Executive Director Report

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Since our last edition of News & Views, we have seen this COVID-19 pandemic reach historic proportions, with just about everything except essential services, are shut down.

It appears a conditioned re-opening will begin at least in upstate and northern New York. Just announced here in Onondaga County (Syracuse area), car showrooms can open for sales by appointment only starting tomorrow May 6th.

On May 15th, the current “New York Pause” policies are set to expire— so a slow “re-opening” of business and economy hopefully will begin.

Once this re-opening takes place, we will then start to communicate a schedule moving forward for the Safety & Training Program as well as the Apprentice Lineman Training Program. Thank you for your patience during this most difficult time.

The 3 Regional Meetings that normally take place in June, will unfortunately be cancelled this year due to the statewide restrictions still in place for large groups. We’ll be sure to keep you posted with further updates.

The MEUA Annual Conference, scheduled for August 25th - August 28th, is still scheduled, but again we will see what social distancing guidelines will need to be met at that time and see if it possible to meet any guidelines needed.

**IEEP Covid-19 Options**

In light of the Covid-19 Pandemic, we wanted to share some IEEP ideas to support your customers and local economies. Below is a list for consideration;

**Commercial & Industrial Options**

* Continued focus on upgrades to municipal buildings - lighting retrofits, insulation/air sealing projects, and installing high-efficiency cold climate heat pumps.
* Continuing with LED Street light replacements.
* With schools empty and maintenance staff idle, we have had success in identifying lighting retrofits where the IEEP will pay 100% of material costs and the school district provides labor using in-house staff. The IEEP may consider a similar approach for industrial customers who may fit this category.

**Residential Options**

* Continue to offer the EnergyStar appliance rebate program. Appliances will still need to be replaced during this time and other customers may be planning on purchasing appliances with stimulus funding and/or tax returns now being distributed.
* Consider, when appropriate, offering no cost LED lightbulbs via our distribution program.
* The IEEP has several quality insulation vendors located throughout the state who have been hit hard and anxious to get back to work. Consider referring customers for our attic insulation program, especially low income, seniors, and others who may be impacted financially.

These are a few ideas to get you thinking and we would welcome others.  Please be sure to contact the IEEP to discuss details and budget considerations for your specific system prior to beginning.

**MEUA Consultant Chris Wentlent**

**Update:**

**May 2020**

As I write this column, I hope you and your families are safe and well. It has been a challenging several months for everyone; hopefully each of you have found ways to make the best of the situation. It is a testament to our human nature how we adapt, change and grow from tough situations. My May 2020 column follows:

**NYISO Update**

**COVID 19 Response** - The NYISO provided a complete update of their COVID response at the April 15, 2020 Management Committee teleconference. Energy load demand has been most impacted in Zone J (New York City), while residential areas in the state have experienced a lower impact. Load patterns have changed somewhat as morning peak load conditions arrive later in the day since restrictions were implemented, and residential energy use has increased during the mid-day because more people are working from home. In addition, residential load demand is higher during the evening hours again due to people staying at home.

NYISO Operations has sequestered their key staff on site. They have opened their backup control center beginning on March 26. The NYISO has separated crews at each site to ensure proper backup is available. Testing of all control room operators was completed, and non-essential workers are working exclusively from home. More recently, they announced that sequestration will be eliminated for one of the control room sites.

In addition, the NYISO conducts daily coordination with the New York transmission owners, weekly calls with the NPCC and neighboring RTOs/ISOs, weekly survey of generation facilities, and regular communication with critical New York natural gas pipeline companies. Throughout the pandemic outbreak, the coordination within the industry has been excellent.

As we look toward summer operation and potentially higher load demand, critical maintenance related activities were evaluated in both the transmission and generation areas. Some modification of key schedules did occur, however, the NYISO communicated they have a high level of confidence that appropriate maintenance was completed in these key areas and the overall system is well-positioned for summer operation.

**COVID NYISO Budget Impacts –** with the lower overall energy demand due to the COVID outbreak; the NYISO is experiencing a lower Rate Schedule 1 (RS1) collection. RS1 is part of the budget collection mechanism for the NYISO to secure funding for their operating budget and monies to complete key projects. In addition, as highlighted above the NYISO has incurred some unanticipated expenses due to sequestration of key operating personnel. Based on this current situation, the NYISO financial group is recommending that a small 2019 budget surplus be retained to offset some of these costs, and they will continue to monitor energy load demand and RS1 impacts over the next 3-4 months. The goal is to minimize any impacts on NYISO market participants. I will report further on this item in a future column.

**Carbon Pricing** – Independent Power Producers, Trade Associations and Environmental Groups filed a petition at the Federal Energy Regulatory Commission (FERC) on April 15 to request that FERC conduct a Carbon Pricing Technical Conference. In recognition of the fact that a number of organized markets are considering how to incorporate carbon into organized wholesale electric markets to better align with state and regional policies, the groups state the time appears ripe for the commission to convene a technical conference or workshop on these issues. Some of the groups signing the petition included the Electric Power Supply Association (EPSA), the Independent Power Producers of New York (IPPNY), PJM Power Providers Group, Natural Gas Supply Association, LS Power Associates, NextEra Energy, Brookfield Renewable, Competitive Power Ventures and Vistra Energy.

The petition suggests the scope of the conference include a discussion of ways in which carbon could be priced and how wholesale market pricing and dispatch could account for compliance costs, including a look at existing constructs such as the Regional Greenhouse Gas Initiative (RGGI) and the California-Quebec cap-and-trade agreement. FERC has not yet decided to grant the petition filed. NYMPA and MEUA will continue to monitor this petition and decide on any next steps if necessary.

**NYSDEC NOx Compliance Plans** – The New York State Department of Environmental Conservation (NYSDEC) adopted a regulation to limit nitrogen oxides (NOx) emissions from simple-cycle combustion turbines in early 2020. Compliance plans for all impacted generating facilities were due in early March 2020. The NYSDEC recently provided the compliance plans to the NYISO. The information will be a key input into the New York Independent System Operator's Reliability Needs Assessment (RNA) that determines how much power generation is required, and where on the system it is needed to maintain reliability.

***Key findings of the submittals include:***

* Approximately 1,600 MW of capacity will be able to meet the tighter emissions limits using existing pollution controls
* 1,300 MW will be retrofitted with pollution-control equipment.
* 900 MW may stop combusting oil or gas during the summer ozone season (May 1 – September 30); which makes the capacity unavailable during the summer.
* 648 MW of peak power generation capacity have elected to retire
* 86 MW of capacity will be reclassified as "black start only" by 2023 and 2025. Black start resources are generating units and associated equipment which can be started without support from the power grid. They are used to restart the system after a power failure.

The enacted regulation has a provision which allow a specific designated facility to operate on a temporary basis if required to maintain electric system reliability while a permanent solution is implemented. The RNA will be utilized to make that type of determination. We will continue to provide updates on how the energy system will ultimately be impacted when the final RNA is released later this calendar year.

**Major Generation Facility Updates**

* ***Indian Point Unit 2*** is expected to retire at the end of April 2020
* ***Cricket Valley Natural Gas Facility*** in the Hudson Valley became commercial operational in April 2020
* ***Somerset and Cayuga Deactivation Plans*** have been approved.

**Major Transmission Project Updates**

* ***Western New York Public Policy Project*** – is still under review in the Article VII process. Construction has not started.
* ***AC 1000 MW Public Policy Project*** – both segment A and segment B are still under review in the Article VII process. Construction has not started.
* ***NYPA Moses Adirondack Project*** – Article VII approval was received. Actual construction did begin in March 2020 but was paused due to the COVID outbreak. Construction is expected to resume once New York State begins its regional economic restart. The specific date is not yet determined.

**Relocation – IESO (Ontario) Proxy Bus** – the NYISO Management Committee recently approved a change to the Ontario Proxy Bus and the actual software change went into effect in April 2020. Historically, the NYISO’s market software used the BRUCE station as the proxy bus to schedule transactions with Ontario’s Independent Electric System Operator (IESO). NYISO analysis indicated the BECK 220kV is a more optimal proxy bus for IESO scheduling as compared to BRUCE 500kV. It is expected the change will better align with actual interchange flows, provide better price transparency and possibly improve congestion management. MEUA/NYMPA identified this as an area of improvement during the NYISO Project Prioritization Process. The NYISO was able to implement the change in approximately four months. We will continue to analyze the outcomes as a result of the change.

**New York State Public Service Commission**

**COVID 19 Evolving Clean Energy Markets Impact** – during the past 4-6 weeks, agency personnel from the New York State Public Service Commission and NYSERDA have hosted a series of webinars with stakeholders from the energy efficiency, heat pump, electrical vehicle, energy storage, and renewable markets clean energy sectors to comprehend the pandemic impact on their respective markets. In addition, key leaders from the New York State agencies sent joint letters to industry market participants to reinforce their continued support for the development of the clean energy markets and economy in New York State. The total impacts and strategic next steps are still being evaluated.

**PSC EV Readiness Plan** – stakeholder comments were due in late April 2020 on the New York State Department of Public Service Electric Vehicle Readiness Plan. IEEP/NYMPA/MEUA previously submitted comments and participated in a technical conference on this matter. We expect a final order in the late 2Q 2020 or early 3Q 2020.

Please be safe during these challenging times.

***Help Keep Us Current***

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Thank You