



*February
2018*

MEUA's points of Interest

- Since 1930
- President Larry Kilburn
- Office located in
Syracuse New York

Executive Committee

2017-2018

- President- Larry Kilburn
- President/Elect-Owen McIntee
- VP/Treasurer-Andrew Thompson
- VP/Sec.- Bill Whitfield
- Trustee- Nancy Steedman
- Trustee- Brent Bodine
- Trustee- Jeff Dobbins

Newsletter Contents

Executive Director Re-
port
Events Calendar
Chris Wentlent: NYISO
Representative
NYISO Update: Rich
Bolbrock
Presidents' Day

**Municipal Electric Utilities
Association of NYS**

News and Views

*Happy
President's
Day*



Municipal Members

*Akron-Andover-Angelica-Arcade-Bath-Bergen-Boonville-Brocton-
Castile-Churcville-Endicott-Fairport-Franfort-Greene-Groton-
Hamilton-Holley-Ilion-Lake Placid-Little Valley-Marathon-
Massena-Mayville-Mohawk-Penn Yan-Philadelphia-Plattsburgh-
Richmondville-Rouses Point-Salamanca-Silver Springs-
Skaneateles-Solvay-Spencerport-Springville-Theresa-Tupper Lake-
Watkins Glen-Wellsville-Westfield*

Well, the later part of December and the first half of January sure proved to be chilly. The deep freeze actually lasted longer in duration than the 2014 polar vortex we experienced. Electricity demand and loads were very high during this two-week period. Looking at the weather predictions for February shows various opinions, but it appears it will be colder than normal, but for shorter durations.

We shall see.

Not too much new on the 2018 New York State budget discussions as of yet, though it is early in the discussion process. I will be in Albany in early February with John Jennings of Harter, Secrest, & Emery, to meet with Legislative leaders to see what may be on their agenda for 2018 concerning municipals and public power.

January 11th, a meeting was held at the MEUA/NYMPA office with the NYPA, NYAPP & MEUA group concerning the Long-Term Agreement.

Progress has been made and we are awaiting to receive information from NYPA finance people. The talks have been positive and we will continue to engage with the Working Group for an extended agreement.

There will be a change starting February 1st, in our NYISO representative. Rich Bolbrock will no longer be an NYISO consultant. Rich has been in that position for close to 10 years. As we move in a different direction in that area, I'm pleased to announce that Chris Wentlent will now be representing us at the NYISO.

Chris was formerly the Director of State Government affairs for Constellation Energy, an Exelon Company. He managed regulatory, legislative, and commercial market interface with the NYISO, New York State Public Service Commission and other key New York Agencies. Chris gained Constellation Energy in May 2011. Prior to that, he was Director of Regulatory Affairs for AES-NY, LLC from May 1999 to April 2011 and was employed at New York State Electric & Gas Corporation for 10 years in both the Generation & Transmission and Distribution business units.

His industry experience has provided exposure in commercial transactions, risk management, labor relations and collective bargaining, environmental management and compliance plant management. He previously was chair for the New York Retail Electric Supply Association (RESA), NYISO management committee and Independent Power Producers of New York (IPPNY).

Chris also is an alternate member of the New York State Reliability Council. Education wise, he has a Masters in Business Administration from Canisius College in Buffalo, a Masters in Industrial Relations from St Francis College in Laretto, PA and Bachelor's from SUNY Buffalo in Business Administration.

Chris lives in Greene, NY with his wife Mary and 8 children.

I look forward to introducing Chris to the MEUA membership at our Semi-Annual Meeting in April. Welcome aboard Chris.

I would like to thank Rich Bolbrock for his service to our association over the last 10 years and wish him the best.

Thank you.



The following are highlights of recent NYISO and NYSRC activities:

Farewell All

After almost 10 years representing MEUA at the NYISO and NYS Reliability Council, this is my 118th and final column. Many changes have taken place in the evolution of the wholesale electric markets, most for the better. It is interesting to observe that in the early days of NYISO operations the common term used to describe the wholesale markets was “competitive”. That was the promise of deregulation and the restructuring of the electric utility industry. Today we are in more of a new “regulatory” environment where certain resources are heavily subsidized while the remainder are subject to limitations and/or a carbon tax. Traditional ‘economic’ analyses have largely been replaced by ‘public policy’ mandates where honest economic considerations are often an inconvenient truth. To sum it up, while the last decade has been challenging, it appears that the next decade will be even more so. It will require great diligence to protect the rate payers. I know that MEUA is up to the task.

It has been a great pleasure to work with all of you. Your dedication to your customers and to the principles of Public Power, is truly admirable. I have certainly appreciated the comradery and friendships and all the engaging dialogues. Thank you for your fellowship and support, especially Tony Modafferi and MEUA/NYMPA staff.

Uplift/OATT Schedule 1 Charges

Uplift for December (not including NYISO cost of operations) is (\$0.68)/MWh, lower than the (\$0.40)/MWh in November. The Local Reliability Share is \$0.09/MWh, lower than the \$0.20/MWh in November, while the Statewide Share is (\$0.78)/MWh, lower than the (\$0.60)/MWh in November. LBMP for December is \$52.63/MWh, higher than the \$30.60/MWh in November 2017 and higher than the \$43.90/MWh in December 2016. The average year-to-date 2017 cost of

\$36.56/MWh is a 7% increase from \$34.28/MWh for 2016. Natural gas price (Transco Zone 6 NY) for December was \$7.59/MMBtu, up from the \$2.92/MMBtu the previous month. Natural gas prices are up 73% year-over-year. Oil prices are up 20% year-over-year.

The December peak load was 24,256 Mw and occurred on the 28th. This compares to the all-time winter capability peak load of 25,738 Mw which occurred in January 2014, and the 20,712 Mw peak that occurred the previous month. The average daily energy sendout in December was 444 Gwh/day, higher than the 403 Gwh/day in November 2017 and higher than the 433 Gwh/day in December 2016.

January 2018 Cold Weather Operations

At the January 31st Management Committee meeting, Wes Yeomans (VP – Operations) discussed the 13-day cold snap that occurred from December 26th through January 7th. Syracuse experienced the coldest start of January in over 100 years with an average temperature for January 1-7 of 7.3F. For December 27th through January 2nd Albany had an average temperature of 4.5F with 7 consecutive days of minimums below 0F. New York City experienced 14 days with temperatures below 32F. The temperature profile for this cold snap compared to the last Polar Vortex that occurred in January 2014 (when the all-time winter peak of 25,738 Mw was set on January 7, 2014) is similar, although the maximum temperatures for the 2014 event was generally higher. This winter’s actual peak-to-date of 25,081 Mw occurred on January 5th. It exceeded the seasonal 50-50 forecast of 24,365 Mw. Hydro-Quebec set an all-time system peak of 39,710 on January 6th.

On the peak day there was 4,000 Mw of generator outages with 2,625 Mw being forced and 1,375 Mw of scheduled. Non-cold related forced outages accounted for 68% of the total while 27% was due to the inability to get fuel. Weather related forced outages accounted for 4% of the total.

Transmission infrastructure performance during this period was deemed ‘excellent’ with Transmission Owners rescheduling maintenance outage to periods after the cold snap. The Central-East interface was

the primary binding constraint. NYISO did not need to call on Demand Response resources.

NYISO made several observations for the December 26th through January 7th period. The period was characterized by many days of gas prices exceeding oil prices. Natural gas prices (Transco Zone 6 NY) averaged \$47.34/MMBtu for the 13-day cold snap. For the period December 1-25, 2017 the average price was \$3.45/MMBtu. LBMP was \$135.96/MWh for the cold snap period, a 297% increase over the \$34.27/MWh for December 1-25. Marginal electric energy prices did not increase as much as the gas prices primarily due to dispatch of the dual-fuel units capable of operating on lower cost oil.

Regarding the gas system operation, NYISO reported that all interstate and LDC pipelines remained in-service. The pipeline operators did issue many gas alerts, daily operational flow orders (OFOs), hourly OFOs, and the interruption of Interruptible Gas Customers.

Odds and Ends

Broader Regional Market Coordination – In December the Broader Regional Markets Coordination protocol produced a cost savings to New York of \$3.44 M compared to a cost savings of \$0.61 M in November. The savings fall into three categories: PJM-NY Congestion Coordination \$3.31 M, PJM-NY Real Time Scheduling \$0.18 M, and NE-NY Real Time Scheduling a negative (\$0.05) M. Total production cost savings year-to-date are \$13.75 M.

Energy Market Offer Cap – In early January the NYISO filed a request with FERC for a temporary waiver of the currently effective \$1,000/MWh offer cap. This was done in response to the elevated fuel costs due to the extreme winter weather discussed above as well as natural gas market conditions. Generators would be allowed to request compensation for incremental energy costs and minimum generation costs in excess of \$1000/MWh. FERC granted NYISO's waiver request on January 12, 2018. As of January 24th the NYISO had not received any cost recovery requests.

Farewell and best wishes my friends - Rich



Presidents' Day: Origin as Washington's Birthday

The story of Presidents' Day date begins in 1800. Following President George Washington's death in 1799, his February 22 birthday became a perennial day of remembrance. At the time, Washington was venerated as the most important figure in American history, and events like the 1832 centennial of his birth and the start of construction of the Washington Monument in 1848 were cause for national celebration.

President's Day never falls on the actual birthday of any American president. Four chief executives—George Washington, William Henry Harrison, Abraham Lincoln and Ronald Reagan were born in February, but their birthdays all come either too early or late to coincide with Presidents' Day, which is always celebrated on the third Monday of the month.

While Washington's Birthday was an unofficial observance for most of the 1800s, it was not until the late 1870s that it became a federal holiday. Senator Steven Wallace Dorsey of Arkansas was the first to propose the measure, and in 1879 President Rutherford B. Hayes signed it into law. The holiday initially only applied to the District of Columbia, but in 1885 it was expanded to the whole country. At the time, Washington's Birthday joined four other nationally recognized federal bank holidays—Christmas Day, New Year's Day, the Fourth of July and Thanksgiving—and was the first to celebrate the life of an individual American. Martin Luther King Jr. Day, signed into law in 1983, would be the second.

History.com Staff. (2010). Presidents' Day. Retrieved from <http://www.history.com/topics/holidays/presidents-day>