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To: New York Independent System Operator, Inc. (“NYISO”)
From: Matthew Schwall, Director of Market Policy & Regulatory Affairs
Date: February 9, 2019
Re: **NYISO Proposed Class Year 17 Waiver**

The Independent Power Producers of New York, Inc. (“IPPNY”) submits these comments in response to the NYISO’s request for feedback regarding its conceptual proposal at the February 1, 2019 Transmission Planning Advisory Subcommittee (“TPAS”) meeting to file with the Federal Energy Regulatory Commission (“FERC”) a request for a waiver of certain tariff requirements that would allow the NYISO to require project developers unaffected by ongoing System Deliverability Upgrade (“SDU”) studies in Class Year (“CY”) 17-2 to settle their cost allocation as soon as possible and to begin work on Class Year 2019 (“CY19”) before it has fully completed CY17. IPPNY takes no position on the NYISO’s proposal to file a waiver request at FERC so long as NYISO clearly provides the waiver request includes the following commitments to FERC: (1) commits the NYISO to work with stakeholders to develop tariff amendments to be filed before year end for application beginning with CY19 that will ensure CY19 and future CYs are not delayed by the same inefficiencies that have plagued CY17-2 and previous CYs; (2) meets the requirements for FERC to grant a waiver by demonstrating parties are not harmed, which requires including a provision whereby developers who would have been eligible for entry into CY19 but for the proposed waiver would be eligible to enter if their system studies and other requirements are completed for a start date of September 1,

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2019; and (3) commits the NYISO and the applicable Transmission Owner (“TO”) to provide the information and resources necessary to complete CY17-2 by a date certain.

I. The NYISO Must Commit to Tariff Amendments Prior to Commencement of CY19

In general, IPPNY supports changes to the CY process that are intended to provide certainty to developers of when a current CY will end and a new CY will begin. Project developers should not be forced to make investment decisions in fear of missing the commencement of a CY and not knowing when the next one will begin. Such a scenario is not conducive to new entry, repowering, or orderly retirement. As such, IPPNY appreciates the NYISO’s acknowledgment via its proposal to file a waiver at FERC that the existing CY process continues to be in need of improvement. However, NYISO must commit to immediately work with stakeholders to develop tariff revisions that avoid repeating the burdensome delays experienced in CY17-2 and in past CYs to be filed as soon as possible, but in no event later than year end and to be applied beginning with CY19.

II. The Waiver Must Not Disadvantage Developers Intent on Entering CY19

In order for FERC to approve NYISO’s tariff waiver, the NYISO must meet four requirements including demonstrating that the waiver does not harm parties. The NYISO’s proposal to force developers in CY17-2 to settle their cost allocation may result in CY19 beginning significantly earlier than was reasonably anticipated by project developers in the NYISO’s interconnection queue that are conducting System Reliability Impact Study work. The NYISO has posted status reports and given oral reports at Electric System Planning Working Group and TPAS meetings to update Market Participants on CY17. The report produced by

the NYISO for the February 1st TPAS meeting provided for SDU study completion by as late as May, which would mean Class Year completion no earlier than June and likely as late as July. Providing for the 30-day window between CYs, developers could reasonably project CY19 would not begin until September 1, 2019.

While IPPNY understands developers that have currently completed or will soon complete required system studies will be advantaged by the earlier commencement of CY19, there may be other developers who would be eligible for CY19 if the NYISO followed its tariff requirements. However, for no reason other than the NYISO filed a waiver advancing the reasonably anticipated CY19 commencement date by a number of months, possibly as early as May, these developers would be unfairly stripped of that opportunity. Indeed, the harmful nature of the waiver is evident due to the fact that the NYISO made a presentation, the same day as it announced it was considering filing this waiver and asked for input, that illustrated it would not be possible for CY19 to begin before June 2019.¹

To ameliorate the harm that would be caused by granting the waiver as currently proposed by the NYISO, NYISO must include a provision in its waiver request whereby developers who would have been eligible for entry into CY19 but for the proposed waiver would be eligible to enter if their system studies are completed for a CY start date of September 1, 2019. Based on the presentation and statements made by the NYISO at the February 1 TPAS meeting, this date is supported by the fact that the CY17 process could reasonably be expected to conclude in July, 2019 and a 30-day period is required prior to commencement of the next class year.

¹ https://www.nyiso.com/documents/20142/4799012/05_CY17%20Status%20Update_TPAS-02-01-2019_Draft2.pdf/4635c792-5c3a-f30a-9bfa-47af4b5100dd

III. The NYISO and TO Must Commit Resources Necessary to Complete CY17-2 by a Date Certain

The bifurcation process that was approved by stakeholders and utilized in CY17 for the first time was a step in the right direction, but the improvements have done little to alleviate concerns regarding the ability of TOs to withhold requested information necessary to complete SDU studies in a timely fashion, thereby unduly delaying certainty for developers that have SDUs that must be evaluated and the start of future CYs. This concern is apparent in the current situation playing out in CY17-2, whereby a single developer is unable to proceed to the cost allocation decision period for lack of the information necessary to evaluate completed SDU studies, information purportedly withheld by the connecting TO.

As part of its waiver, the NYISO must commit to work with this TO to obtain the information necessary, by a date certain, to allow the remaining CY17-2 developer undergoing SDU studies to decide to enter the decision period. It is unacceptable that the withholding of information may result in the delay of completion of a CY. Moreover, the NYISO must commit to dedicating the resources necessary to expeditiously complete CY17-2 even if CY19 is concurrently underway.

IPPNY appreciates the opportunity to comment on the NYISO's proposed tariff waiver.

Respectfully submitted,

/s/ Matthew Schwall

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