

NYISO-PJM Joint Ramapo Phase Angle Regulator (PAR) Benefits Determination and Evaluation Process – DRAFT

This document describes the objectives (mission) and responsibilities of this joint stakeholder group to complete the specific scope of work as described below.

Problem Statement and Issue Charge Summary

The 4500 PAR at Con Edison's Ramapo station was purchased and installed in 1988 and suffered a failure of the exciter unit on February 4, 2013. A replacement to the 4500 PAR was purchased and installed by Con Edison in December 2013. Following the replacement of the 4500 PAR, the 3500 PAR at the Ramapo station, which is the second of two PARs at the Ramapo station, failed catastrophically on June 24, 2016.

The cost sharing arrangement for the originally installed Ramapo PARs predates the Federal Energy Regulatory Commission (FERC) open access and Order 1000 provisions. As a result of the failures of these PARs, NYISO and PJM support the further evaluation and study, with stakeholder input, of whether transmission facilities located in only one region, but that, are mutually agreed by PJM and NYISO to provide reliability and/or non-discriminatory and non-subsidized economic benefits to both RTOs, warrant having such facilities covered by a new inter-RTO benefit and cost-sharing construct.

The joint stakeholder process initiated by PJM and NYISO will provide input to the RTO/ISO determination of appropriate metrics and methods for quantifying the potential benefits to both regions provided by transmission facilities located wholly in one region. Such methods will be used to determine benefits of the PAR(s) and to provide input to development of an appropriate cost recovery mechanism that would apply to the existing PAR and a replacement to the 3500 PAR that failed in June 2016.

Key Work Activities from the Problem Statement

1. Identify and develop planning criteria and methods to determine the need for and benefits of the Ramapo PAR facilities which could potentially be extended to other evaluations of transmission facilities beneficial to either or both regions.
2. Perform any necessary planning reliability and/or economic studies to quantify each region's benefits associated with the PARs.
3. Determine whether the benefits provided, if any, are appropriate for joint cost allocation between the RTOs.
4. Review prior funding mechanisms for the Ramapo PAR facilities.
5. Review funding mechanisms in place with other ISO/RTOs.
6. Engage the appropriate entities and process to identify and develop any needed interregional and regional cost sharing methodologies.
7. Identify any necessary changes to NYISO-PJM Joint Operating Agreement, NYISO and PJM Operating Agreements, NYISO and PJM Tariffs, and manuals needed to implement any new planning and cost allocation mechanisms.

Scope

Expected Deliverables

- NYISO and PJM reliability and economic benefit studies and analyses
- Potential changes to NYISO-PJM Joint Operating Agreement, NYISO and PJM Tariff or manuals identified by the outcome of key work activities.

Decision Making Method

Consensus on a single proposal

Administration

Joint Ramapo PAR Cost Allocation Task Force Parent Standing Committees: NYISO Management Committee and the PJM Markets and Reliability Committee (MRC)

Facilitator/Chair: Wes Yeomans, NYISO and Stan Williams, PJM

Secretary: TBD, NYISO and Megan McLaverty, PJM

Webpage: <http://www.pjm.com/committees-and-groups/stakeholder-meetings/pjm-nyiso.aspx>

Meeting Frequency: Approximately once a month

Expected Overall Duration of Work: The goal is to complete work and make recommendations to the NYISO Management Committee for vote and review at the PJM Markets and Reliability Committee during the July 2017 meeting cycle.

- The Joint Ramapo PAR Task Force shall base its activities by the rules and protocols found in the NYISO/PJM Joint Operating Agreement
- The group will accomplish the scope of work identified above, and only that work
- Approval from the parent Standing Committees will be sought before engaging in any activity outside this scope
- The group will periodically report progress on its chartered scope of work to the appropriate parent Standing Committees
- Meeting materials will be published on the NYISO and PJM websites.
- The group will prepare a final report (the Consensus Proposal Report or Proposal Alternatives Report, whichever is applicable). This report will constitute its recommendation to the parent Standing Committees to resolve the issue
- Membership in the group is open and will be identified by volunteerism. Group members are not required to sign a confidentiality agreement or a non-disclosure agreement.