
NYISO Business Issues Committee Meeting Minutes
January 15, 2020
10:00 a.m. – 10:50 a.m.

1. Introductions, Meeting Objectives, and Chairman's Report

Mr. Chris Wentlent (MEUA) called the meeting to order at 10:00 a.m. The members of the BIC identified themselves and attendance was recorded. A quorum was determined.

2. December 11, 2019 BIC Meeting Minutes

There were no questions or comments regarding the draft minutes from the December 11, 2019 BIC meeting that were included as part of the meeting material.

Motion#1:

Motion to approve the December 11, 2019 BIC meeting minutes.

Motion passed unanimously with an abstention.

3. Market Operations Report and Broader Regional Markets Report

Dr. Nicole Bouchez (NYISO) reviewed the Market Operations and Broader Regional Markets reports included with the meeting material. There were no questions or comments.

4. ICAP Demand Curve Reset Process: Gross CONE Escalation Factor Enhancements

Mr. Ryan Patterson (NYISO) reviewed the presentation included with the meeting material.

Mr. Mark Montalvo (UIU) asked whether the proposed changes are intended to address the New York Transmission Owners' comments regarding the use of weighting factors that remain fixed for the duration of the reset period. Mr. Michael Cadwalader (Atlantic Economics) noted that by baselining the calculations to the first year of the reset period the proposed improvements address the concerns raised by the New York Transmission Owners related to both: (1) revisions to past values by an index publisher; and (2) the use of weighting factors that remain fixed throughout each reset period.

Ms. Amanda Trinsey (Couch White) noted that the City of New York and Multiple Intervenors reserve their respective rights to potentially raise further consideration of a proposal to extend the reference point price collaring mechanism at a later date.

Ms. Saia (Greenberg Traurig) asked for clarification regarding the NYISO's proposed timeline for pursuing changes to the reset process that would require tariff revisions. Mr. Zach T. Smith (NYISO) stated that if stakeholders desire to further pursue a proposal to reinstate the prior reference point price collaring mechanism, stakeholders should bring any such proposal forward expeditiously.

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff with regard to the modifications for calculating the gross cost of new entry composite escalation factor as presented to the BIC on January 15, 2020.

Motion passed unanimously.

5. Relocation of the Ontario Proxy Bus

Mr. Tolu Dina (NYISO) reviewed the presentation included with the meeting material.

Mr. Scott Leuthauser (HQUS) asked whether the proposed changes to the Ontario proxy bus location included consideration of the flows over the facilities in the proximity of the St. Lawrence hydroelectric facility. Mr. Dina noted that the ties with Ontario near the St. Lawrence facility are equipped with phase angle regulators to control flows on these facilities consistent with their schedules.

Mr. Tal Levy (Appian Way) asked for further information regarding the NYISO's proposal to allow use of the Ontario proxy bus as a valid bidding point in only the six-month rounds of the Spring 2020 Centralized TCC Auction. Mr. Greg Williams (NYISO) noted that the proposed restriction on bidding related to use of the Ontario proxy bus as a bidding point is intended to facilitate greater certainty over the implementation of the proposed change to the proxy bus location in the Day-Ahead Market prior to implementing the proposed change in the TCC auctions.

Mr. Mark Younger (Hudson Energy Economics) asked whether it is currently anticipated that the change to the location of the Ontario proxy bus will be implemented for all six-month rounds of the Spring 2020 Centralized TCC Auction. Mr. Williams stated that the NYISO will continue to monitor the status of implementing this change in the Day-Ahead Market and will provide advance notice prior to implementing any change to the location of the Ontario proxy bus within the TCC auction model.

Mr. Mike Kramek (Boston Energy) requested clarification regarding the assumptions that will be applied to the location of the Ontario proxy bus for the two-year and one-year rounds of the Spring 2020 Centralized TCC Auction. Mr. Williams clarified that the NYISO currently anticipates that the Ontario proxy bus will not be an allowable bidding point for any of the two-year or one-year rounds of the Spring 2020 Centralized TCC Auction.

Mr. Bruce Bleiweis (DC Energy) asked for clarification regarding when the NYISO anticipates it will be able to inform the market of the Ontario proxy bus location assumptions that will be used for the six-month rounds of the Spring 2020 Centralized TCC Auction. Mr. Williams stated that the NYISO will monitor the status of implementing this change in the Day-Ahead Market and will provide notice to the marketplace regarding the assumptions that would apply to the location of the Ontario proxy bus during the six-month rounds of the Spring 2020 Centralized TCC Auction once the timeline for implementing the change in the Day-Ahead Market has been finalized.

Mr. Younger asked whether the NYISO will provide advance notice of when the change to the Ontario proxy bus location will be implemented in the energy markets. Mr. David Edelson (NYISO) stated that once the implementation timeline is finalized, the NYISO will provide advance notice to the marketplace of the expected date for making the change to the Ontario proxy bus location in the energy markets.

Motion #3:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee ("MC") approve revisions to Section 4.4.4 and 17.1.5 of the NYISO's Market Administration and Control Area Services Tariff, as more fully described in the "Relocating the IESO Proxy Bus" presentation made to the BIC on January 15, 2020.

Motion passed unanimously with an abstention.

Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on December 20, 2019 and reviewed the standard accounting/settlement reports.
- Electric System Planning Working Group: The group has not met since the last BIC meeting.
- Installed Capacity Working Group: The group has met five times since the last BIC meeting, including joint meetings with MIWG and/or PRLWG. The group met on December 13, 2019 and reviewed the scope and anticipated schedule for the comprehensive mitigation review initiative. On December 17, 2019, the group met and reviewed a presentation by Itron regarding the results of phase 1 of the climate change impact and resilience study project, and preliminary information regarding 2020/2021 Locational Minimum Installed Capacity Requirement values. The group met on December 19, 2019 and reviewed an overview of the 2020 energy and capacity market design project initiatives, proposed revisions to the methodology for calculating the composite escalation factor used for adjusting gross cost of new entry values as part of the annual update process for the

ICAP Demand Curves and the proposed process for further discussing the proposal by the New York Transmission Owners to extend the transitional collaring mechanism that applies to reference point values calculated pursuant to the annual update process for the ICAP Demand Curves, and an overview of considerations and the anticipated schedule for discussing potential enhancements to the Part A exemption test of the buyer-side mitigation rules. On January 8, 2020, the group met and reviewed the study report and results of the 2019-2020 New Capacity Zone Study, an overview of considerations and the anticipated schedule for further discussing potential enhancements to the study period used as part of the evaluations conducted pursuant to the buyer-side mitigation rules, and an overview of considerations for potential market design enhancements in response to the ongoing transformation of the electric system. The group also met on January 13, 2020 and reviewed an overview of considerations and the anticipated schedule for further discussing the development of a hybrid supply resource model, a presentation by Energy Systems Integration Group regarding hybrid resources consisting of co-located solar and energy storage and considerations for a hybrid supply resource participation model, the proposed Locational Minimum Installed Capacity Requirement values for the 2020/2021 Capability Year, and potential enhancements to the Part A exemption test of the buyer-side mitigation rules regarding the examination of new zero-emission resources developed in response to state public policy requirements.

- Load Forecasting Task Force: The group met on December 20, 2019 and reviewed the final capacity market peak load forecast for the 2020/2021 Capability Year.
- Market Issues Working Group: The group has met jointly with ICAPWG and PRLWG four times since the last BIC meeting. On December 17, 2019, the group met and reviewed a presentation by Itron regarding the results of phase 1 of the climate change impact and resilience study project, and an overview of the inclusion of opportunity costs as part of the bids submitted by energy storage resources and the application of other energy market mitigation measures to energy storage resources. The group met on December 19, 2019 and reviewed an overview of the 2020 energy and capacity market design project initiatives, potential opportunities to improve the current rules that seek to prevent uneconomic production by resources in the wholesale energy markets, and changes to the comprehensive bid management system related to the bidding requirements for energy storage resources participating in the wholesale energy and ancillary services markets. On January 8, 2020, the group met and reviewed an overview of considerations for potential market design enhancements in response to the ongoing transformation of the electric system. The group also met on January 13, 2020 and reviewed an overview of considerations and the anticipated schedule for further discussing the development of a hybrid supply resource model, a presentation by Energy Systems Integration Group regarding hybrid resources consisting of co-located solar and energy storage and considerations for a hybrid supply resource participation model, and proposed revisions to the Transmission Congestion Contracts Manual.
- Price Responsive Load Working Group: The group met jointly with ICAPWG and/or MIWG on December 13, 2019, December 17, 2019, December 19, 2019, January 8, 2020, and January 13, 2020 and reviewed the agenda topics for each meeting related to distributed energy resources (DER), energy storage resources and/or the NYISO-administered demand response programs.

New Business

There was no new business.

Meeting adjourned at 10:50 a.m.