
NYISO Business Issues Committee Meeting Minutes
June 24, 2020
10:00 a.m. – 12:10 p.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. Market Operations Report and Broader Regional Markets Report

Mr. Michael DeSocio (NYISO) reviewed the Market Operations and Broader Regional Markets reports included with the meeting material.

Mr. Dan Mahoney (NYPA) asked whether the NYISO is able to differentiate impacts on wholesale market prices for milder weather versus the impacts of the COVID-19 pandemic. Mr. DeSocio stated that the NYISO does not have information that attempts to directly assign changes in prices to specific factors such as weather or the ongoing impacts on load related to the COVID-19 pandemic.

Mr. DeSocio reviewed the broader regional markets report included with the meeting material noting that there have been no updates to the report since the last BIC meeting.

3. CARIS Phase 1 Report

Mr. Jason Frasier (NYISO) reviewed the presentation included with the meeting material.

Mr. Kevin Lang (Couch White) raised concerns about the need to avoid the potential for adverse consequences of utilizing data from the Congestion Assessment and Resource Integration Study (CARIS) in subsequent analyses conducted as part of the Reliability Needs Assessment (RNA) in the event that more recent data and information may be available at the time a subsequent RNA is undertaken. Mr. Zach G. Smith (NYISO) clarified that the RNA base case utilizes the most current information available at the time it is developed and CARIS is conducted subsequent to the RNA as part of each planning cycle under the Comprehensive System Planning Process (CSPP). Mr. Zach G. Smith further noted that the data and information from the reliability planning process is used in developing the subsequent CARIS base case modeling assumptions.

Mr. Mark Younger (Hudson Energy Economics) requested confirmation that the CARIS Phase 1 base case assumes the Somerset generation facility as in-service due to the fact that its retirement did not occur until after the date for finalizing assumptions for such base case. Mr. Frasier confirmed that the Somerset generation facility is assumed as in-service for purposes of the CARIS Phase 1 base case due to the timing of the facility's retirement subsequent to the date for finalizing assumptions for the base case. Mr. Frasier further noted that the facility was assumed to be out-of-service for purposes of the 70x30 scenario conducted as part of the CARIS Phase 1 analyses.

Mr. Dave Clarke (LIPA) asked for further information regarding the assumed cost of energy efficiency assessed in evaluating the relative benefit of utilizing energy efficiency to relieve the persistent transmission congestion for the three study areas identified in the CARIS Phase 1 base case results. Mr. Frasier noted that the magnitude of energy efficiency required to relieve persistent transmission congestion in the study areas identified in the CARIS Phase 1 base case assessment results in a need to rely on more expensive measures that are above and beyond the level of energy efficiency assumed as already existing in the base case.

Mr. Wentlent asked for clarification regarding the nuclear retirement assumptions in the CARIS Phase 1 base case. Mr. Frasier stated that for purposes of the CARIS Phase 1 base case, the only nuclear facility retirements assumed are Indian Point 2 and 3.

Mr. Clarke noted appreciation for the NYISO's efforts in developing and undertaking the 70x30 scenario conducted as part of the CARIS Phase 1 analyses.

Market Monitoring Unit's Assessment of the CARIS Phase 1 Results

Mr. Pallas LeeVanSchaick (Potomac Economics) reviewed a presentation regarding the Market Monitoring Unit's review of the 2019 CARIS Phase 1 report.

Mr. Lang asked for clarification regarding the nature of the capacity market benefits that the Market Monitoring Unit (MMU) contends are not currently accounted for as part of the CARIS Phase 1 base case assessment. Mr. LeeVanSchaick stated that the benefit-to-cost ratios calculated under the CARIS Phase 1 base case analysis do not currently account for any capacity market impacts that can result from transmission system upgrades, such as reducing locational capacity requirements.

Mr. Younger asked for clarification regarding how the MMU estimated potential renewable energy credit (REC) revenue values in 2030 for various renewable technologies under an indexed REC structure. Mr. LeeVanSchaick stated that the MMU assumed that strike price for renewable resources would be set to a value equal to the levelized cost of new entry (CONE) calculated by the MMU for various renewable technologies in locations throughout New York and that the REC revenues received would reflect the indexed REC construct's offset for average capacity and zonal energy market revenues based on the MMU's estimation of such future capacity and energy market prices.

Mr. Howard Fromer (PSEG) asked what discharge duration capability is assumed in the MMU's analysis regarding the potential economics for operating energy storage in 2030. Mr. LeeVanSchaick stated that the MMU's analysis assumed 4-hour duration energy storage resources.

Motion #1:

WHEREAS, the Electric System Planning Working Group ("ESPWG") and Transmission Planning Advisory Subcommittee ("TPAS") have held a series of meetings to discuss and review the studies and analyses underlying the NYISO's 2019 Congestion Assessment and Resource Integration Study ("2019 CARIS") Phase 1; and
WHEREAS, NYISO Staff has posted a draft 2019 CARIS Report dated June 17, 2020, including Appendices ("Draft Report"), for the June 24, 2020 Business Issues Committee ("BIC") meeting; and
The Business Issues Committee ("BIC") hereby recommends that the Management Committee recommend that the Board of Directors approves the 2019 CARIS Phase 1 Draft Report, as presented and discussed at the BIC meeting held on June 24, 2020.

Motion passed unanimously.

4. Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on June 18, 2020 and reviewed the standard accounting/settlement reports, proposed enhancements to the credit security requirements for the Transmission Congestion Contracts (TCC) market, and the zonal cost allocation results that will apply to costs for Segment A of the AC Transmission Public Policy Transmission Need.
- Electric System Planning Working Group: The group has met three times since the last BIC meeting. On May 22, 2020, the group met and reviewed updates to topology and other base case modeling assumptions for the 2020 Reliability Needs Assessment (RNA), the draft study report for the 2019 Congestion Assessment and Resource Integration Study (CARIS) Phase 1 analysis, and topology assumptions for the 2021/2022 Capability Year installed reserve margin analysis. The group met on June 4, 2020 and reviewed a presentation by Analysis Group regarding the methodology and assumptions for the Phase II analysis being conducted as part of the ongoing climate change impact and resilience study project, an overview of the timeline for reliability planning study activities for 2020, and the draft study report for the 2019 CARIS Phase 1 analysis. The group also met on June 19, 2020 and reviewed initial results for the 2020 RNA base case, assumptions for the 70x30 scenario to be conducted as part of the 2020 RNA, and the zonal cost allocation results that will apply to costs for Segment A of the AC Transmission Public Policy Transmission Need.

- Installed Capacity Working Group: The group has met jointly with MIWG and/or PRLWG five times since the last BIC meeting. The group met on May 20, 2020 and reviewed the application of buyer-side mitigation rules to new Special Case Resources in response to FERC's directives, and a presentation by the Advanced Energy Management Alliance regarding considerations related to the application of buyer-side mitigation rules to new Special Case Resources in response to FERC's directives. On June 2, 2020, the group met and reviewed the bidding rules for energy storage resources participating in the wholesale capacity market, and an overview of the renewable technology assessment to be conducted as part of the renewable exemption of the buyer-side mitigation rules. The group met on June 8, 2020 and reviewed the reviewed the Market Monitoring Unit's 2019 State of the Market report. On June 10, 2020, the group met and reviewed a presentation by Analysis Group regarding its draft report and preliminary results related to the ongoing 2019-2020 ICAP Demand Curve reset process, and grid operations considerations regarding maintaining reliability in response to the ongoing transformation of the electric system. The group also met on June 22, 2020 and reviewed a presentation by NRG regarding a forward clean energy market construct, reliability considerations and potential enhancements in response to the ongoing transformation of the electric system, and a presentation by The Brattle Group regarding results of its analysis to assist in determining potential wholesale market impacts of anticipated changes to the electric system through 2040 in response to the requirements of the Climate Leadership and Community Protection Act (CLCPA).
- Load Forecasting Task Force: The group has met twice since the last BIC meeting. On May 21, 2020, the group met and reviewed impacts on load patterns and energy consumption related to the ongoing COVID-19 pandemic, and the economic scenario analysis for its Spring Economic Conference. The group met on June 17, 2020 for its annual Spring Economic Conference, and also reviewed impacts on load patterns and energy consumption related to the ongoing COVID-19 pandemic, as well as considerations related to quantifying the amount of behind-the-meter solar generation installed in New York.
- Market Issues Working Group: The group has met jointly with ICAPWG and PRLWG four times since the last BIC meeting. On June 2, 2020, the group met and reviewed a presentation by Consolidated Edison regarding a proposal to increase the MW threshold for the current bidding and scheduling exemptions applicable to certain generators serving the NYC steam system, a proposal to increase the current 30-minute reserve requirement for the Southeastern New York (SENY) reserve region, and the Consumer Impact Analysis related to the proposal to increase the current 30-minute reserve requirement for the SENY reserve region. The group met on June 8, 2020 and reviewed the reviewed the Market Monitoring Unit's 2019 State of the Market report. The group met on June 10, 2020 and reviewed grid operations considerations regarding maintaining reliability in response to the ongoing transformation of the electric system, and the supplemental survey results related to the Autumn 2020 Centralized TCC Auction. On June 22, 2020, the group met and reviewed reliability considerations and potential enhancements in response to the ongoing transformation of the electric system, and a presentation by The Brattle Group regarding results of its analysis to assist in determining potential wholesale market impacts of anticipated changes to the electric system through 2040 in response to the requirements of the CLCPA.
- Price Responsive Load Working Group: The group met jointly with ICAPWG and/or MIWG five times since the last BIC meeting (i.e., May 20, 2020, June 2, 2020, June 8, 2020, June 10, 2020, and June 22, 2020). At each meeting, the group reviewed the agenda topics related to distributed energy resources, energy storage resources and/or the NYISO-administered demand response programs.

5. New Business

There was no new business.

Meeting adjourned at 12:10 p.m.