

Regional Planning Updates

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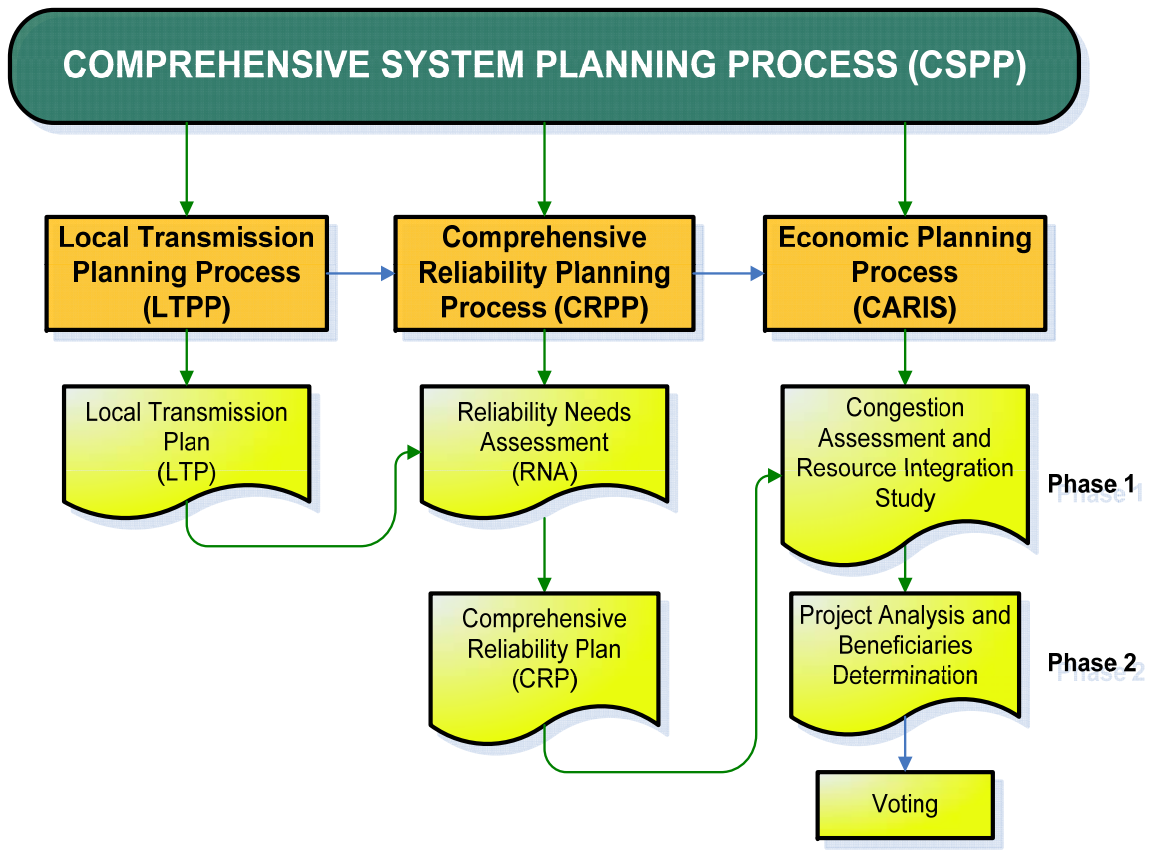
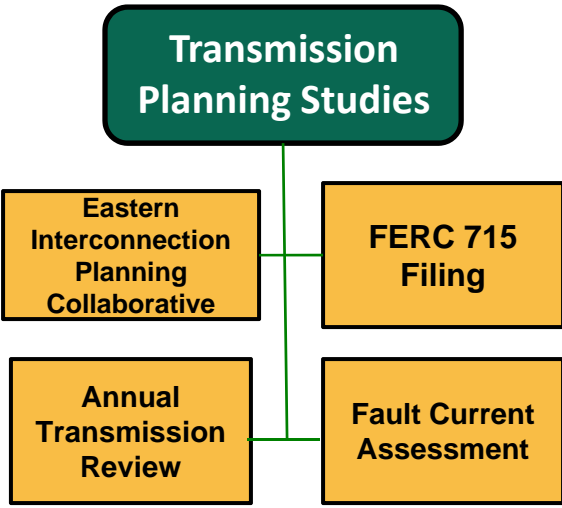
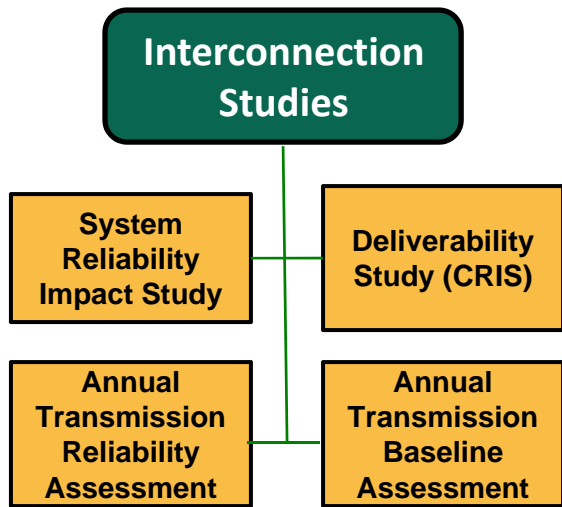
**Northeast Power Coordinating Council
Governmental/Regulatory Affairs Advisory Group**

December 3, 2013

Topics

- ◆ **NYISO Planning Processes**
- ◆ **FERC Order 1000**
 - *Reliability & Public Policy Requirements*
 - *Interregional Planning Coordination*
- ◆ **Resource Adequacy – New Capacity Zone**
- ◆ **Environmental Compliance**
- ◆ **NERC Bulk Electric System Activities**

NYISO Planning Activities



FERC Order 1000

- ◆ **Imposes new requirements regarding regional and interregional planning procedures and cost allocation**
- ◆ **Adds a requirement to consider transmission needs driven by public policy requirements (PPRs) to the existing requirements regarding planning for reliability and economics**
- ◆ **Requires the removal of so-called “right of first refusal” (ROFR) provisions contained in existing tariffs of other ISOs/RTOs**
- ◆ **These additional requirements are intended to build upon the Planning Principles required under Order 890 with which the NYISO and New York Transmission Owners have already complied**

Regional Planning Compliance Filings

- ◆ **October 2012**
 - *NYISO and New York Transmission Owners -- in collaboration with New York State Department of Public Service Staff and NYISO stakeholders -- filed tariff amendments to implement new Public Policy Requirements planning process and other provisions of Order 1000*
- ◆ **April 18, 2013**
 - *FERC Order conditionally accepted regional planning compliance filing, but required significant changes*
- ◆ **October 15, 2013**
 - *Further compliance filing submitted*

Significant Changes

April 18 Order

- ◆ **NYISO—not the PSC—must evaluate and select transmission projects to meet needs driven by PPRs and for Reliability Needs**
 - *Significant procedural changes needed to meet these requirements*
- ◆ **No changes to economic planning process**
- ◆ **Comparable evaluation of transmission and non-transmission solutions**
- ◆ **Clarify timing of PPR cost allocation**
- ◆ **Provide further justification for load ratio share as the default PPR cost allocation methodology**
- ◆ **Begin new procedures at start of next planning cycle**
 - *NYISO requested January 2014 effective date*
- ◆ **Clarify enrollment process for new TOs in NYISO planning region**

Evaluation & Selection Reliability

◆ Under Order 890

- *NYISO reliability planning process had NYPSC evaluate and select transmission and non-transmission projects to meet Reliability Needs*

◆ Under Order 1000

- *Prior process rejected in April Order*
- *NYISO must evaluate and select transmission for both reliability and PPR needs*
- *No change required to economic planning because selection occurs through stakeholder vote*

Evaluation and Selection

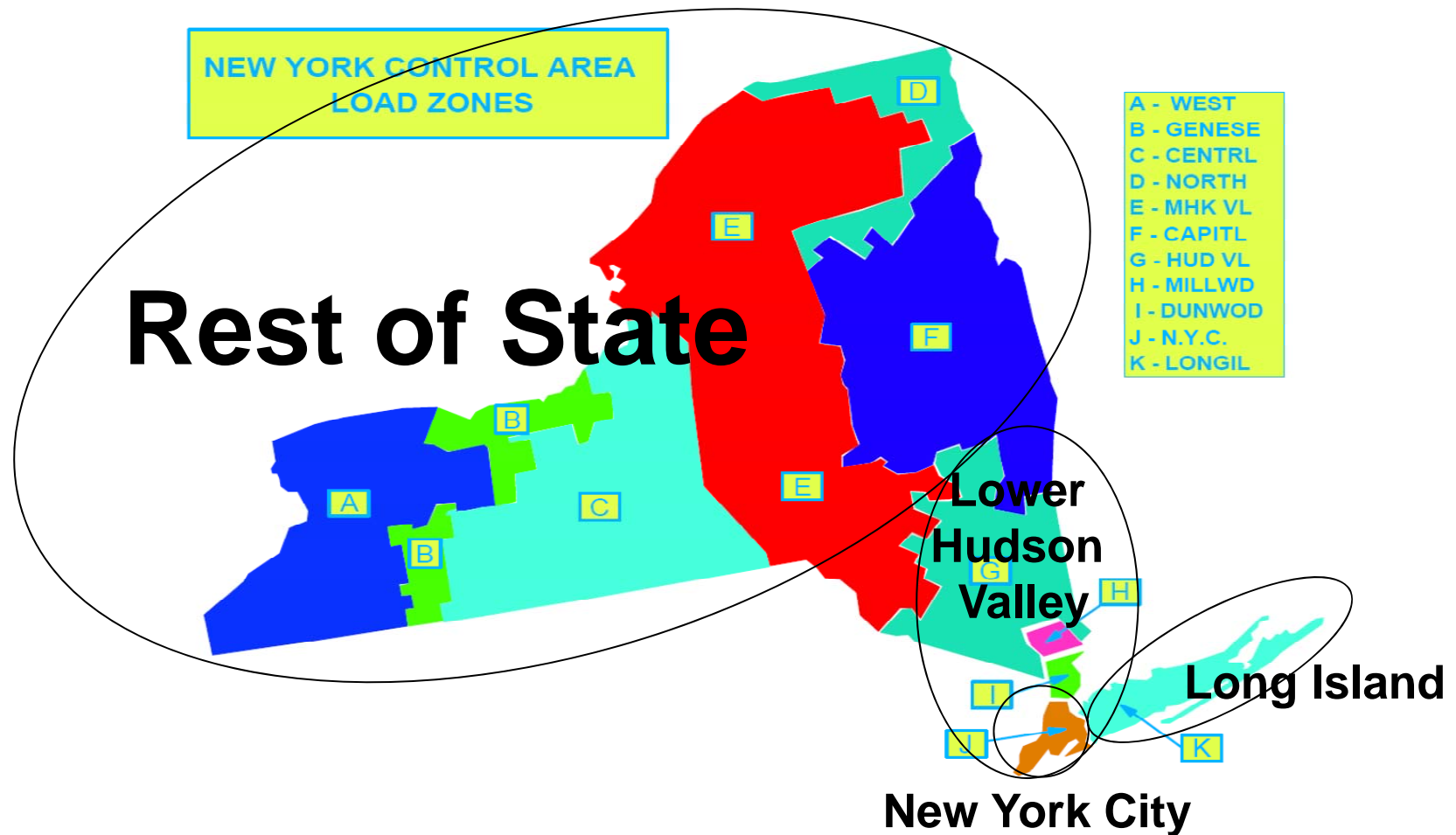
Proposed PPR

- **NYDPS/PSC identifies transmission needs driven by Public Policy Requirements**
- **NYDPS/PSC may identify additional criteria for evaluating projects against the need**
- **NYISO solicits solutions, evaluates and reports**
 - *All resources included – transmission, demand response, generation*
 - *Comparable evaluation of viability and sufficiency of all solutions to meet Reliability Need or PPR Need*
 - *Selection from transmission of the “more efficient or cost effective solution” for inclusion in the regional plan for purposes of cost allocation under NYISO Tariff*

Interregional Planning Coordination

- ◆ **PJM, ISO-NE, and NYISO made concurrent interregional planning compliance filings on July 10, 2013**
 - *Modified existing Northeast Coordination of Planning Protocol (“Protocol”) to comply with Order 1000 requirements*
 - *Added Section 7 to address interregional planning structure required by FERC*
 - *Added Section 9 which provides a reference to the interregional cost allocation methodology which is contained in ISO/RTOs Tariffs (ISO-NE and NYISO) and Joint Operating Agreement (PJM-NYISO)*
 - *Provided additional clarifications throughout the Protocol*

Resource Adequacy Capacity Zones



Environmental Policy Compliance

Program	Status	Compliance Deadline	Approximate Capacity Affected ¹	Potential Retrofits
NOx RACT	In effect	July 2014	26,700 MW (238 Units)	6,000 MW (23 Units)
BART	In effect	January 2014	8,600 MW (19 Units)	1,800 MW (5 Units)
MATS	In effect	March 2015	10,300 MW (28 Units)	400 MW (2 Units)
BTA	In effect	Upon Permit Renewal	16,900 MW (39 Units)	4,400 to 7,300 MW
CSAPR	Stayed while in litigation	Jan. 2012 and Jan. 2014	25,000 MW (156 Units)	2,400 MW (11 Units)
RGGI	In effect	In effect	25,000 MW (158 Units)	N/A

- ◆ **Many units are affected, but...**
 - *Number needing retrofits is limited*
 - *Compliance periods are reasonable for NY*

Reliability BES Compliance

TO

- ◆ Provide input to base cases
- ◆ 5-year non-coincident peaks
- ◆ Thermal & voltage: N-1-1 for all owned facilities
- ◆ Identify mitigating actions
- ◆ Develop 10-year corrective action plans

NYISO

- ◆ Build base cases
- ◆ 5-year coincident peak
- ◆ Thermal, Voltage, Stability transfer limits
- ◆ Assess 10-year horizon
- ◆ Peak & Light Load stability
- ◆ System-wide fault current
- ◆ Extreme Contingencies

Functional Entity Definitions

◆ **Planning Coordinator (PC)**

- *The functional entity that coordinates, facilitates, integrates, and evaluates transmission facility and service plans, and resource plans within a Planning Coordinator area and coordinates those plans with adjoining Planning Coordinator areas*

◆ **Transmission Planner (TP)**

- *The functional entity that develops a long-term plan for the reliability of the interconnected bulk electric transmission systems within a Transmission Planner area*

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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