



**Public Service
Commission**

Winter Preparedness of the Natural Gas and Electric Supply for the 2015-2016 Winter Season

*Office of Electric, Gas, and Water
Office of Consumer Services*

October 15, 2015
Albany, New York

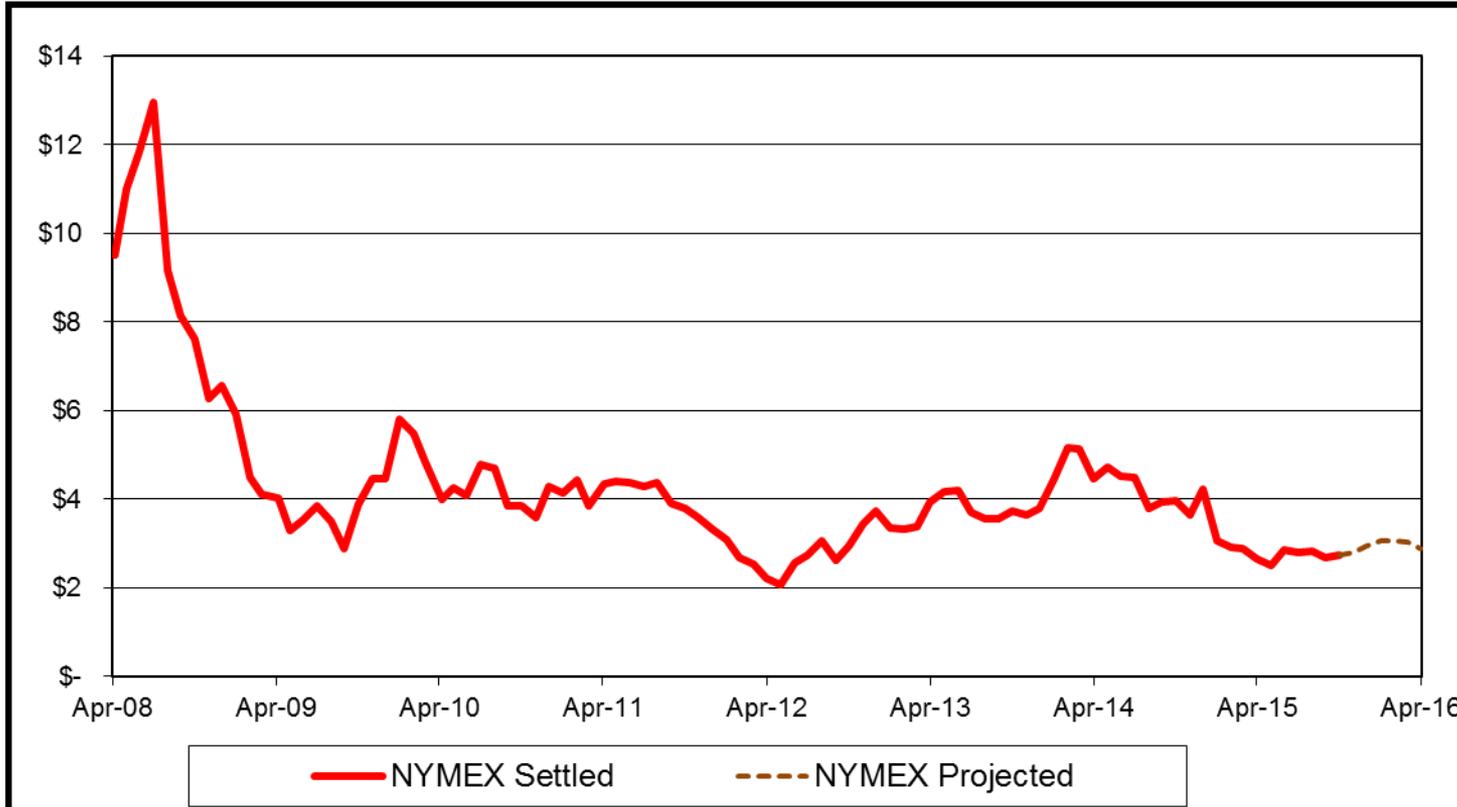
Natural Gas Winter Outlook

Daniel J. Wheeler
Gas Policy & Supply
Office of Electric, Gas, and Water

NYMEX Gas Future Prices

History vs. Futures

(\$/MMBTU)



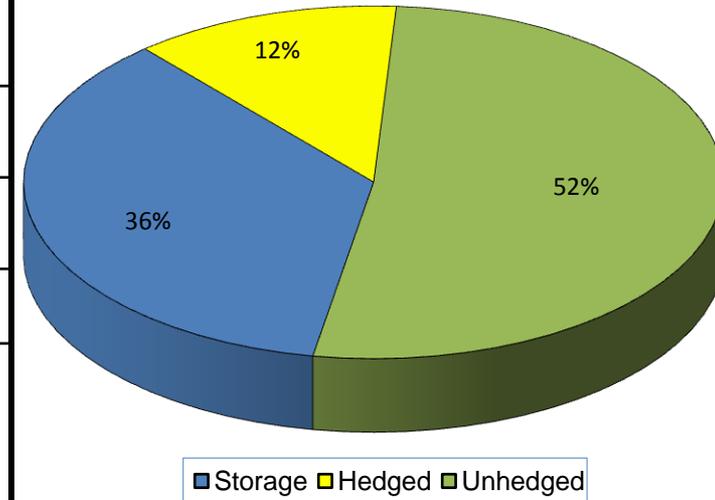
NYMEX prices as of
September 16, 2015

LDC Commodity Portfolio

	2015-16 Typical Portfolio	2014-15 Winter Actual \$/dth	2015-16 Winter Forecast \$/dth
Physical Storage	36%	\$3.14	\$2.03
Hedged Supply	12%	\$3.56	\$3.27
Flowing Gas	52%	\$3.11	\$2.55
Average Winter Commodity Price		\$3.17	\$2.45
Percent Change			-15%

Firm Customers

New York State Gas Utility Typical 2015-16 Winter Supply Portfolio



Statewide Avg. Winter Bills

Residential Heating Customer

2014-15 Actual Weather	2014-15 Normal Weather	2015-16 Normal Weather	% Change Actual 2014-15 vs. Normal 2015-16	% Change Normal 2014-15 vs. Normal 2015-16
\$809	\$774	\$726	-10%	-6%

Coordination with Oil Industry

- ❑ Interruptible customers must meet certain requirements for alternate fuel inventories so that there are no anticipated problems with fuel switching
- ❑ LDCs will be conducting tests and may inspect alternate fuel burning equipment of interruptible customers where needed to ensure compliance with alternate fuel inventory requirements
- ❑ Staff is in the process of implementing a new communications protocol for this winter season with the following measures

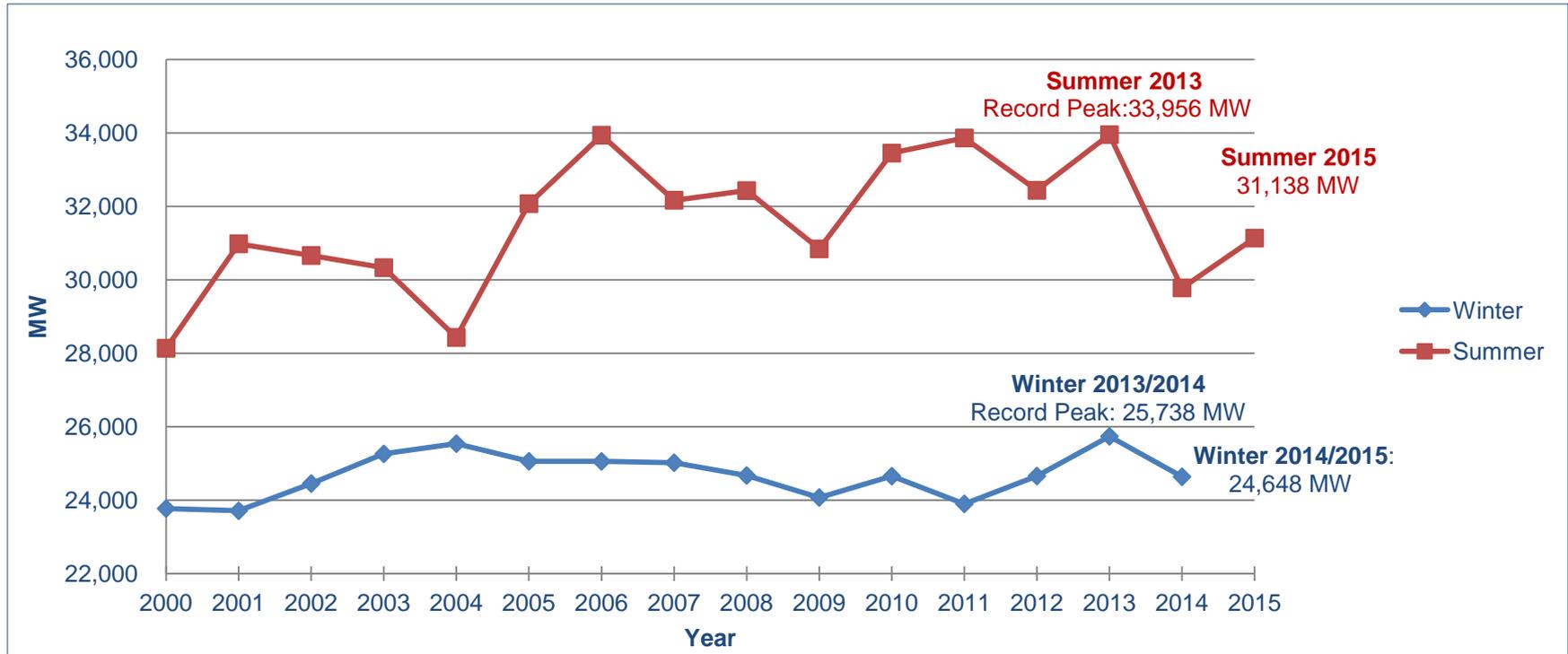
Summary

- ❑ Commodity prices are expected to be lower than last winter
- ❑ Customer bills are expected to be lower this year than last winter, due to lower gas price and a forecast of normal weather usage
- ❑ NY gas utilities have contracted for adequate capacity and supplies and are ready to meet 2015-2016 winter conditions

Bulk Electric System Preparedness

Leka P. Gjonaj
Electric Bulk Systems
Office of Electric, Gas, and Water

New York State Historic Coincident Peaks



New York Winter 2015/16 Capability & Load

NYISO Provided Data	MW
2015 Generation	40,938
New York Special Case Resources (SCRs)	885
External Purchase Contracts	338
LESS: Total Projected Capacity Outages	(6,238)
TOTAL 2015 CAPACITY	35,922
Load Forecast	24,515
Operating Reserve Requirement	2,620
Capacity Margin	8,787



Major Generation Facilities

- ❑ Lessons learned and beneficial changes made as result of the 2013/2014 Polar Vortex are continuing
 - Increased pre-winter on-site fuel reserves
 - Firm contracts with fuel oil suppliers to maintain minimum inventory levels
 - More proactive/aggressive replenishment
 - More proactive pre-winter maintenance and facilities preparation

- ❑ Staff met with major generation facility owners located primarily on the eastern portion of New York

- ❑ On-site storage and replenishment of fuel oil is a critical issue

- ❑ State Agencies and NYISO Winter Protocol
 - DPS, DEC, NYSERDA, DOT and NYISO Protocol
 - Provides process for State Agencies and NYISO and generation owner to coordinate and expedite the generation owner fuel waiver request should one be required

NYISO

❑ Winter 2014/2015

- Took numerous actions during weather events
 - Rescheduled planned electric transmission outages to minimize risk
 - Cold weather generator fuel monitoring
 - Out of merit commitments when day-ahead committed units were unable to run
 - Demand Response was notified but not activated Winter 2014/2015

❑ Winter 2015/2016

- Enhanced shortage pricing curves – incentives for generators to meet day-ahead commitments – in effect as of November 4th, 2015
- Increase total reserve requirements – in effect as of November 4th, 2015
- NYISO and interstate pipelines can now share non-public, operational information with each other for the purpose of promoting reliable service or operational planning on either system

❑ Neighboring RTO/ISO

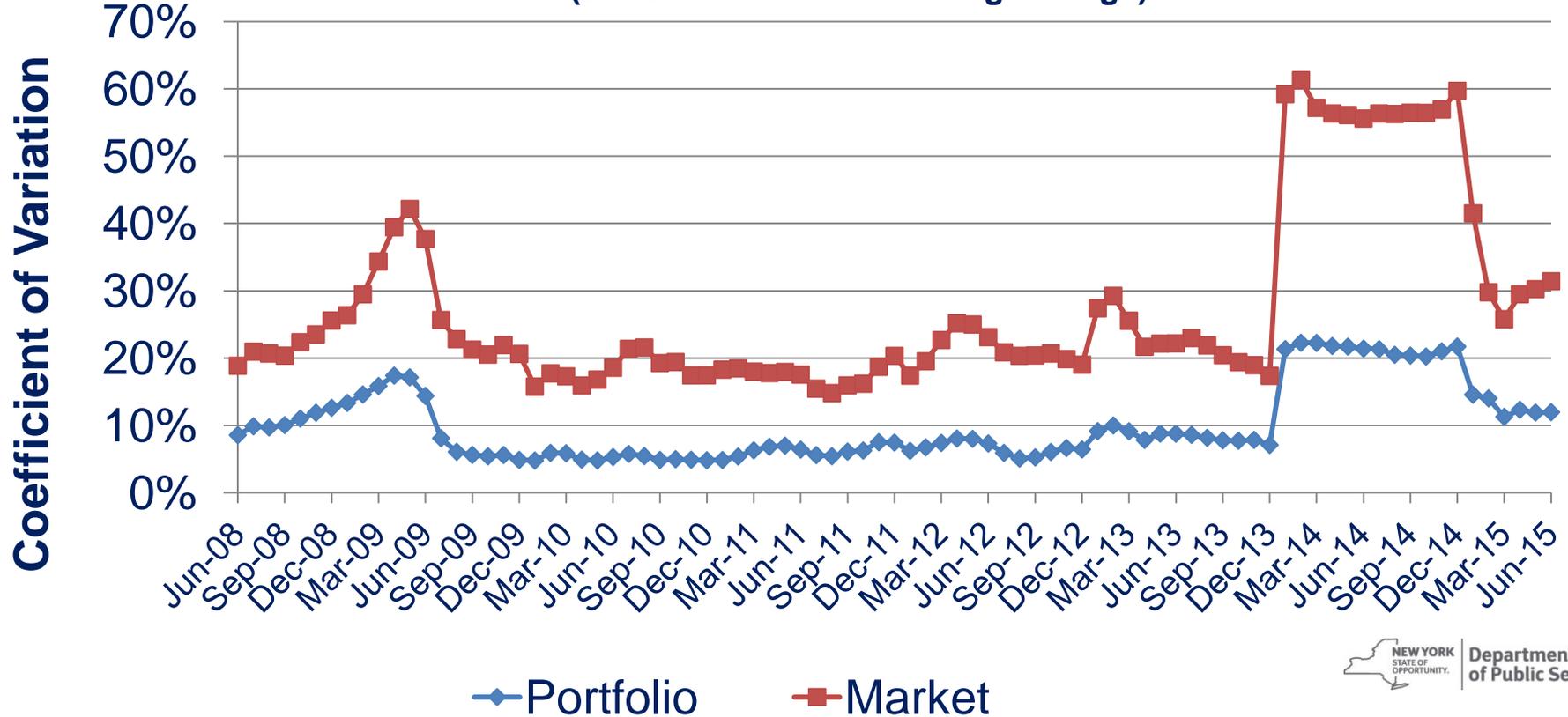
- ISO New England
 - Continued Winter Reliability Program (WRP)
 - Compensation for unused oil inventory
 - Compensation for unused LNG contract volume
 - Demand response
 - Incentives for commissioning dual-fuel capacity
- PJM
 - Enhanced Capacity Performance Proposal to go in effect winter 2016/2017

Electric Utility Portfolio Price Volatility and Supply Price Outlook

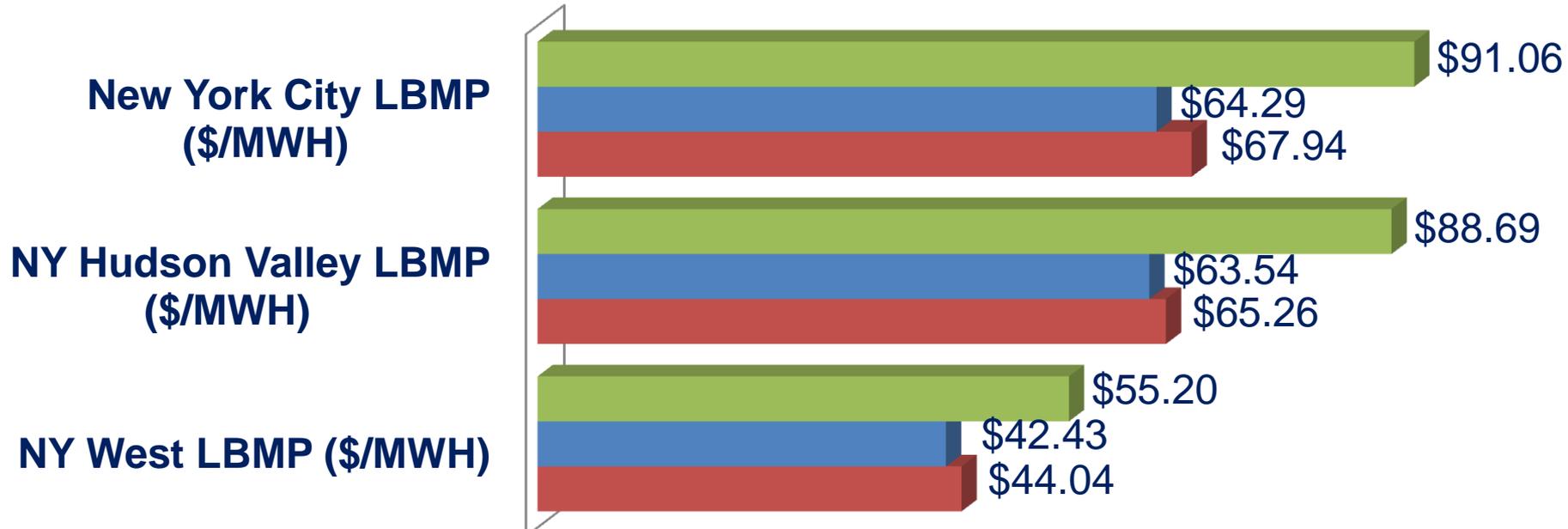
*Paul J. Darmetko Jr.
Electric Rates & Tariffs
Office of Electric, Gas, and Water*

NYISO Spot Market vs. Utility Full Service Residential Customer Supply Portfolio Volatility

(Statewide 12-month rolling average)



Average Energy Price Comparison Winter Season



- NYMEX Futures Dec 2014 - Mar 2015
- Spot Market Dec 2014 - Mar 2015
- NYMEX Futures Dec 2015 - Mar 2016

DPS Outreach Efforts

- ❑ Outreach staff will provide materials on energy assistance, gas safety, and other issues that will be available to community based organizations



**Public Service
Commission**

2015-2016 Winter Preparedness

***Office of Electric, Gas, and Water
Office of Consumer Services***

**October 15, 2015
Albany, New York**