

May 30, 2017 NYSRC ICS Meeting Report

Prepared for the June 9, 2017 NYSRC EC meeting

2018 – 2019 IRM Study Tasks Update

1. Modeling of NYISO Locality Sales

The NYISO presented an updated white paper that included clarifying language. The conclusions and recommendations were not changed. The ICS approved the white paper at this meeting. The NYISO's recommendation is to **not model locality capacity exports in the 2018-19 IRM base case with the ICS members approving the recommendation**. One factor considered was there is no history with a locality capacity export. To date the ICS has chosen to not model capacity exports. However, these exports have been from ROS with the majority of the MWs that received an award in the ISO-NE FCM eventually buying out of their positions. Within the last year ISO-NE has made a series of rule changes to their capacity auction process and market. This combined with a resource from a locality(GHIJ) receiving an award in the ISO-NE FCM makes it difficult to assess the amount of the awarded capacity that will actually be exported to ISO-NE. Another reason is that the implementation would be complex. Policy 5 has no guidance on how to handle sales from a locality as the generators still exist in the zone from which they are sold and are still considered as part of the NYISO's commitment and dispatch even though they have a capacity obligation to another control area. The NYISO along with GE consulting are continuing work on how to model this in MARS. The white paper and recommendation is being presented to the EC for approval. (Attachment)

2. Transmission Topology

The NYISO presented the preliminary transmission topology. Some of the factors that went into the topology changes were the CPV Valley (680 MW CRIS in Zone G), Freeport EQUUS GT1 deactivation (48.3 MW CRIS in Zone K), NY-PJM Joint Operating Agreement filing (filed in January and is still with FERC) that specifies flow percentages to represent how power from PJM into NY will be scheduled across the transmission lines connecting the two systems, and an emergency assistance limit implementation of 3500 MW NYCA wide. The ICS asked for clarification at the next meeting on the emergency assistance limit for PJM. Several modeling enhancements were made to better monitor flows as a result of the JOA. The NYISO will begin testing the topology on the preliminary IRM cases.

3. Review NYISO Alternative LCR Methodology

The NYISO provided a verbal update to the status of work. The NYISO has been working with stakeholders at the ICAP Working Group on providing an optimized

economic solution while keeping the LOLE at 0.1. Some ICS members feel that locational reliability impacts should be considered as well as the NYCA LOLE. The ICS requested the NYISO return to the June 28th ICS meeting with a summary of the presentations made to the ICAP WG on May 11th and June 1st with an emphasis on the reliability/modeling portions. The NYISO reviewed the status of the pending ICS questions from December 2016. A discussion ensued on the inclusion of customer outage costs in the economic analysis for evaluating LCR options as part of the ICS review.

4. Behind the Meter Net Generation Modeling

The NYISO presented a methodology for the treatment of Behind-The-Meter Net Generation in the 2018-2019 IRM. This is the first year that there are eligible resources with some currently in the qualification process. The NYISO is anticipating at least one of these to be eligible to participate at the time the final IRM is determined. The maximum amount of CRIS from all of the resources currently in the registration process is 95MW or less. The amount of load that these resources serve is around the same value. The NYISO is proposing to include the BTM:NG resource capability as an adjusted DMGC (Demonstrated Maximum Gross Capability) similar to DMNC. The resource host load will be added back into the peak load forecast. This will be added as a new parameter in the Assumptions Matrix.

5. 2018-2019 IRM Study Assumptions Matrix

The NYISO continued with updates from the previous month with data that was made available from the release of the Gold Book as well as other data updates. The preliminary assumptions matrix will be ready for approval at the June 28th ICS meeting and the July 14th EC meeting.