



*May
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

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Municipal Electric Utilities Association of NYS

News and Views



Memorial
DAY

*Remembering those who served
and gave their all.*

Municipal Members

*Akron-Andover-Angelica-Arcade-Bath-Bergen-Boonville-Brocton-
Castile-Churville-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*

The MEUA Semi-Annual Meeting held April 11 & 12 was attended by 110 members and corporate members. Thanks for the continued support from the membership as we move into new and challenging times in the electric industry.



Some highlights of the meeting were Mike Green, Evans & Bennett reporting on his review of the MEUA financials for 2017. The MEUA financials remain strong with no issues of concern.

Jeff Dobbins, Massena, gave the financial review for 2018 through February and though it is early in the year, finances continue to look favorable so far.

Chris Wentlent, our NYISO consultant, reported on issues of concern that will need to be followed this year.

Major Areas of Concentration – NYISO Related Matters

- What environmental changes impacting greenhouse gas, NOx, SO2, PM or ozone will have on the entire market asset portfolio and new resources considered for the future?
- How does a market rule change impact energy prices (energy market)?
- What major generation facilities additions or retirements could impact capacity pricing (capacity market)?
- How new transmission will be allocated and impact on congestion (infrastructure)?

- What ancillary product (operating reserves, regulation, etc.) will be necessary to accommodate a significant expansion of renewable generation (ancillary markets)?

50% Renewable Implementation Long Term Study –

The NYISO is studying what additional transmission, reliability, capacity, and other project needs are necessary to meet the 50% renewable goal. NYISO recommended following potential design concepts – flexible ramping product, shortage pricing for Ancillary Services, performance incentives for negative LBMPs, more frequent transaction scheduling. This could lead to several new products being introduced at the NYISO in the future. The NYISO will release a work plan in the late 2Q/early 3Q of 2018 that identifies the proposed changes they want to consider. It will be subject to stakeholder input and take several years to implement.

Energy Efficiency— **New Energy Efficiency Requirements** expected to be announced on Earth Day 2018.

Electric Vehicle – New York continues to work with a compact of states to further expand electric vehicle infrastructure and promote the conversion of the fossil vehicle fleet to electric with an aggressive goal of 800,000 electric vehicles by 2025.



The 2018 Chevy Volt, presented by NYPA

The IEEP update was presented by Chuck Rankin, IEEP President, and Mike Lyons of Honeywell for Bill Barry who was unable to attend due to being under the weather.

The projects to date for this year were reviewed and the State's Energy Efficiency plan will be reviewed once it is released around Earth Day- April 22nd.

Jay Brew of Stone, Mattheis, Xenopoulos & Brew, reviewed FERC issues we are currently involved in.

New York Energy Policy: “Harmonizing” Clean Energy Mandates and Competitive Wholesale Markets

- The Clean Energy Standard and NYISO Market Design Concepts for Accommodating Large Amounts of Renewable Generation
- Expanding Mandates: Off-Shore Wind, Utility Scale Solar, Energy Storage, and Increased Energy Efficiency Targets (for Earth Day)
- NYISO 2018 Master Plan (mid-2018)
 - Carbon Pricing
 - Capacity Pricing Changes?
 - DER Integration and New Ancillary Service Products
 - Transmission Expansion
 - AC Transmission
 - Moses-Adirondack
 - WNY Congestion Relief

New York Announced Energy Targets

- 50% renewable energy by 2030
- 40% reduction in total NYS carbon emissions by 2030
- NY-Sun: 3,000 MWs solar PV by 2023
- Off-Shore Wind: 2,400 MWs by 2030
- Energy Storage: 1,500 MWs by 2025
- 10,000 EV Charging Stations by 2021

Western NY Transmission Congestion Relief

- In September 2016, NextEra (“NEET-NY”) filed for a transmission formula rate to cover all New York investments, including proposed rate incentives (ER16-2719-000).
- In October 2017, NYISO selected NEET-NY to resolve congestion primarily affecting Zone A (Western New York)
 - The NEET-NY Project is a 345kV upgrade of the Dysinger-Stolle Road line with substation upgrades and the addition of a phase angle regulator.
 - NYISO estimated the capital cost at \$181 million; June 2022 in-service.

- NEET-NY filed for specific rate incentives for the Western NY Empire State Line Upgrades in October 2017 (ER18-125-000).
- March 5, 2018: FERC Order granting the requested incentives.
- Open issues in both dockets subject to settlement discussions:
 - Project Scope
 - Financial
 - Cost Allocation
 - Cost Containment

Going Forward Issues

1. Finalize formula rate and cost allocation for Western NY Public Policy Neet transmission project.
2. NYPA licensing for the Moses-Adirondack project.
3. Review of the NY Transco and NYPA annual updates to their transmission formula rates.
4. NYISO Carbon Pricing applied to wholesale energy prices.
5. NYISO 2018 Master Plan on Market Pricing and Renewable Generation and FERC’s policies on those questions, resiliency and reliability.

John Jennings was his entertaining self and reported on the special elections coming up and how that may reshape the State Senate.

The Independent Democrats Coalition has changed back to caucusing with the Democrats vs Republicans for this year’s legislative session.

Tyler Wolcott, Read and Laniado, addressed Energy Efficiency budgets & targets that may be part of the State Energy Efficiency Plan. Energy Storage is becoming more of a target statewide with the Governor’s office and the PSC.

NYSERDA’s 2017 procurement for the Clean Energy Standard has seen \$1.4 Billion awarded to 26 projects 20-year contracts. The average REC price is \$21.71/MWh.

The NYISO & PSC are collaborating how to incorporate social cost of carbon into the wholesale market and what the price impacts might be.

Wednesday afternoon was dedicated to the Corporate Member Expositions with 23 Corporate members with display tables showing their products.

The Corporate Members that were part of the exhibition were:

ABB c/o Primary Lines, Altec Industries, Bashlin Industries, Delta-Wye Associates, Electroswitch, GoTToGo Electric, HASGO, HMT, Inc., Irby Utilities, Linemen's Supply, Milwaukee Power Tools, MVA Diagnostics, NextEra Energy, Nighthawk, Northline Utilities, Nussbaumer & Clarke, O'Brien & Gere, RJ Lang Sales, TCI of NY, Troy & Banks, Terex Utilities, TESCO- An Eastern Specialty Company and USA.

The evening program included a reception and dinner where the Corporate Member of the Year was presented to Richard Esce, HMT, Inc. HMT has been a long time corporate member that has done work with many of the municipals over the years. We congratulate Richard and HMT on their award.



Dave Reynolds-Little Valley, Joe Chimino-Bergen, Chuck Rankin- Groton

We have talked about some long time MEUA members retiring in the past and this year is no exception. We honored Joe Chimino(Bergen), Sean Graham(Hamilton), Chuck Rankin(Groton) and Dave Reynolds (Little Valley), with retirement appreciation plaques. These gentlemen will be retiring before the end of summer. Congratulations men, thank you for all you have done over the years for the MEUA & NYMPA.

NYPA had electric vehicles for the members to drive and get information on. Many members participated in this, as electric vehicles and charging stations are becoming more popular and cost efficient.

Kristine Pizzo, Senior Vice President of Human Resources & Enterprise Shared Services was the speaker during dinner. Kristine spoke on the change in climate of



Technology and work, moving into a world where computers and algorithms can analyze, prophesize, digitize, optimize, customize, and *automize*. Any company that doesn't deploy all six elements will struggle as this is changing every job and industry.

Due to the demand for skilled labor and stem jobs, workforce supply is shrinking and increases competition for talent. Technological and scientific advancement have and will impact the way energy is supplied, distributed and consumed.

NYPA's strategic plan is the roadmap to become the digital utility of the future which will enable NYPA to continue to serve its customers and NY State.

An informative presentation with many questions and answers on NYPA's vision for the future.

President-Elect Owen McIntee, Spencerport, opened the second day of the meeting with reports from the MEUA committees. Those reporting were the *Accounting & Finance, Audit & Budget, Engineering, Media & Communication, NYISO, Safety & Training, Governmental Committees* and the *Regional Liaisons*. Matt Campbell, Holley, has agreed to step up and take the Western Region Liaison position with the retirement of the Joe Chimino, Bergen.

PLM's Nick Parotta updated the membership on the NERC/NPCC matters. The MEUA systems that are registered with the NERC/NPCC compliance program are slated to have remote audits this year.

The MEUA Working Group— Brent Bodine, Penn Yan, Bill Whitfield, Wellsville, and Larry Kilburn, Arcade, reported on the ongoing Long-Term Agreement(LTA) talks. There are three areas that the committee is trying to finalize before the agreement can be finalized. John Markowitz, NYPA, presented on Electric Vehicles and how the car market will change over the next 10-15 years.

Stronger global emissions policies will ban fossil fuel vehicles by 2040. Electric vehicles(EV) will be cheaper outright than fossil fuel vehicles by 2025 as rapid technology advances are driving down battery costs for EV. EV's are the critical foundation to enable broader industry trends toward rideshare(Uber) and fully autonomous vehicles such as the Tesla. Automakers have announced plans to invest over \$90 billion and are racing to bring EV's to market—all towards a better cheaper and cleaner way to travel. In 2018, there are over forty types of electric plug in & hybrid vehicles available.

There remains critical barriers and adoption is not a given. Currently 85% of customers will not consider an EV due to the lack of public charging infrastructure.

NYPA is currently developing a strategy to become a leader in EV infrastructure and services by creating public/private partnerships to eliminate barriers and accelerate EV adoption.



Owen McIntee-Spencerport, Matt Hegarty-Fairport

Owen McIntee, Spencerport, gave a mutual aid update on recent storms that occurred in the state. MEUA crews were involved in Storm Quinn, Storm Riley, Storm Toby and the windstorm from March-April 4, 2018.

In summary, there were no accidents, incidents or vehicle accidents while the line workers were deployed working in adverse conditions.

Liaisons did great work communicating and coverage back home was ample during the duration of deployment.

Very positive feedback was reviewed from the IOUs regarding the work done by the MEUA Crews.

We will continue to work on improvement for Emergency Preparedness Response. Following the procedures and requirements of our MEUA mutual aid playbook is crucial and has worked well.

A presentation on Cryptocurrency was given by Ken Podolny and Kevin Brocks of Read and Laniado and Mark Cordeiro of PLM to update the membership on the Rider A Tariff that was recently granted by the PSC. This was a review of the webinar that was previously given to the membership. There will be many questions on this subject moving forward. Please contact the NYMPA/MEUA office with any needed information.



Will Reynolds-BST, Nancy Steedman-Churchville, Larry Kilburn-Arcade

President Larry Kilburn, Arcade, closed the meeting by reminding the membership of the upcoming Regional Meetings in June and the Annual Conference to be held at the Adams Mark Hotel in Buffalo, September 11-14th. Hope to see you at these events.

2018 Regional Meeting Schedule

- June 7th - Central Regional in Hamilton
- June 14th - Northern Regional in Lake Placid
- June 20th – Western Regional in Fairport

Registration forms and agendas will be sent out soon. Please plan on attending. Thank you.

April 2018 NYISO Report – Chris Wentlent



The New York State Reliability Council (NYSRC) met on Friday, April 13 in Albany. A couple items of note discussed at the meeting included the Installed Capacity Subcommittee (ICS) is evaluating how to incorporate different

load shapes into their Internal Reserve Margin modeling exercise. Load shaping is becoming more challenging with the advance of wind, solar, behind the meter applications, increased energy efficiency and distributed energy resources, and other emerging technologies. The ICS and ISO will come back with recommendations for the ICS subcommittee to consider. If any change does transpire; it would not be enacted until the 2019 IRM Study period. I will utilize a future column to communicate if any changes do occur.

The NYSRC is also working with the NYISO Planning Department to create a Distributed Energy Resource (DER) Workshop to raise the awareness of how these new technologies will impact system operation and reliability. The workshop is expected to occur during the 3Q of 2018. As information, FERC recently conducted a technical conference on DER integration, and NERC recently released DER reliability and modeling guidelines.

Finally, the NYSRC and New York State Department of Environmental Conservation (NYSDEC) meet bi-monthly to review current and upcoming environmental regulations that will impact the New York State generation fleet. The NYSRC is particularly interested as to how the potential regulation could impact resource adequacy, existing reliability rules and bulk power system reliability. The NYSRC has requested me to assume leadership of this subgroup as I have been an active participant of the subgroup since its inception. Our MEUA/NYMPA involvement will allow our organizations to stay abreast, in a timely manner, of any potential environmental changes that could ultimately impact the energy, capacity or ancillary markets.

NYISO – AC Transmission – The 1000 MW AC Transmission public policy project is a two-segment transmission upgrade that will improve AC Transmission transfer capability east to west and north to south on the New York Bulk Power System. The project will allow the state to better utilize the low cost, low

carbon generation resources that are located in upstate. On March 30, 2018, the NYISO posted the draft SECO report and preliminary evaluation of the developer projects submitted. The NYISO will utilize April 2018; to meet with the developers and ensure the initial SECO report is accurate. The preliminary report filings will be presented to the NYISO stakeholders in late April and May 2018. It is expected that an advisory vote on the successful developer or developers will take place at the June 2018 Business Issues and Operating Committees, and a special Management Committee meeting to be held on June 26. It is expected the NYISO Board will approve the AC Project in July 2018.

With respect to potential project cost allocation; the NYISO and New York State Public Service Commission have already recommended a “beneficiaries pay” approach where the predominance of the project cost, approximately 90%, will be borne by the downstate NYISO zones that will most benefit from the completed project.

