

Short-Term Reliability Process & Other Proposed Reliability Planning Process Tariff Language Changes

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Background

- **At the September 23, 2019 ESPWG/TPAS the NYISO discussed with stakeholders ‘concepts’ regarding a proposed, new Short-Term Reliability Process (STRP) including, among other topics:**
 - Improved management of workload for the NYISO and Transmission Owners
 - Opportunity to address Short-Term Reliability Process Needs beyond those that arise from generator deactivations
- **At the October 23, 2019 ESPWG/TPAS the NYISO presented to stakeholders revisions to OATT Section 38 to implement the proposals for the STRP and other proposed changes to Attachment FF**
- **The purpose of this presentation is to present to stakeholders the tariff language changes for the STRP to OATT Section 31 (Attachment Y), OATT Section 6 (Rate Schedules 10 and 14), MST Section 15 (Rate Schedule 8), and to respond to stakeholder questions and comments**

Changes to Section 31.1

■ 31.1.1 - Definitions

- **Reliability Planning Process:** The process set forth in this Attachment Y by which the ISO determines in the RNA whether any Reliability Need(s) on or affecting the BPTFs will arise in the Study Period and addresses any identified Reliability Need(s) in the CRP, as the process is further described in Section 31.1.2.2
- **Short-Term Reliability Process:** This term shall have the meaning set forth in Section 38.1 of Attachment FF of the ISO OATT.
- **Study Period:** The seven-year time period encompassing years 4 through 10 following the year in which the RNA is conducted that is used in the RNA and the CRP.

Changes to Section 31.1

- **31.1.2 – Short-Term Reliability Planning Process and Reliability Planning Process**
 - 31.1.2.1 – section added to describe the Short-Term Reliability Process detailed in Attachment FF of the ISO OATT
 - 31.1.2.2 – section describes the Reliability Planning Process
 - Section created due to the addition of the Short-term Reliability Process
 - Revisions to this section are primarily editorial based on updated definitions
 - 31.1.8.2 – The STRP will be conducted on a quarterly basis and will run in parallel with the other planning processes

Changes to Section 31.2

■ 31.2.8 Determination of Necessity

- Various revisions to allow for determining whether there continues to be a Reliability Need for which NYISO needs to take an action
 - Example - 31.2.8.1 – Determination of Necessity of a Regulated Solution
 - The ISO will not trigger a regulated solution if, based on this review, it determines prior to or at the Trigger Date for a regulated solution: (i) that sufficient market-based solutions are timely progressing to meet the Reliability Need by the need date or (ii) that, based upon circumstances at the time of the review, there is no longer a Reliability Need.
 - Similar changes are made in 31.2.8.1.2, 31.2.8.1.3, 31.2.8.1.4, 31.2.8.2.1, 31.2.8.2.2,

■ 31.2.10 Process for Addressing Inability of Responsible Transmission Owner, Other Developer, or Transmission Owner to Complete Triggered Regulated Solution

- 31.2.10.1.3 identifies that the ISO may take one or more of several listed actions to address the Reliability Need based on the particular circumstances, including address the Reliability Need in the next Short-Term Reliability Process

■ Other revisions are editorial based on updated definitions

Changes to Section 6.10

- **Schedule 10 – Rate Mechanism for the Recovery of the Regulated Transmission Facilities Charge (“RTFC”)**
 - Only editorial revisions based on updated definitions

Changes to Section 6.14

- **Schedule 14 – Rate Mechanism for Recovery of RMR Generator and interim Service Provider Related Charges from and Payment of RMR Generator and Interim Service Provider Related Credits to RMR LSEs**
 - Added revision to permit recovery of payments to an Interim Service Provider for maintaining in-service its step-up transformer(s) and/or other system protection facilities after the generating unit deactivates

Changes to MST Section 15 (Rate Schedule 8)

- **OATT 38.3.4 – Capital Cost of IIFO Generator to Restore System Protection Facilities**
 - Proposed revisions to OATT Section 38.3.4 permit the ISO to pay the capital cost a Generator in an IIFO must incur to repair or replace its step-up transformer(s) and/or other system protection facilities if they are needed for reliability. However, a Generator in an IIFO cannot be an Interim Service Provider
- **MST 15.8.6 – Payment to an Interim Service Provider (ISP)**
 - Modified and added rules for when a Generator is retained as an Interim Service Provider to be consistent with the revisions in OATT Section 38
 - An ISP may receive an avoidable cost rate for maintaining in-service its step-up transformer(s) and/or other system protection facilities after its generating unit deactivates
 - ISP rate commences on the latest of (a) the 181st day after the ISO posts its determination that a Generator Deactivation Notice is complete, or (b) ten days after the ISO posts a STAR that assessed the Generator's deactivation, or (c) the Generator's requested deactivation date or (d) the date the generating unit deactivates if only the system protection facilities are required to remain in-service
- **MST 15.8.7 – Recovery of Capital Expenditures or Above Market Rates from Former Interim Service Providers, and Generators Returning from ICAP Ineligible Forced Outages**
 - Added to the rules for recovery of Capital Expenditure payments such that
 - If the ISO reimbursed all or the portion of the cost of a Capital Expenditure that was necessary to permit a Generator to provide service as an Interim Service Provider, or if the ISO reimbursed all or a portion of the cost of a Generator in ICAP Ineligible Forced Outage incurred to repair or replace its step-up transformer(s) and/or other system protection facilities, then in order for such a former Interim Service Provider or Generator that was in an ICAP Ineligible Forced Outage to be permitted to return to participating in the ISO Administered Markets while it is eligible to receive market-based rates, the Generator will be required to satisfy the repayment obligation specified in Section 15.8.7.1

Next Steps

- Presentation of additional Tariff language at November 4 TPAS/ESPWG
- Please submit questions/comments to kburrell@nyiso.com by November 8th

Questions?

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

