



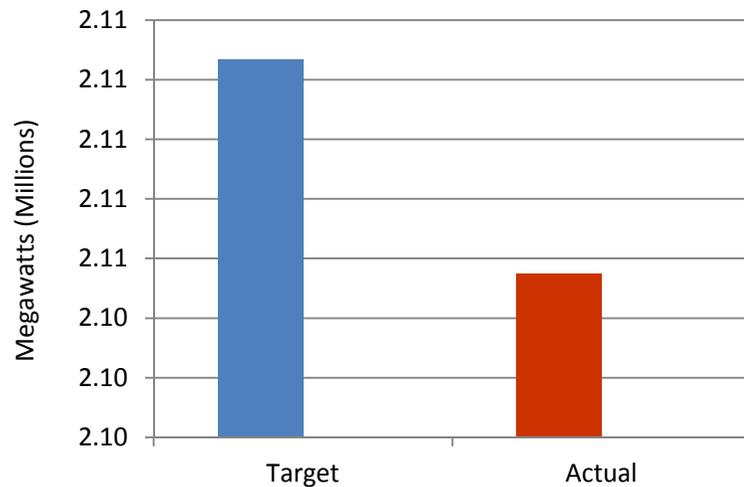
# Chief Operating Officer Report

March 15, 2016

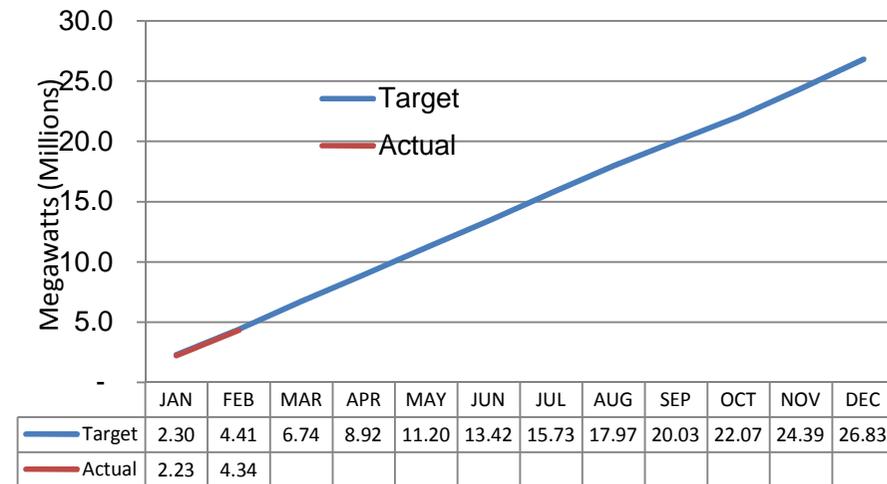
## Operations - System Net Generation

- Systemwide Net Generation in February was 2,105,470 MWh (megawatt-hours ) which is below the projected net generation of 2,112,673 MWh. For the year, net generation was 4,335,650 MWh which is below the projected target of 4,411,135 MWh.

February 2016

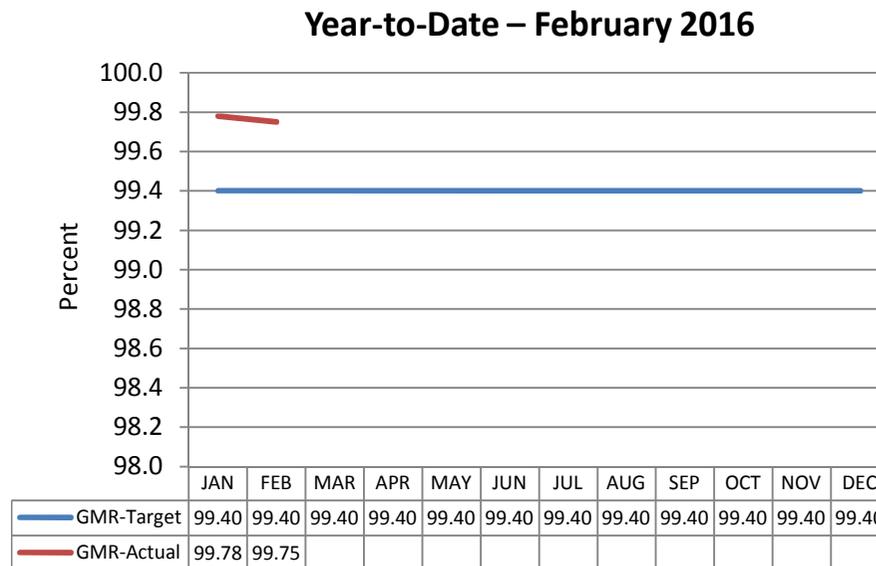
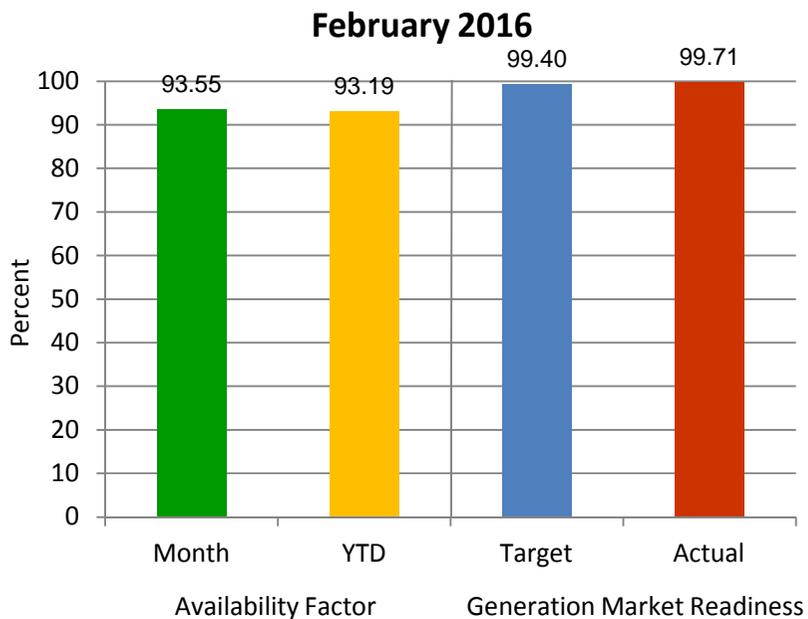


Year-to-Date – February 2016



## Operations – Plant Performance

- The fleet availability factor in February was 93.55 percent, and the YTD value was 93.19 percent. Generation Market Readiness factor in February was 99.71 percent, which is higher than the target of 99.40 percent. Year-to-date Generation Market Readiness factor was at 99.75 percent, which is below the annual target of 99.40 percent.



## Operations – Plant Outages

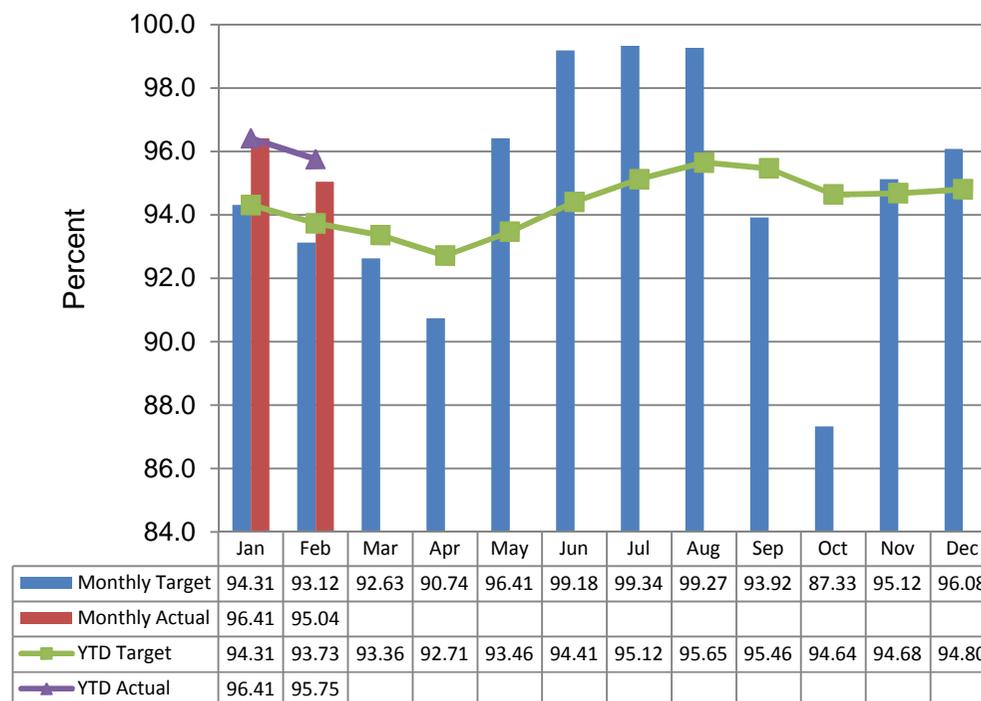
- There were no significant forced outage events in February.

## Niagara/St. Lawrence River Flows

- Niagara River flows in February were above the historical average and will be above normal levels throughout the year. St. Lawrence River flows for February were at historical levels and are expected to be above the historical average flow over the year.

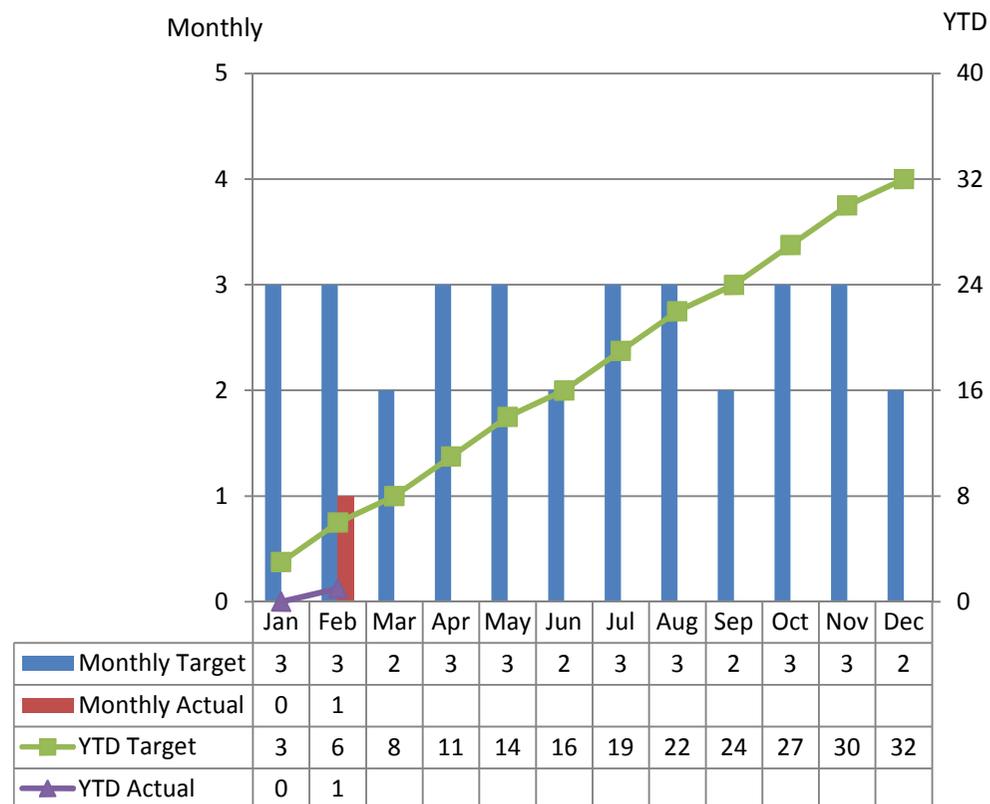
## Transmission System Reliability

- Transmission reliability in February was 95.04 percent, which was above the monthly target of 93.12 percent. Year-to-date transmission reliability is 95.75 percent, above the target of 93.73 percent.
- There were no significant unplanned transmission outages in February.



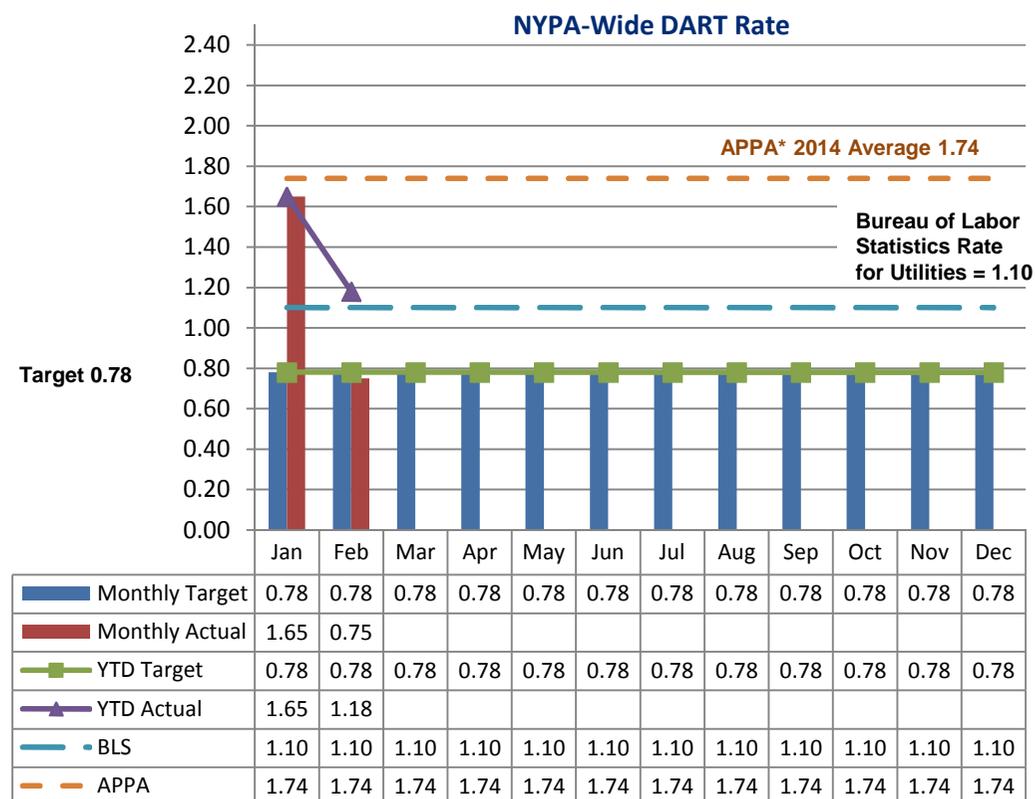
## Environmental Incidents

- There was one reportable incident in February:
  - At Niagara, a NYSDEC water discharge permit excursion occurred at a drainage catch basin at the switchyard.
- For the year, there was 1 incident to report. The annual target is 32 incidents.



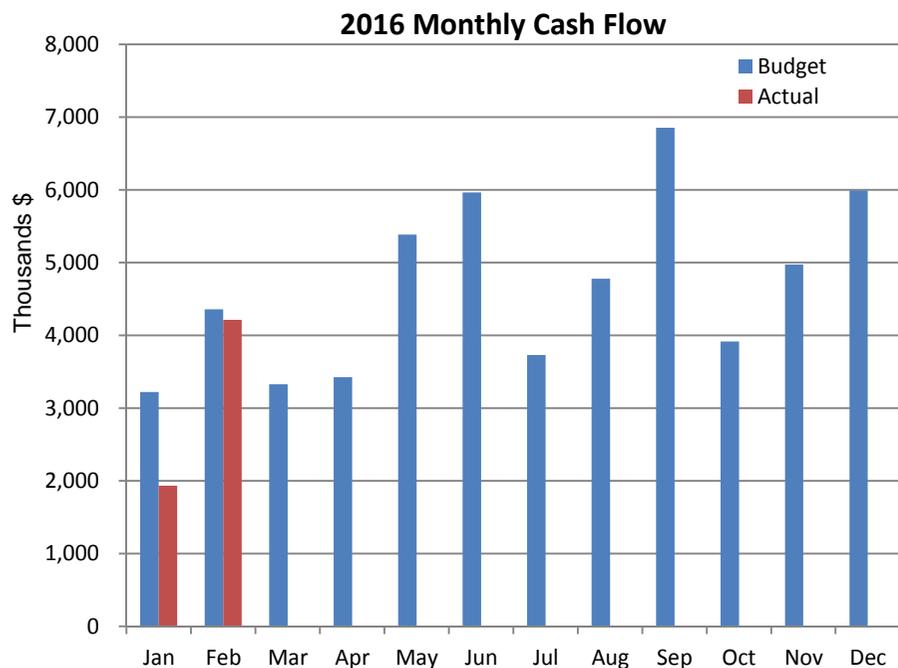
## Safety DART Rate

- The NYPA DART (Days Away, Restricted or Transferred) Rate for February was 0.75 which is below the target of 0.78. For the year, the DART Rate was 1.18 compared to the target of 0.78.
- There was one lost time incident in February that met the DART criteria:
  - CEC: A hotstick lineman tripped over a log while on the job and injured his shoulder.
- For the year, there have been 3 injuries that resulted in lost time and met the DART criteria.

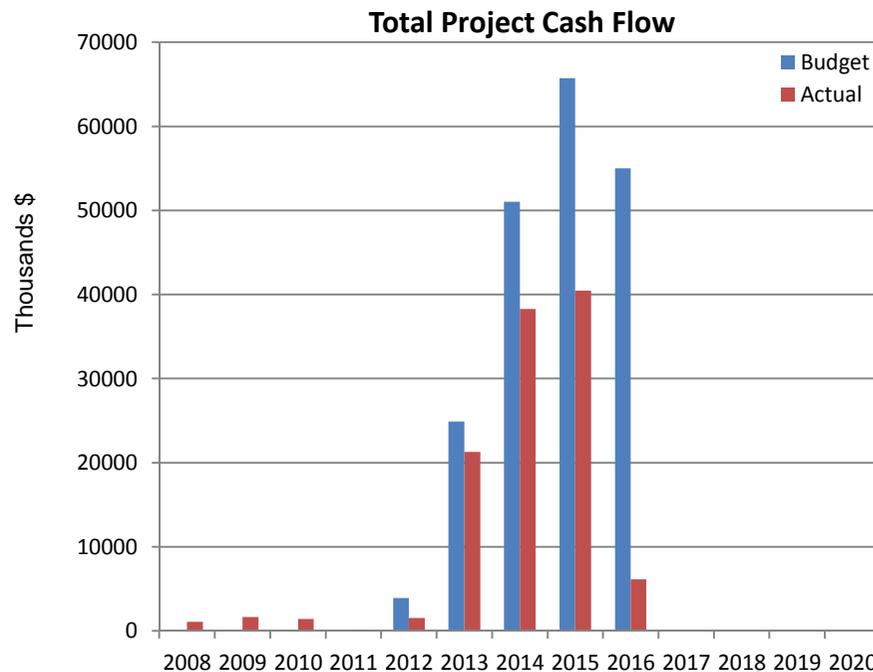


## Life Extension and Modernization Programs – Transmission LEM

Niagara – Bay 13 outage progressing; includes breakers 1322 & 1302 and associated Motor Operated Disconnects, Disconnect Switches and Surge Arrestors. Massena Substation - Installation of Auto Transformer 1X completed; transformer placed under load 1/30/2016. St Lawrence RM Switchyard – commissioning activities continued for cutover of the Capacitor Bank 7 and associated SAMAC relays. Capital Expenditure Authorization Request (CEAR) for BG Switchyard LEM to be submitted for approval at March Trustee meeting in the amount of \$10.9 M. Procurement of equipment and detailed engineering underway for the Marcy and BG Switchyard LEM with construction scheduled to begin in Fall 2016. Niagara Tower Painting RFQ out to bid; painting to begin in 2016. Contacts awarded for PV-20 Submarine Cable Replacement project; preparations underway for soil borings at the site of the new transition stations.



Total 2016 Budget = \$55,935,588 Total 2016 Actuals = \$6,151,083



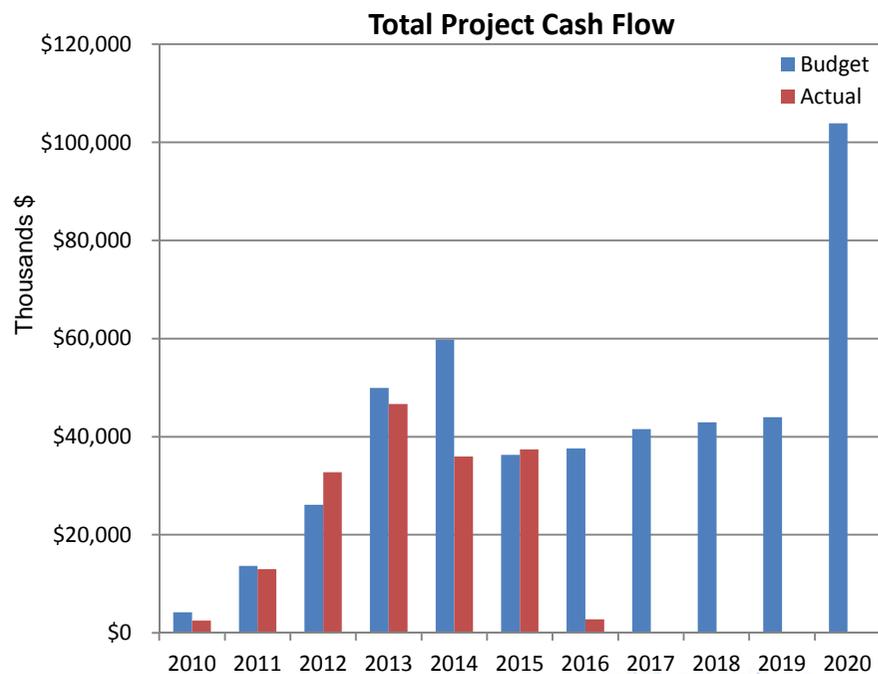
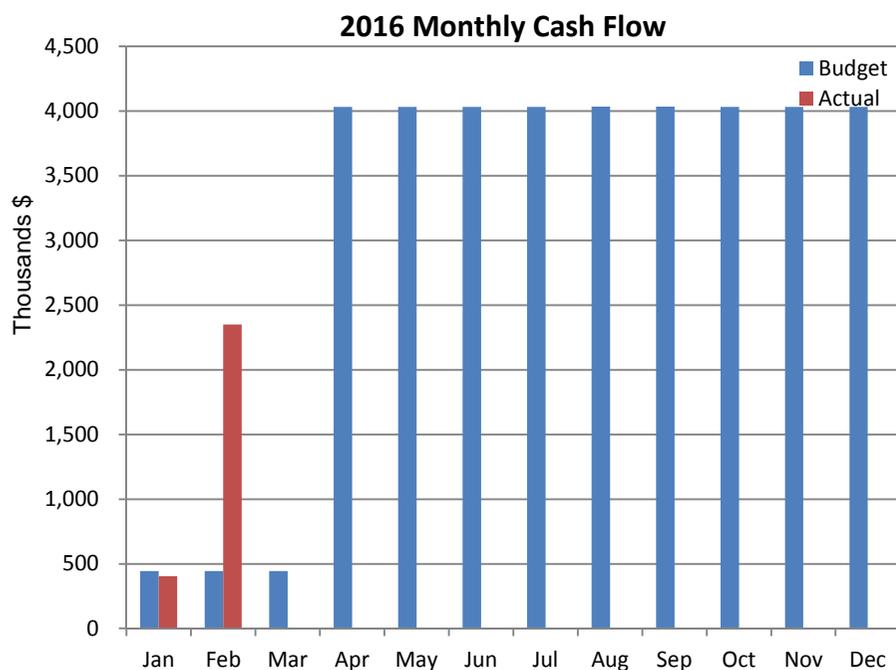
Total Approved Budget to date = \$201,525,588

Total Actuals to date = \$135,765,863



## Life Extension and Modernization Programs – LPGP LEM

- The fifth unit outage (Unit 6) started on November 19, 2015, and is on schedule. The motor generator contract work by Andritz Hydro Corp. is well underway. The project's cash flow indicated in 2020 will be re-allocated this year to take the Andritz contract back into account.



## Technical Compliance – NERC Reliability Standards

### **New Bulk Electric System (BES) Definition**

- NYPA successfully submitted additional supporting analysis for the Plattsburgh 115 kV capacitor banks 5 and 6 exclusion exception request (EER) in response to requests from NPCC.
- NPCC is continuing its review of the Moses-Alcoa 115kV transmission lines EER.
- Final revisions are being made to the NYISO-TO Coordinated Functional Registration (CFR) Agreement and supporting exhibits that will define NYPA's and the NYISO's Transmission Planning (TP) responsibilities for NYPA's assets. The agreement is anticipated to be finalized in March 2016.

### **Critical Infrastructure Protection (CIP) Standards - Version 5**

- NYPA's CIP Version 5 (V5) Implementation Project team continued to execute the plan to achieve compliance with the new cyber security standards before the April 1, 2016 enforcement date.
- As the team completes the priority activities, the team has started conducting Internal Readiness Assessments to assess NYPA's compliance posture and identify any further actions required to complete the transition to CIP V5.

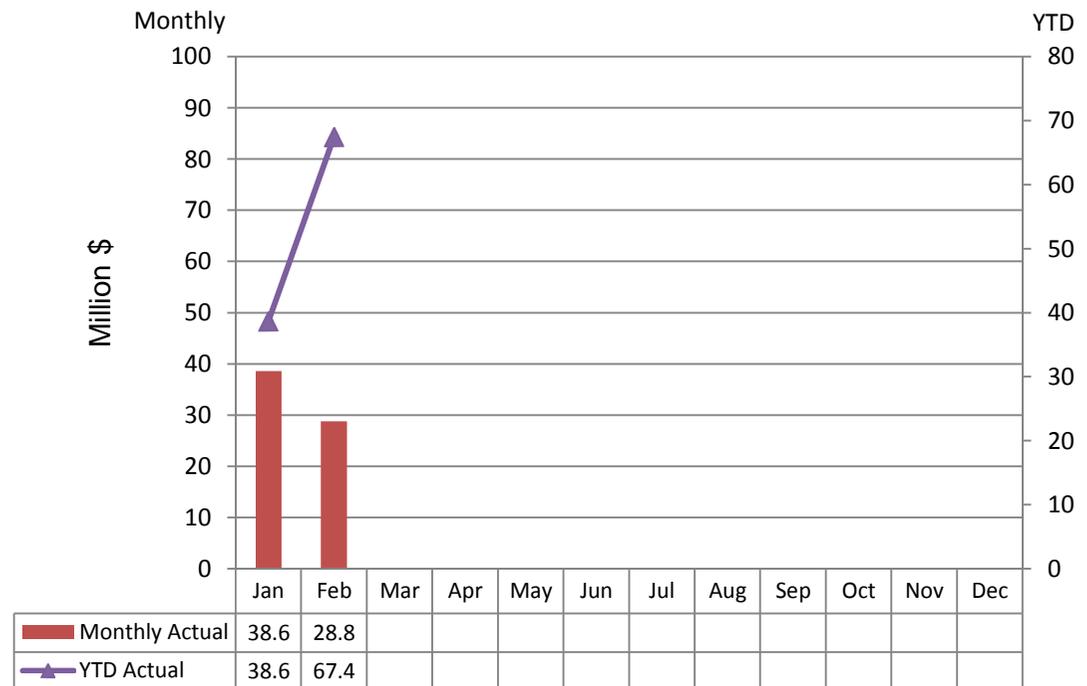
### **NERC Risk-Based Compliance Monitoring and Enforcement Program**

- NYPA submitted supplemental Internal Controls Evaluation (ICE) documentation with regard to its BES Event Reporting process for NPCC consideration and to further reduce NYPA's NERC Compliance Operations & Planning audit scope going forward.
- It is anticipated that NPCC will finalize the NYPA ICE report in 2Q2016 and schedule an on-site visit to review NYPA ICE processes in July 2016.

# Energy Resource Management

## NYISO Markets

- In February, Energy Resource Management (ERM) bid 2.23 million MWh of NYPA generation into the NYISO markets, netting \$28.8 million in power supplier payments to the Authority .
- Year-to-date net power supplier payments are \$67.4 million.



## Energy Resource Management

### Fuel Planning & Operations:

- In February 2016, NYPA's Fuels Group transacted \$16.6 million in natural gas and oil purchases, compared with \$65.9 million in February 2015. Year-to-date natural gas and oil purchases are \$35.2 million, compared with \$111.7 million at this point in 2015.
- The total -\$76.5 million decrease is due to the lower cost of fuel and / or fuel consumption at the Astoria Energy II Plant (-\$33.0 million), 500-Mw Combined Cycle Plant (-\$35.1 million), and Richard M. Flynn Power Plant (-\$8.4 million).

