Executive Director Report

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**2020 Annual Conference: Chautauqua Harbor Hotel, Meeting Cancelled**

This year’s MEUA Annual Conference scheduled for August 25th through August 28th has had to be canceled. Although New York State’s pandemic issues have improved immensely, hotels are currently limited to group sizes of 50 or less.

In speaking with the Chautauqua Harbor Hotel Sales Team, there is no way to get around the 50-person limit according to the State’s re-opening guidelines.

The MEUA will have a WEBEX Meeting on September 17th to update the membership on important items. Information on the webinar specifics and the meeting agenda will be sent out shortly.

President Andrew Thompson has had the misfortune of having to cancel both the Semi-Annual Conference and now the Annual Conference this year due to the pandemic. The 2021 MEUA Annual Conference is currently being discussed, and as more information is received on the status of events like these, we will be sure to pass them along to the membership.

**2020 Annual Conference via WEBEX**

Part of the September WEBEX will include the candidate election process for the MEUA Executive Committee.

Recent changes to the MEUA By-Laws have reduced the Executive Committee member count from 7 to 5. Committee members Owen McIntee, Spencerport and Larry Kilburn, Arcade, who currently serve as Secretary and Trustee will be completing their terms this fall. Information regarding candidate nominations will be shared and explained further before the September WEBEX meeting. If you have any questions in the meantime, you may contact the MEUA office by email at info@meua.org.

**Lineman Training**

After several delays and many altered schedules, the Apprentice Lineman Training classes have started for Year 1 through Year 4. The first year Apprentice Class reached capacity at 23 students this year. Social distancing practices and daily COVID screenings are conducted in an effort to decrease the spread of the virus within the training facility. So far, things seem to be going well.

The Safety & Training classes resumed, and are also going fairly well. We appreciate the membership’s patience as we worked our way through this pandemic issue, in regards to the 2020 Lineman Training Schedule.

Thank you to Bill Hesson and Lou Gabriele for making everything pan out schedule-wise.

**TSC Update**

The National Grid Transmission Service Charge (TSC) formula rate update has been filed by National Grid and will be reviewed. This year, there is a new development or twist in that when Congress issued the 2017 Tax Cuts & JOBS Act, FERC recognized that in addition to the reduction in taxes as a result of that Act, utilities would also have a reduction in Accumulated Deferred Income Tax (ADIT) liabilities on their books. FERC realized that most transmission formula rate public utilities like National Grid will not fully reflect any access or deficient ADIT following a change in tax rates. FERC initiated a rulemaking proceeding that adopted a requirement that utilities with transmission formula rate preserve rate base neutrality through a Rate Base adjustment mechanism that removes excess ADIT or recover deficient ADIT from rate payers.

National Grid filing to meet the above requirements was made in June as well as the TSC Formula Rate update.

What is not known at this point is when National Grid’s adjustment mechanism becomes effective as FERC did not prescribe a specific refund or recovery period for excess or deficient ADIT.

There is a scheduled call on this subject next week and I will update you next month.

Hope everyone enjoyed the July 4th holiday and remember to stay safe.

**MEUA Consultant Chris Wentlent:**

**July 2020 Updates**

Congratulations to all families with recent college or high school graduates. We experienced our eight high school graduation on Saturday, June 27. It was bittersweet watching the last of our children graduate but exciting to know she is ready for the next step of the journey. My July 2020 column follows, and I hope everyone has an enjoyable summer season!

**NYISO 2020 Project Priority Process**

The NYISO conducted their survey in late June. NYMPA/MEUA submitted surveys for seven of our systems. The results of the stakeholder surveys will be announced in early July 2020. Our priority project list attempted to meet several objectives including improving transmission and congestion outcomes, improve market efficiency in other areas, reduce our market costs, hold resources accountable and prepare our markets for the upcoming change in resources including intermittent resources and energy storage.

**NYMPA/MEUA Top Priority Projects**

* Expanding Peak Hour Forecasts –15% weight. Provides more efficient evaluation of peak load for the market.
* Demand Curve Translation Enhancement - 10% weight. Provides more accurate UCAP translation.
* Tailored Availability Metric Enhancement – 20% weight. Provides better accountability of generators during peak conditions and the payments they are eligible to receive.
* Constraint Specific Transmission Shortage Pricing – 20% weight. Provides more efficient management of lower kV transmission systems.
* Large Scale Solar on Dispatch – 10% weight. Creates more resource flexibility as intermittents become more pronounced resulting in more efficient market outcomes.
* Grid Services for Renewable Generators – 10% weight. Same reason as above.
* Engaging the Demand Side – 10% weight. As the market advances in the future, it is important to include load management in daily management of ISO markets.
* Adjustment of generator energy offer/bid floor (State of Market Recommendation) - 5% weight. This project will reduce customer uplift costs.

I will report the outcome of the stakeholder vote in the August 2020 News & Views.

**New York Independent System Operator Joint Board and Management Committee Meeting** – the meeting was held on June 15 and 16, 2020 via Zoom conference for over 125 market stakeholders. The format included approximately eleven groups of 11-12 people being assigned two specific questions to discuss. Each group had a NYISO Board Member and Senior NYISO Management Representative. The group discussion that NYMPA/MEUA participated on included the NYISO Board President Dan Hill and NYISO Senior Vice President Emilie Nelson.

**Highlights of the group discussion included:**

* There is a deep concern regarding the costs of electricity and the going forward impact on consumers due to the COVID Pandemic. Stakeholders urged continued focus on working toward our long-term strategic priorities to evolve the markets, consider the changes on the grid driven by the CLCPA and keep an unwavering eye on reliability. The state and governor have communicated that investments in transmission and renewable energy to support the green economy is an important platform to revive the overall state economy.
* There was general agreement that continued enhancements to the market are important and necessary. Many believe the Energy and Ancillary Service (EAS) markets should be the focus of the stakeholder work. The interplay between the EAS and capacity markets is important and necessary to ensure resource adequacy.
* Although all agree, continued evolution is needed, there is a diversity of opinion regarding the scope and scale and what exactly those changes should be.
* Encouraged NYISO to work with the state to consider key issues impacting the Grid in Transition; particularly in the context of addressing congestion and the need to build-out the underlying and bulk power systems. The NYISO working quickly with the state to identify and approve Public Policy Transmission Needs is important.
* The NYISO was urged to continue performing study work to be a purveyor of information identifying what is needed from a reliability and market design perspective.
* Concern was expressed about how carbon pricing will work with mechanisms that exist outside of the market, the possible impact to consumers and whether it eliminates the need for mitigation in the downstate regions.
* All stakeholders are in favor of maintaining a reliable system. The need to continue to meet NERC, NPCC and NYSRC standards was noted. Also, the need to educate policy makers on what is necessary for a reliable grid.

**FERC Schedules Carbon Pricing Technical Conference**

The Federal Energy Regulatory Commission (FERC) will convene a Commissioner-led Carbon Pricing technical conference on Wednesday, September 30, 2020 from approximately 9:00 a.m. to 5:00 p.m. Eastern time.

The purpose of this conference is to discuss considerations related to state adoption of mechanisms to price carbon dioxide emissions, commonly referred to as carbon pricing, in regions with Commission-jurisdictional organized wholesale electricity markets.

This conference will review what the NYISO has already done in creating the Carbon Pricing conceptual design and consider its application for New York, and other neighboring RTO/ISO markets. To date, the NYISO is awaiting New York State Government support for the conceptual design before it is put forward for a stakeholder vote.

**NYISO Congestion Assessment and Resource Integration Study (CARIS) approved at the June 2020 Business Issues and Management Committee Meetings**

The CARIS Phase 1 report provides information to market participants, policymakers, and other interested parties for their consideration in evaluating projects designed to address transmission congestion identified in the study. The report presents an assessment of historic (2014-2018) and projected (2019-2028) congestion on the New York State bulk power transmission system, and provides an analysis of the potential costs and benefits of mitigating that congestion using generic transmission, generation, demand response, and energy efficiency solutions.

The CARIS Base Case can be viewed as a “status quo” or “business as usual” case, incorporating only incremental resource changes based on known planned projects with a high degree of certainty. The NYISO also conducted scenario analyses to evaluate the impact on transmission congestion of changed conditions in the Base Case assumptions.

**Base Case Findings**

The CARIS Base Case study simulates each hour of each year from 2019 through 2028, incorporating system plans consistent with the 2019-2028 Comprehensive Reliability Plan, issued in July 2019. Notably, this CARIS Base Case includes the Western New York and AC Transmission Public Policy Transmission Projects that are planned to enter service in June 1, 2022 and December 31, 2023, respectively. The study assumptions were developed with stakeholders using the best information available when the database was established in August 2019, per the CARIS process requirements. The Base Case results, while informative to a degree, are borne of a generation-rich system with limited changes to load and resource mix from the existing electric grid. As a result, the Base Case results mirror past studies in identifying limited opportunities for transmission build-out based solely on production-cost reductions. The top three congested transmission corridors identified by this CARIS cycle for further study:

* Study 1) Central East,
* Study 2) Central East-Knickerbocker, and
* Study 3) Volney-Scriba.

**Sensitivities**

The CLCPA mandates that 70% of New York’s end-use energy consumption be served by renewable energy by 2030 (“70x30”), including specific technology-based targets for distributed solar (6,000 MW by 2025), storage (3,000 MW by 2030), and offshore wind (9,000 MW by 2035). Ultimately, the CLCPA establishes that the electric sector will be emission free by 2040. The “70x30” scenario models these targets through 2030 for two potential load forecasts and identifies system constraints, renewable generation curtailments, and other potential operational limitations.

An hour-by-hour simulation of this resource mix was conducted under both “relaxed” conditions (i.e., without transmission constraints) and constrained conditions. By comparing these simulation results, the analysis determines the amount of renewable energy that is curtailed due to transmission constraints. As part of the study effort, a new screening tool was developed to identify transmission constraints on the lower-voltage systems (e.g., 115 kV) that may inhibit the delivery of renewable energy. With this detailed information, the NYISO identified constrained “renewable generation pockets” consisting of transmission at 115 kV or higher. These renewable generation pockets are regions in the state where renewable generation resources cannot be fully delivered to consumers statewide due to transmission constraints.

**NYISO 2020 Power Trends Report**

The NYISO recently released its Power Trends 2020 Report: The Vision for a Greener Grid in June 2020. This year’s Power Trends focuses on how the grid is being shaped by the state’s Climate Leadership and Community Protection Act (CLCPA) and other policies. The report also highlights opportunities for the NYISO markets, operations, and planning processes to support and achieve the renewable and carbon reduction mandates set forth by the CLCPA.

Power Trends evaluates how the grid is being shaped by the state’s Climate Leadership and Community Protection Act (CLCPA) and other policies. The report also highlights opportunities for the NYISO markets, operations, and planning processes to support and achieve the renewable and carbon reduction mandates set forth by the CLCPA. This includes a discussion of historical and emerging trends in energy consumption, production, and transmission that portrays a grid in transition. It discusses key policy and technological developments influencing these trends, and offers perspectives on how the NYISO intends to lead this transition by engaging policymakers and stakeholders to enhance its markets and planning processes to support the needs of the grid of the future.

As policymakers seek a more rapid and widespread change in how energy is produced and consumed, the NYISO markets and planning processes serve as a platform to facilitate this transformation. Through engagement with policymakers, regulators, and stakeholders, the NYISO intends to develop the innovative market products and planning tools designed to address the needs of the grid of the future.

**New York State Public Service Commission**

NYSERDA and NYSDPS Whitepaper Released

On June 18, 2020, NYSERDA and the New York State Department of Public Service (NYSDPS) jointly released a whitepaper which outlines how New York State will utilize Clean Energy Standard Procurements to Implement New York’s Climate Leadership and Community Protection Act (CLCPA).

The 81-page document outlines the definition of renewable energy systems, and proposed reforms to the Clean Energy Standard (CES). The White Paper specifically:

* Addresses key provisions in the CLCPA relating to the 70 by 30 Target, including the role of jurisdictional LSEs and the definition of “renewable energy systems”.
* Projects the quantity of renewable energy that must be deployed to achieve the 70 by 30 Target.
* Proposes a procurement trajectory for offshore wind renewable energy credits (ORECs) intended to meet the 9 GW by 2035 requirement.
* Identifies average annual procurement targets for the Tier 1 program adopted under the CES (Tier 1) and recommends changes to the Tier 1 procurement process.
* Proposes a methodology for extending Tier 1 eligibility to renewable energy facilities that undergo repowering.
* Tier 2 - White Paper recognizes that achieving the 2030 and 2040 Targets relies on the foundational contribution of existing renewable resources already in place, including the State’s hydroelectric facilities. The ability of these resources to make this contribution relies on their continued financial viability and competitiveness in the energy markets administered by New York Independent System Operator, Inc. (NYISO). The New York Power Authority is attempting to secure Tier 2 credits for their renewable generation at their New York hydro facilities.
* Tier 3 – Zero Emissions Credit (ZEC) tier will continue through the 2029 period.
* Tier 4 - procurement of environmental attributes associated with renewable energy deliveries into New York City (Zone J).
* Offshore RECs – have already been approved in a previous filing.

**NYSDPS and NYSERDA invite comments** on whether, and the extent to which, the attributes associated with baseline generation from NYPA’s hydroelectric resources should be used by NYPA as a self-supply option under the proposed Competitive Tier 2 program. Given the comprehensive nature of the changes needed to update the CES to ensure consistency with the CLCPA, NYSERDA and Staff recommend that the Commission issue one comprehensive order that addresses all renewable energy tiers, including the new Competitive Tier 2 proposed by NYSERDA to address the environmental attributes of existing renewable energy resources

**NYSERDA - NYSDPS Build Ready Petition Released**

NYSERDA filed a petition at the New York State Public Service Commission on June 5, 2020. The Petition is in accordance with the directives of the recently enacted Accelerated Renewable Energy Growth and Community Benefit Act (the Act) regarding the development and implementation of the Clean Energy Resources Development and Incentives Program, the goal of which is to help foster and encourage expedient siting and development of community and environmentally compatible renewable energy facilities in furtherance of the Climate Leadership and Community Protection Act (CLCPA).

NYSERDA will identify suitable sites and then develop renewable energy projects for eventual competitive auction to private developers, while also implementing new initiatives to foster and encourage local understanding about the importance of renewable energy and the value that it can bring to local communities, and including environmental justice as a major consideration in taking these actions.

NYSERDA will continue to work with the Department of Public Service (DPS) and the New York State Urban Development Corporation in the process of identifying and assessing sites to determine their suitability for the development of renewable generation facilities, giving priority to previously developed sites, existing or abandoned commercial sites, brownfields, landfills, former commercial or industrial sites dormant electric generating sites, and otherwise underutilized sites. Site evaluation will include consideration of NYSERDA’s ultimate ability to recover funds invested in a site, a review of natural conditions, current and previous land use at or near the site, the availability and type of any transmission or distribution facilities on or near the site, as well as constraints of such facilities, the potential for companion energy storage development, the impact of development on environmental justice communities, and developer interest in the site. A core question is whether this role should be fulfilled by an experienced developer vs. NYSERDA.

The petition outlines that the identification and evaluation of suitable sites will require the services of professional consultants in several areas, including real estate contracting, interconnection, environmental analysis, and resource assessment and design, particularly where a site has existing environmental conditions or restrictions, such as brownfields, landfills, and former commercial or industrial sites.

Build-Ready sites will then be competitively offered to renewable energy developers, bundled with a long-term Renewable Energy Credit contract akin to those offered through NYSERDA’s annual Tier 1 solicitations, via a request for proposals, utilizing evaluation criteria similar to those used in Tier 1 solicitations and to be established in consultation with DPS Staff. The request for proposal (RFP) will include all available information about the site, including the contractual obligations, land leases, payment-in-lieu of taxes agreements, and any host community agreements that NYSERDA may have established, all of which will be assigned to the successful proposer.

NYSERDA will require funding to support a new Build-Ready team and to formally undertake these activities. NYSERDA anticipates adding six new Full-Time Equivalent (FTE) Staff to payroll to implement this effort, supported by consultants including subject matter experts. NYSERDA is anticipated the five-year budget will be approximately $72,000,000. The Build-Ready team expects to sustain the competitive disposition of approximately six projects annually and be able to begin transactions on the projects after approximately two to three years of development activities, ultimately contributing a measurable component of the CLCPA goals.

The Petition is subject to stakeholder comments with comments due 60 days from the New York State Register’s receipt or the August 24 timeframe.

**New York State Reliability Council (NYSRC)** appointed its Chair and Vice Chair at its June 2020 Meeting. Mayer Sasson, from Con Edison was named Chair of the NYSRC and Chris Wentlent from the Municipal Electric Systems was appointed to the Vice Chair, of the NYSRC Committee. The terms run for a minimum of one year subject to possible extension by NYSRC vote. The new terms begin on August 1. 2020.

**Employment Advertisement**

**Line Helper/Line Worker**

The **Village of Rouses Point** is seeking a full-time worker for our electric department.

This is a non-competitive civil service position involving installing and maintaining overhead and underground electric distribution lines, and assisting in other public works activities. Classification as helper or worker depends on qualifications and experience.

Minimum qualifications: high school diploma or equivalency diploma (helper); and four (4) years of experience (worker) working on a power distribution system.

This is a union position with state retirement benefits; paid vacation, holidays, sick and personal time; health, vision, and dental insurance. Education, certification and promotion opportunities. Salary: $16.48/hr helper; $26.01/hr worker. For an application call 518-297-5502 ext. 333.