

**Astoria Generating Company L.P.'s, operating under Eastern Generation, LLC,
(collectively "AGC") Implementation Agreement Talking Points for MIWG**

- Section 4.1.9 of the Services Tariff addresses, among other things, cost recovery by generating units that are designated pursuant to NYSRC Local Reliability Rule G.2, "Loss of Gas Supply (New York City)," ("Rule G.2") to either burn an alternate fuel at designated minimum levels, or to activate their auto-swap capability, based on forecast Load levels in New York City.
- The local reliability rule is designed such that the NYS Bulk Power System is operated so that the loss of a single gas facility does not result in the loss of electric load within the New York City zone.
- Section 4.1.9.3 of the Services Tariff specifies that generating units that seek to recover costs incurred in connection with its compliance with Rule G.2, in addition to the commodity cost, associated taxes and emission allowance cost, shall negotiate an Implementation Agreement with the NYISO.
- Astoria Generating Company's Units 3 and 5 at the Astoria Generating Station both have the ability to burn an alternate liquid fuel and can be designated under the Local Reliability Rule to burn an alternate fuel, currently No. 6 fuel oil.
- However, a New York City local law requires the units to stop burning No. 6 Fuel Oil by January 2022.
- In order to operate on either natural gas or an alternate fuel after January 2022, AGC is converting equipment at units 3 and 5 to store and burn ULSD instead of No. 6 Fuel Oil. A new ULSD fuel oil system is necessary at the Astoria Generating Station because the existing fuel oil storage facility is only physically capable of storing No. 6 Fuel Oil.
- This fuel conversion will allow Astoria units 3 and 5 to continue supporting electric system reliability by providing the loss of gas supply service required by the NYSRC while at the same time complying with the Rules of the City of New York (Chapter 2 of Title 15).
- Therefore, the NYISO and Astoria Generating Company negotiated an Implementation Agreement in accordance with Services Tariff Section 4.1.9.3 whereby Astoria and the Loads in the Con Edison Transmission District will split the prudently incurred capital costs associated with constructing key elements of the ULSD fuel oil system
- NYISO will be submitting the Implementation Agreement to the Commission next week.
- The filing will ask for an order from the Commission in sixty days and an effective date at the time of the order, sometime during the week of October 7.