

The check from the proceeds collected at the Annual Conference, has been given to the Golisano Children's Hospital here in Syracuse. We received a very nice letter of thanks for the MEUA's nearly \$600 donation. Thanks again to all who donated to this great cause.



As we enter into the winter season, November was one of the coldest we have had. Natural gas prices and the electricity market prices rose substantially.

A little concerning moving forward is the amount of natural gas in storage as it is the lowest it has been in years. Weather forecasts which were calling for a colder December and January have now mellowed some and predicting a warming trend.

We will see.



The PSC energy efficiency whitepaper is due to be released later this month or in January. Once

released and reviewed we will see if any energy efficiency changes need to be addressed as a result of the whitepaper release.

Meetings this month are scheduled with the PSC chairman to continue our discussions on the CES and energy efficiency.

Also scheduled is a meeting with NYPA to continue discussion on EV charging, elective vehicles and other energy related topics.

NYPA Refund to MEUA Members

As you know we regularly review NYPA's annual rate computations and RSR (rate stabilization reserve) calculations. Even though NYPA does not have a formal rate increase proceeding right now, they still do an annual rate test and adjust the balance of the RSR accordingly. I have Jim Lahtinen and Kevin Brocks monitor that closely. Those are, after all, the rates we pay for NYPA power.

For the last several months we have been working with NYPA to examine several specific areas in their rate making model. From those discussions NYPA has discovered an error in the modeling that has led to overstatement of the revenue requirement and hence excessive rates. Our members will not only be getting a refund but NYPA will also be reducing the negative balance in the RSR.

I believe this review process is successful because we work cooperatively with NYPA personnel and are positively working with them. After reviewing the findings with NYPA, we are pleased to announce that that each affected member system will be receiving refunds of the overcharges, with interest, in three equal installments during the January – March billing cycles. The refunds will be made in the form of credits on your NYPA bills. We look forward to sharing the exact amounts of each system's refund shortly, and will continue to diligently monitor NYPA billing to safeguard your

interests.



On behalf of Margo, Narin and myself— We wish everyone a very Merry Christmas and a Happy New Year. Please enjoy your holiday season and stay safe.



Chris Wentlent:
December 2018
NYISO Report

October 2018 Market Highlights –

LBMPs for October averaged \$35.85/MWh. October 2018 average year-to-date monthly cost is \$45.03/MWh or a 29% increase from October 2017. Natural gas prices are up 23.2% year over year, and distillate prices are up 32.4% year over year. The higher fuel prices heading into the winter season (November-March) coupled with extreme weather events could lead to energy price volatility during the winter 2018/2019 period.

Zonal LBMP Statistics – October 2018

October 2018	Zone	Day Ahead Market (DAM) LBMP
	West (Zone A)	\$29.66
	Genesee (Zone B)	\$28.80
	Central (Zone C)	\$29.50
	North (Zone D)	\$17.82
	Mohawk Valley (Zone E)	\$29.07
	Capital (Zone F)	\$34.11

As you can see, Zone D continues to experience a counter-congestion flow.

NYISO Carbon Pricing Initiative – On October 31, the NYISO released its Carbon Pricing Draft Recommendations. The full version of the recommendations are available at

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-10-29/2018-10-23_IPPTF%20Draft%20Recommendations%20FOR%20POSTING.pdf

Stakeholder comments were due on November 20, 2018. MEUA/NYMPA as well as sixteen (16) other stakeholders submitted written comments. Some of the commenters included New York City, NGRID, Multiple Intervenors (large industrial coalition), environmental parties, Alliance For Clean Energy NY (ACENY), NYPA and others.

MEUA/NYMPA comments are available at:

https://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg_ipptf/meeting_materials/2018-11-20/MEUA%20NYMPA%20IPPTF%20Draft%20Recommendation%20Comments%2011-15-18.pdf.

We opposed the Draft Recommendations in their current form based on consumer cost impact, marginal carbon reductions created by the program, residual allocation methodology selected, need for additional modeling scenarios, and failure to consider safeguards to protect consumers if unintended consequences occur as a result of the market change.

MEUA/NYMPA offered the following areas where the Draft Recommendations could be improved. We recommended that consumer residuals should be allocated based on a load ratio share methodology. This method would allow the highest residual allocation percentage for upstate consumers. In addition, we stressed that existing renewable energy contracts should not be eligible for carbon revenues as they already receive renewable energy credits (RECS) for the attribute associated with their energy production. Finally, we recommended that based on the magnitude of this market change, we proposed several market safeguards including the following:

- The NYISO internal and external market monitoring groups should be required to study the Draft Recommendations and provide their detailed analysis of the proposed market change in advance of any market implementation.
- The NYISO should conduct a one-month sandbox exercise, in advance of market implementation, so market participants could experience in detail how the actual Draft Recommendations would function in the market without outcomes being financially binding.
- NYSPSC and NYISO should comment annually, in report form, on the consumer price impacts by zone, carbon emission reductions by zone, and reductions in ZEC, REC and OREC payments.
- The NYISO External Market Monitor should include a Carbon Pricing section in their annual market report with any proposed recommendations.

Next steps in the process include a Draft Recommendation stakeholder informative vote in the December 2018 timeframe. If the voting outcome is positive, the effort will then move to the Market Issues Working Group (MIWG) to further refine the technical and implementation details of the proposed market change. A full stakeholder vote is expected in mid-2019 at this time.

NYISO Business Issues Vice Chair – Chris Wentlent, MEUA/NYMPA’s ISO representative will serve as Vice Chair of the Business Issues Committee for the 2019 Calendar Year and assume the Chair role during the 2020 Calendar year. The representation was approved by all stakeholders at the November 2018 Business Issues Committee Meeting.



The **Village of Watkins Glen** is accepting applications for the position of Supervisor of Village Electric Department. This is a full-time supervisory position that includes a robust benefit package. Salary will be dependent upon experience and qualifications and a range from \$60,000 to \$70,000.

Qualifications: High school degree or GED; minimum of 6 years of experience working with high voltage electric power distribution; minimum of 2 years supervisory experience; must possess a NYS Class B CDL license at time of hire or be willing to obtain within six months of hire and maintain throughout employment.

For a full job description and application, please visit Schuyler County Civil Service, 105 Ninth St., Unit 21, Watkins Glen, NY or www.schuylercounty/us

Applications must be submitted to the Schuyler County Civil Service office NOT the Village of Watkins Glen.