

S T A T E O F N E W Y O R K

3541--A

2015-2016 Regular Sessions

I N S E N A T E

February 12, 2015

Introduced by Sen. GRIFFO -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- recommitted to the Committee on Energy and Telecommunications in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, in relation to providing oversight and monitoring the operations of an independent system operator

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 66 of the public service law is amended by adding a
2 new subdivision 29 to read as follows:
3 29. (A) FOR THE PURPOSES OF THIS SUBDIVISION:
4 (I) "INDEPENDENT SYSTEM OPERATOR" SHALL MEAN ANY ENTITY OPERATING IN
5 THE STATE THAT IS APPROVED BY THE UNITED STATES FEDERAL ENERGY REGULATO-
6 RY COMMISSION TO OPERATE IN THE STATE TO ADMINISTER AND MONITOR WHOLE-
7 SALE ELECTRICITY MARKETS; AND
8 (II) "END USE SECTOR MEMBER" SHALL INCLUDE ANY ENTITY THAT PURCHASES
9 ELECTRICITY FOR ITS OWN CONSUMPTION AND NOT FOR RESALE.
10 (B) THE COMMISSIONER IS AUTHORIZED AND DIRECTED TO PROVIDE OVERSIGHT
11 AND MONITOR THE MARKET OPERATIONS OF AN INDEPENDENT SYSTEM OPERATOR,
12 INCLUDING BUT NOT LIMITED TO THE EXTENT TO WHICH IT:
13 (I) SERVES THE NEEDS OF ALL CUSTOMER CLASSES AND OPERATES IN A MANNER
14 THAT IS IN THE BEST INTEREST OF THE PUBLIC;
15 (II) ENSURES RELIABILITY, QUALITY AND MAINTENANCE OF THE TRANSMISSION
16 SYSTEM;
17 (III) MEETS THE REQUIREMENTS OF THE NEW YORK STATE OPEN MEETING LAWS;
18 AND
19 (IV) CONTRIBUTES TO THE ACHIEVEMENT OF ENERGY EFFICIENCY AND FUEL
20 DIVERSITY GOALS OF THE STATE.

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

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1 (C) THE COMMISSION SHALL ENSURE THAT AN INDEPENDENT SYSTEM OPERATOR
2 OPERATE IN A MANNER TO PREVENT MARKET MANIPULATION AND OPPORTUNITIES FOR
3 COLLUSION BY REQUIRING AN INDEPENDENT SYSTEM OPERATOR TO DISCLOSE PRICE
4 DATA RELATED TO ITS WHOLESALE MARKET OPERATIONS INCLUDING, BUT NOT
5 LIMITED TO, INFORMATION ON REAL-TIME, DAY-AHEAD AND SPOT MARKET BIDS AND
6 BIDDERS IN AN INDEPENDENT SYSTEM OPERATOR'S WHOLESALE ELECTRICITY MARKET
7 AUCTIONS, TRANSMISSION CONGESTION CONTRACT AUCTIONS AND INSTALLED CAPAC-
8 ITY MARKET AUCTIONS TO BE MADE PUBLIC WITH NO MORE THAN A THREE MONTH
9 DELAY. SUCH INFORMATION SHALL BE MADE IN A FORMAT READILY AVAILABLE AND
10 ACCESSIBLE TO THE PUBLIC INCLUDING, BUT NOT LIMITED TO PROVIDING SUCH
11 DATA IN AGGREGATE HOURLY, DAILY, MONTHLY, ANNUAL AND HISTORICAL DATA
12 SETS FOR COMPARISON PURPOSES AS WELL AS DATA RELATED TO SEASONAL AND
13 PEAK LOAD VARIATIONS AND AVERAGES.

14 (D) THE COMMISSION SHALL ENSURE ACCOUNTABILITY BY REQUIRING THAT AN
15 INDEPENDENT SYSTEM OPERATOR'S BOARD OF DIRECTORS INCLUDES AT LEAST THREE
16 NON-GOVERNMENTAL APPOINTMENTS THAT DIRECTLY REPRESENT THE INTERESTS OF
17 RESIDENTIAL SMALL BUSINESS AND FARM ELECTRICITY USERS. THE GOVERNOR,
18 THE SPEAKER OF THE ASSEMBLY AND THE TEMPORARY PRESIDENT OF THE SENATE
19 SHALL EACH APPOINT ONE REPRESENTATIVE TO THE BOARD.

20 (E) THE COMMISSION SHALL REQUIRE AN INDEPENDENT SYSTEM OPERATOR TO
21 CREATE THE POSITION OF CONSUMER LIAISON WHOSE PRIMARY ROLE SHALL BE TO
22 INTERACT WITH MEMBERS OF THE END-USE SECTOR FOR THE PURPOSES OF:

23 (I) KEEPING END-USE SECTOR MEMBERS INFORMED ABOUT DEVELOPMENTS IN
24 WORKING GROUPS/SUB-COMMITTEES THAT MAY AFFECT THEIR INTERESTS;

25 (II) EXPLAINING THE ISSUES AND PROPOSALS UNDER DISCUSSION AT THE WORK-
26 ING GROUP/SUB-COMMITTEE MEETINGS AND PROPOSED FOR CONSIDERATION AT THE
27 OPERATING COMMITTEE, BUSINESS ISSUES COMMITTEE AND MANAGEMENT COMMITTEE
28 AS WELL AS THE RAMIFICATIONS OF THOSE PROPOSALS ON CONSUMERS;

29 (III) LISTENING AND RESPONDING TO THE QUESTIONS AND CONCERNS OF
30 MEMBERS OF THE END-USE SECTOR; AND

31 (IV) SERVING AS THE LIAISON BETWEEN THE END-USE SECTOR AND THE DIREC-
32 TORS DESIGNATED OR ASSIGNED TO PAY PARTICULAR ATTENTION TO THE INTERESTS
33 OF THE RESIDENTIAL, SMALL BUSINESS AND FARM ELECTRICITY USERS.

34 (F) THE COMMISSION SHALL REQUIRE AN INDEPENDENT SYSTEM OPERATOR TO
35 ESTABLISH AND FUND AN END-USE CONSUMER SECTOR CONSULTANT FOR THE
36 PURPOSES OF:

37 (I) PARTICIPATING IN TASK FORCE, WORKING GROUP AND COMMITTEE MEETINGS
38 AS WELL AS IN OTHER MEETINGS ADDRESSING MATTERS AFFECTING MARKETS ADMIN-
39 ISTERED BY AN INDEPENDENT SYSTEM OPERATOR;

40 (II) ANALYZING EXISTING OR PROPOSED MARKET RULES REGARDING WHOLESALE
41 SERVICE; AND

42 (III) PROVIDING TECHNICAL ASSISTANCE, AND SUPPORTING END-USE SECTOR
43 PARTICIPATION IN PROCEEDINGS BEFORE THE FEDERAL ENERGY REGULATORY
44 COMMISSION, THE PUBLIC SERVICE COMMISSION, OR OTHER REGULATORY AND/OR
45 ADJUDICATIVE BODIES IN MATTERS AFFECTING MARKETS ADMINISTERED BY AN
46 INDEPENDENT SYSTEM OPERATOR.

47 (G) (I) THE COMMISSION SHALL REQUIRE AN INDEPENDENT SYSTEM OPERATOR TO
48 FILE A TARIFF AMENDMENT CREATING A RATE SCHEDULE TO ALLOW ALL MARKET
49 PARTICIPANTS SERVING INTERNAL NEW YORK LOAD TO FUND COSTS OF HIRING AN
50 END-USE CONSUMER SECTOR CONSULTANT.

51 (II) COSTS AND FEES ELIGIBLE FOR RECOVERY THROUGH THE TARIFF WOULD
52 INCLUDE THOSE ASSOCIATED WITH THE END-USE CONSUMER SECTOR CONSULTANT
53 PERFORMING THE TASKS OUTLINED IN PARAGRAPH (F) OF THIS SUBDIVISION.

54 (III) COSTS AND FEES NOT ELIGIBLE FOR RECOVERY SHALL INCLUDE, BUT NOT
55 BE LIMITED TO, GOVERNMENTAL LOBBYING, PUBLIC OUTREACH (MEDIA, SPEAKING
56 ENGAGEMENTS, ETC.), AND CONDUCT NOT AUTHORIZED BY THE END-USE SECTOR.

1 (H) THE COMMISSIONER SHALL ANNUALLY ISSUE A REPORT RELATING THE MARKET
2 OPERATION OF AN INDEPENDENT SYSTEM OPERATOR. SUCH REPORTS SHALL
3 INCLUDE, BUT NOT BE LIMITED TO:
4 (I) ANALYSES BY AN INDEPENDENT SYSTEM OPERATOR AND OTHER SUCH DATA
5 COLLECTED AND ANALYZED BY THE COMMISSION INFORMATION ON REAL-TIME,
6 HOUR-AHEAD AND DAY-AHEAD MARKET BIDS AND BIDDERS IN AN INDEPENDENT
7 SYSTEM OPERATOR'S WHOLESALE ELECTRICITY MARKET AUCTIONS, TRANSMISSION
8 CONGESTION CONTRACT AUCTIONS AND INSTALLED MARKET AUCTIONS;
9 (II) A DETERMINATION OF THE EXTENT TO WHICH THE ENERGY MARKETS ARE
10 MAINTAINING NECESSARY LEVELS OF RELIABILITY;
11 (III) A DETERMINATION OF WHETHER OR NOT ALL CUSTOMER CLASSES ARE BEING
12 ADEQUATELY SERVED BY COMPETITIVE ENERGY MARKETS;
13 (IV) A DETERMINATION OF THE COMPETITIVENESS OF ENERGY MARKETS; INCLUD-
14 ING A DETERMINATION WHETHER OR NOT THE ELECTRIC INDUSTRY IS PROVIDING
15 CONSUMERS WITH THE LOWEST PRICES POSSIBLE WITHIN A RESTRUCTURED, COMPET-
16 ITIVE RETAIL MARKETPLACE;
17 (V) A DETERMINATION OF THE EXTENT TO WHICH THE ENERGY MARKETS ARE
18 ACHIEVING THE ENERGY EFFICIENCY AND FUEL DIVERSITY GOALS OF THE STATE;
19 (VI) THE NAME AND TERMS OF THE BOARDS OF DIRECTORS AND AN INDEPENDENT
20 SYSTEM OPERATOR MANAGEMENT, OPERATING AND BUSINESS COMMITTEE MEMBERS;
21 (VII) AN INDEPENDENT SYSTEM OPERATOR'S FINANCIAL INFORMATION; AND
22 (VIII) RECOMMENDATIONS FOR IMPROVING ANY DEFICIENCIES SO IDENTIFIED IN
23 ELECTRICITY ENERGY MARKETS, INCLUDING NON-COMPETITIVE PRICING SITU-
24 ATIONS. THE COMMISSION SHALL SUBMIT SUCH REPORT TO THE GOVERNOR, THE
25 PRESIDENT PRO TEM OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE MINOR-
26 ITY LEADERS OF THE SENATE AND THE ASSEMBLY, THE CHAIRS OF THE ENERGY
27 COMMITTEES OF THE SENATE AND THE ASSEMBLY, NO LATER THAN APRIL FIRST,
28 TWO THOUSAND SIXTEEN AND ANNUALLY THEREAFTER.
29 S 2. This act shall take effect immediately.