

**DRAFT****NYISO Management Committee Meeting Minutes****September 30, 2014****10:00 a.m. –11:15 a.m.****1. Introductions, Meeting Objectives, and Chairman's Report**

The chair of the Management Committee (MC), Mr. Alan Ackerman (CES) called the meeting to order at 10:05 a.m. by welcoming the members of the MC. The members of the MC identified themselves and attendance was recorded. A quorum was determined. Mr. Ackerman welcomed a new committee member, Energy Technology Savings, to the NYISO's shared governance and also announced that a member of the press, Mr. William Opalka (RTO Insider), was in attendance.

**2. Approval of Meeting Minutes****Motion #1:**

The Management Committee (MC) approves the August 27, 2014 meeting minutes.

***The motion passed unanimously by show of hands***

**3. President/COO Report**

Mr. Rick Gonzales (NYISO), on behalf of Stephen Whitley, reviewed the President's Report included with the meeting material. Ms. Cheryl Hussey (NYISO) informed members of the MC of the September 22<sup>nd</sup> Credit Policy Working Group presentation on the 2014 – 2015 Winter Capability Period: Energy Credit Requirements that will become effective November 1<sup>st</sup>. Mr. Gonzales reviewed the market operations and operations performance highlights. He noted that the 2014 peak load day occurred in September.

**4. FERC Order 745 Discussion**

Ms. Emilie Nelson (NYISO) discussed the D.C. Circuit Court's ruling and its impact on the NYISO's markets. She noted that the NYISO did not expect there to be further action from the Court until after October 6<sup>th</sup>. In accordance with the tariff, the NYISO would continue to administer demand response in its markets. In response to a question, Ms. Nelson said the NYISO would keep stakeholders apprised of any changes and would also like to hear stakeholder feedback. Mr. Scott Leuthauser (HQ US) requested the NYISO to post Ms. Nelson's prepared statement with the MC meeting materials. Mr. Fernandez agreed.

Mr. Garrett Bissell (Multiple Intervenors and the City of NY) said it was important for the NYISO to look at the uncertainty in terms of the NYISO's budget. In response to a question, Mr. Rob Fernandez (NYISO) said the NYISO was internally looking at how the Court ruling could impact its markets, specifically the removal of Special Case Resources from the ICAP market. Mr. Fromer said it was good to know that the NYISO was having an internal conversation, but it was also important for the NYISO to have a dialogue with stakeholders because there could be a short time to react once FERC gives direction to the NYISO. Ms. Doreen Saia (Entergy) asked if the NYISO could commit to having a preliminary discussion about how the NYISO would proceed at either the October 7<sup>th</sup> ICAP Working Group or the October 15<sup>th</sup> Business Issues Committee. Mr. Fernandez said the NYISO would take that back and could work on a preliminary dynamic schedule. Mr. Paul Gioia (NYTOs) cautioned that the impact on the NYISO's markets would take a lengthy analysis and there was no need to have a thorough discussion immediately after October 6<sup>th</sup>. Mr. Fernandez said the NYISO would look at its options and try its best to describe the next steps once the NYISO receives direction from FERC.

## 5. Self Commit Tariff Clarifications

Mr. Timothy Bulsiewicz (NYISO) reviewed the presentation included with the meeting material.

Mr. Gonzales said that the NYISO would continue to review market outcomes daily for efficiency and the self commit tariff changes came out of that review process.

### **Motion #2:**

The Management Committee (“MC”) hereby approves, and recommends that the Board of Directors authorize the NYISO to file with the Federal Energy Regulatory Commission pursuant to Section 205 of the Federal Power Act, the amendments to the Market Services Tariff proposed in the Self Commit Tariff Clarifications presentation made to the MC on September 30, 2014.

***The motion passed unanimously by show of hands***

## 6. NYISO 2015 Budget Overview

Mr. Rich Miller (Con Edison and Budget and Priorities Working Group (BPWG) Chairman) reviewed the presentation included with the meeting material. He said that the stakeholder participation was robust and he welcomed process improvement suggestions from Market Participants. He said that for next year, he would recommend the following process improvements:

- Establish a deadline for stakeholders to submit potential projects to be submitted to the NYISO. The deadline would be listed on the weekly stakeholder summary document.
- Address the issue of smaller projects that get pushed back year after year and do not get addressed.

Mr. Mark Younger (Hudson Energy Economics for Indeck) said he would like to request that the NYISO release the project scoring that it uses to evaluate potential projects much earlier in the prioritization process. Mr. Miller understood, but he said the request came late in the current process and that there were Market Participants who believed that it would not be productive to release the scoresheet. As BPWG Chair, he had advised that this should be a NYISO Management decision .

Mr. Bissell said that it was inappropriate to have DR program changes on the 2015 project list due to the uncertainties with Order 745 and the REV proceeding. He said that he supported the credit enhancements for unbalanced trading and would like to get a commitment from the NYISO that the project would be implemented in 2016.

Mr. Fromer said the uncertainties with Order 745 could result in software changes with significant costs. He asked if there was a mechanism to increase the NYISO budget after Board approval. Mr. Gonzales said the NYISO would work with the BPWG and the MC to address such a hypothetical scenario. Mr. Gioia agreed and suggested that the MC should make a recommendation to the Board. Ms. Hussey added that 2015 DR project funds could be reallocated to cover any Order 745-required changes, as necessary. In 2009 Rate Schedule 1 was increased subsequent to Board approval and that change was brought through BPWG and the MC, so such a mechanism does exist, if necessary. Mr. Fernandez said that mechanism would be used as a last resort. Mr. Fromer understood, but said it was important for BPWG to have a discussion in the near future of a contingency budget plan for Order 745 changes. Mr. Bissell said it was important to get a sense of the costs of any required Order 745 changes.

In response to a question from Mr. Fromer, Ms. Hussey replied as to the amount of NYISO's outstanding debt as of the end of 2015 and the projections for 2016 and 2017. Mr. Tom Rudebusch (NYAPP) said that the 2016-2017 budget salary increase projections were a continuing concern of the municipalities that he represented.

Mr. Gonzales thanked Mr. Miller for his efforts at increasing participation at the BPWG and leading the budget discussions.

**7. New Business**

None

The meeting adjourned at 11:15 a.m.