments on Draft Master Plan

The New York Utility Intervention Unit (NYUIU) submits the following comments on the NYISO's 2019 Master Plan draft dated April 2019.

The NYUIU is supportive of the goals of the Master Plan and appreciates the effort by the NYISO to incorporate stakeholder feedback provided in 2018 into the 2019 draft Master Plan. With the rapid evolution of policies and uses of the grid, it is increasingly important that the NYISO continually maintain a coordinated plan to ensure that the markets are able to manage the changes.

In the document, the NYISO has articulated the challenges of developing such a plan, and these challenges were confirmed during the stakeholder discussion on April 23rd: technology is changing rapidly, requirements of New York state policies and FERC orders are requiring constant modification to market rules and structures, and the NYISO has finite resources to devote to market modifications. The objective of a document like the Master Plan should be to map out how to get from point A to point B, given the uncertainties (technology, policy, demand) that lie in between. With this in mind, the NYUIU encourages the NYISO to use the Master Plan to identify the set of projects that are most likely to improve the performance of the NYISO markets across the broadest set of future outcomes. As an example, the *Load Pocket Reserve Requirements* project will effectuate the modeling of local reserve requirements, which will in turn create appropriate price signals for investment and reduce out-of-market actions. This will create more efficient outcomes and produce customer benefits, regardless of the various policy and technology uncertainties. The NYUIU recommends that the NYISO highlight in the Master Plan which projects will enable market and investment efficiency for the preponderance of future conditions, as opposed to the projects which focus on solving issues for specific technologies or market segments.

In addition to this high-level feedback, the NYUIU has several other specific suggestions to improve the clarity of the Master Plan document and to ensure that stakeholders have sufficient information to provide feedback on the NYISO's near-term and long-term goals:

- **The Master Plan should include a glossary of terms to aid productive discussion of the strategic themes and specific projects.** For example, "resilience" is a concept garnering significant attention at the federal and state level, but there is currently no common definition. For the purposes of the Master Plan, it is not necessary to gain consensus on the definition of every term (especially controversial terms such as "resilience"), but it would be helpful to include a

description of how NYISO is using such terms in the document. Perhaps a good starting point is FERC's proposed AD18-7 definition:

The ability to withstand and reduce the magnitude and/or duration of disruptive events, which includes the capability to anticipate, absorb, adapt to, and/or rapidly recover from such an event.

- **The project-by-project evaluations should include additional detail regarding the timeline for development and implementation.** The current draft has an assessment of effort (low/medium/high) and in some cases a narrative description of the effort required. It would be helpful to get additional detail on the estimated effort and timeline required for each, including distinction between person-hours and calendar time required. This will help the discussion of prioritization of projects going forward.
- **The document should include additional detail on the classification of project benefits.** The 2019 Master Plan includes a benefits metric (low/medium/high), which is an improvement over the 2018 document. This helps provide stakeholders with an indication of the NYISO's assessment of the projects, but beyond a short narrative description, the document lacks sufficient detail on how the NYISO determined which projects are expected to deliver high benefits and which will deliver medium benefits. In addition, this implicitly conveys a prioritization; higher-benefit projects should be pursued first, all else equal. It would be helpful to the stakeholder process if the NYISO provided additional information regarding dependencies that would impact the order of importance for potential projects. For example, if a project is not deemed high benefit, but is a prerequisite for other market improvements, that should be expressed in the document.
- **Where multiple projects are intended to effect market changes in similar strategic areas, the NYISO should provide an explanation for how the projects interact and an assessment of prioritization.** For example, the Master Plan includes a Dynamic Reserve Requirements project and a Reserves for Resource Flexibility project. Both projects aim to provide improvements to the process of securing reserves, particularly in a future with more variable and distributed resources, and differences in the locational needs for reserves. As the stakeholders review the Master Plan, it would be helpful to know if projects like these would interact in such a way that would change the assessment of benefits. For example, if by implementing the Reserves for Resource Flexibility, the need for (and benefits of) the Dynamic Reserve Requirement project would be reduced, it may change the assessment of priority.