

NYISO Business Issues Committee Meeting Minutes
September 16, 2015
10:05 a.m. – 12:00 p.m.

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

The chair of the Business Issues Committee (BIC), Ms. Patti Caletka (NYSEG) called the meeting to order at 10:05 a.m. by welcoming the members of the BIC. The members of the BIC identified themselves and attendance was recorded. A quorum was determined.

2. Meeting Minutes

The August BIC meeting minutes were postponed for approval until the next meeting.

3. Market Operations Report

Mr. Rana Mukerji (NYISO) reviewed the market operations report included with the meeting material.

4. Seams Report

Mr. Mukerji reviewed the seams report included with the meeting material. He reported that the NYISO was preparing for activation of the CTS bidding with ISO New England in December and there will be training and sandbox testing.

Mr. Howard Fromer (PSEG) noted that traders experienced issues with CTS with PJM and asked if the NYISO thought about delaying implementation so those problems are not replicated on the New England seam. Mr. Mukerji said the NYISO was carefully studying the effects of forecasting between what the forecasted ISO prices would be and actual prices and reducing forecast errors. He noted that traders on the PJM interface can revert to the historical way of reserving transactions and that New England is putting a sophisticated look ahead feature into their November implementation. The NYISO was certainly studying its performance with PJM but it was not proposing to delay implementation with CTS with New England.

Mr. Mike Kramek (Boston Energy) said since CTS with New England will be mandatory, he asked if the NYISO would be communicating to Market Participants (MPs) that have historically traded power to increase awareness. Mr. Mike DeSocio (NYISO) said the NYISO would be reaching out to stakeholders in advance to inform them when the new platform will be ready

In response to a question, Mr. Mukerji said ISO-New England's look ahead feature is on track for implementation in the first week of November.

Mr. Mukerji reported that PJM was reviewing their options for increasing the energy market offer cap and they intend to put that in effect provided they get stakeholder and board approval. He noted that the NYISO would study the potential implications for the New York market of having a higher energy offer cap within PJM. In response to a question, Mr. DeSocio said the NYISO could report back to its stakeholders regarding PJM's suggested offer cap level and the status of their stakeholder process.

5. Planning Update

Mr. Henry Chao (NYISO) reported that the 2015 CARIS study was almost complete. He noted that the CARIS study identified the Western New York 230 kV transmission system as one of the three most

congested interfaces. The NYISO was working with stakeholders on the cost-benefit and the potential solutions to address the congestion and the final report is scheduled for BIC approval in October. Mr. Chao also reported that the NYISO has been working with stakeholders to discuss the baseline analysis for the public policy transmission need in Western New York that the PSC identified on July 20. The NYISO's analysis will be useful for interested parties who may respond to the NYISO's request for solutions.

6. ICAP Manual Revisions

Mr. Zachary T. Smith (NYISO) reviewed the presentation included with the meeting material. Mr. Smith noted that the NYISO clarified in Section 4.8 of the ICAP Manual that ICAP suppliers utilizing a UDR to provide UCAP do not need to notify the NYISO of outages of that UDR facility. Mr. Fromer thanked the NYISO for that clarification.

Motion #1:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the September 16, 2015 BIC Meeting.

Motion passed unanimously with an abstention.

7. New York City Steam Exemption

Mr. Chris Hargett (Con Edison) reviewed the presentation included with the meeting material.

Mr. Kramek said that Con Edison noted that the units don't follow the NYISO dispatch instructions but he asked if Con Edison provided the NYISO with a forecast of the steam needs or the forecast of electric output so that NYISO can plan its system accordingly. Mr. Hargett said he understood there is coordination between the units and the NYISO, and generally speaking, the most variable electric output occurs during the ramp up and ramp down periods, but otherwise it is fairly predictable. Mr. DeSocio added that for resources like these units, the NYISO would expect them to offer what their output would be in a form of a self-scheduled bid, and that would allow the NYISO to dispatch around those resources.

In response to a question from Mr. Fromer, Mr. Hargett said the proposal affects the real-time energy dispatch, but Con Edison is also going through the class year deliverability studies for the purposes of capacity market and CRIS rights. He also noted that if there was an emergency situation, the units would be able to produce more electricity. Mr. DeSocio said these units were treated the same as other units for purposes of the capacity market because of their ability to provide emergency output.

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve the specified changes to the NYISO's Services Tariff Sections 4.5 and 15.3A.3 as described in the presentation entitled "New York City Steam Exemption," made to the BIC on September 16, 2015.

Motion passed unanimously with abstentions.

8. Behind the Meter: Net Generation Initiative

Mr. Pradip Ganesan (NYISO) reviewed the presentation included with the meeting material. He acknowledged all of the stakeholder feedback the NYISO received since the work began last September. The NYISO would be presenting tariff language revisions between now and the end of this year and during this time, the NYISO would continue to develop the concepts and present them to stakeholders as part of the tariff revisions development process. Today's vote gives the NYISO the approval to continue working on the tariff language amendments for behind the meter participation. Mr. Ganesan reviewed the energy market design concepts of the initiative.

Ms. Branka Brlosic-Nirenberg (NYISO) reviewed the capacity market design concepts of the presentation.

Mr. Mark Younger (Hudson Energy Economics for Indeck) said he had no problem with approving behind the meter net generation under the right rules and he believed the NYISO has proposed mostly the right rules, but he disagreed with grandfathering CRIS rights for Behind the Meter Net Generation resources. He could not vote for a market design concept because it would imply that he supported everything in the presentation. After coordinating with Ms. Erin Hogan (Utility Intervention Unit) and Mr. David Lawrence (Energy Connect), Mr. Younger proposed an amendment to the motion that removed the specific reference to the September 16, 2015 BIC presentation and clarified that the tariff revisions developed to support implementation of the project would be subject to a subsequent vote at BIC.

Mr. Chris LaRoe (IPPNY) expressed concern that if the concept was approved, the working group discussions would immediately turn into drafting tariff language session and not further refine some of the concepts that people have raised concern with. He also did not believe that the amended motion matched NYISO's intention with the original motion language and that, as amended, it appeared to be a motion without substance. Mr. DeSocio said the NYISO's intention was to take what we have currently discussed in the NYISO stakeholder process and begin to work on tariff language and as we do that, if there are further refinements, the NYISO would entertain those discussions at the time of presenting tariff language amendments in working group meetings. The NYISO feels that the market design concept has been moved forward as far as can be done and it is time to develop formal market rules in the form of tariff revisions.

Mr. Matt Cinadr (NECHPI) said the concept vote would help pick up the pace. Mr. David Lawrence said there are issues that still need to be further looked at, but generally, people are good with the direction of the concepts. He didn't think the amended motion denigrates the fact that there are some further issues that need to be discussed. In response to a question from Mr. LaRoe, Mr. Garrett Bissell (NYISO) clarified that any vote that a stakeholder makes today with respect to moving the market design process forward to the tariff development stage has no binding effect on a subsequent vote relating to the proposed tariff revisions for the project that any member makes in the future. The tariff revisions related to the proposal will be subject to a subsequent vote at BIC and stakeholders are free to cast whatever vote they deem appropriate at such time based on the tariff revisions proposed. Mr. LaRoe was comfortable with that statement, but wanted it memorialized in the minutes.

Mr. Younger said the NYISO and its stakeholders should rethink having market design concept votes because it puts stakeholders in an awkward position where they want to vote consistently on the concept design and on the tariff language. He didn't think the market design concept vote was necessary. Mr. DeSocio said the step was requested at the Budget and Priorities Working Group (BPWG) as a milestone for this project. Normally, if that milestone was not asked for, the NYISO would have proceeded with tariff language development related to the proposal prior to seeking a vote at BIC. Certainly, there can be future discussions at BPWG regarding the necessity for market design concept approval votes going forward, but the NYISO was seeking BIC approval today because of the milestone set at last year's BPWG. Ms. Caletka agreed that BPWG may want to have a discussion about modifying the market design concept milestone votes.

Mr. Cinadr recognized the NYISO staff for working as courteously and productively as possible.

Motion #3:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to refine the Behind the Meter Net Generation proposal as more fully described in the presentation made to the BIC on September 16, 2015.

Motion #3a:

Motion to amend motion 3 as follows:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to **more fully develop refine** the Behind the Meter Net Generation proposal **as more fully described in the presentation made to the BIC on September 16, 2015** discussed in the NYISO stakeholder process. Tariff language prepared to implement this proposal will be presented to the BIC for approval.

Motion passed unanimously with an abstention.

Motion #3b:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to more fully develop the Behind the Meter Net Generation proposal as discussed in the NYISO stakeholder process. Tariff language prepared to implement this proposal will be presented to the BIC for approval.

Motion passed unanimously with an abstention.

9. Working Group Updates

BAWG – Mr. Norman Mah (Con Ed Solutions) said BAWG met on August 21st to review the standard accounting reports. They also discussed a redesign of some manual adjustments.

CPWG – The group did not meet.

ESPWG – Mr. Scott Butler (Con Edison) reported that ESPWG has been working with the NYISO on establishing the base case and explaining the public policy need that the PSC identified in Western NY. The ESPWG has also been clarifying some of the requirements of developers that want to propose solutions in that public policy planning process. The group will also be talking about transmission security cost allocation and the CARIS final report at the next meeting.

ICAPWG – Mr. Bob Boyle (NYPA) reported that ICAPWG had five meetings since the last BIC and the group discussed the ICAP manual revisions which BIC approved today and the behind the meter net generation initiative. The group has spent most of the meeting reviewing the Reliability Must Run (RMR) compliance filing. The group will meet again in the coming weeks to review the RMR tariff language.

IPTF – The group did not meet.

LFTF – Mr. Bryan Irrgang (PSEG Long Island) reported that the LFTF met on September 10th and they reviewed the July 29th NYCA peak load including coincident loads and weather by zone. The NYISO also presented their preliminary weather normalization of coincident zonal peak loads, except for Con Edison. The LFTF reviewed its fall schedule. Key upcoming activities include delivery of the 2016 NYCA peak load forecast for the IRM on October 2nd and delivery of the final ICAP forecast in December. The LFTF also briefly discussed its upcoming economic conference and long term energy forecast workshop which is scheduled for early next month. The next meeting is September 23rd.

MIWG – Mr. Chris LaRoe (IPNNY) reported that MIWG had a handful of meetings since the last BIC, similar to the ICAPWG, they have also been discussing behind the meter net generation proposal and will continue to do so going forward. MIWG has also been reviewing the comprehensive scarcity pricing proposal. The group has transitioned into development of tariff language revisions related to the comprehensive scarcity pricing proposal in order to seek approval by the end of this year in order to target implementation for Q2 2016. MIWG also had an overview of the Q2 2015 State of the Market Report from the Market Monitoring Unit.

PRWLG – The group did not meet.

EGCWG – The group did not meet.

10. New Business

Mr. Mukerji reported that the NYISO issued a press release today announcing the selection of the new CEO, Mr. Bradley Jones, who was the COO at ERCOT. He will begin at the NYISO on October 12th.

The meeting adjourned at 12:00 p.m.

***Business Issues Committee
September 16, 2015
Final Motions***

Motion #1:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the September 16, 2015 BIC Meeting.

Motion passed unanimously with an abstention.

Motion #2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve the specified changes to the NYISO’s Services Tariff Sections 4.5 and 15.3A.3 as described in the presentation entitled “New York City Steam Exemption,” made to the BIC on September 16, 2015.

Motion passed unanimously with abstentions.

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Motion passed unanimously with an abstention.

Motion #3b:

The Business Issues Committee (“BIC”) hereby recommends that the NYISO continues to work with the Market Issues Working Group and Installed Capacity Working Group to continue to more fully develop the Behind the Meter Net Generation proposal as discussed in the NYISO stakeholder process. Tariff language prepared to implement this proposal will be presented to the BIC for approval.

Motion passed unanimously with an abstention.

New York Independent System Operator - Committee Membership

Business Issues Committee - September 16, 2015 - NYISO - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Alternate7	Proxy	Guest
Astoria Energy LLC	Generation Owners	McCall, Chuck	Habib , Phillipe	Singer, Leonard							
CPV Valley LLC	Generation Owners	Remillard, Steven	Litchfield , Matt	Bruno , Michael	Felak, Rich						
Calpine	Generation Owners	Kruse, Brett	Reitmeyer , Jay	Flumerfelt, John	Schleimer , Steve	✓LaRoe , Chris					
Cricket Valley Energy Center	Generation Owners	De Meyere , Bob	Wallenstein , Arnold	Ahrens , Jeff							
EDP Renewables North America LLC	Generation Owners	Brodbeck , John	Kaplan , Seth	Grimes , Mike	Nemeth , Jeffrey	Harmon , Brad					
East Coast Power, LLC	Generation Owners	Shanker, Roy	Fogarty , Thomas	Fisher , Amy							
Entergy Nuclear Northeast	Generation Owners	✓Logan , Kathy	Potkin , Marc	Saia, Doreen	Del Orto , Ken						
Howard Wind LLC	Generation Owners	Merich , Olivia	Rugh , Chris								
Indeck Energy Services, Inc.	Generation Owners	Ferguson, Mike	Schrage, John	✓Younger, Mark							
Innovative Energy Systems	Generation Owners	Zeliff, Peter	Henningham, Scott								
Invenergy Energy Management LLC	Generation Owners	Ma , Alex	Goldstein , Michael	Orzel , Chris							
National Grid Generation LLC	Generation Owners	Kain , Terrence	McCabe , Brian								
New Athens Generating Co. LLC	Generation Owners	Breen, Jack	Litchfield , Matt	DeVinney, Dan	Felak, Rich						
Noble Environmental Power LLC	Generation Owners	Silton , Harry									
Selkirk Cogen Partners, LP	Generation Owners	Biittig, Timothy	Ryan , James								
Somerset Operating Company, LLC	Generation Owners	Evanoski , Dave	Goodenough , Jeery	McManus , John							
Stephentown Spindle, LLC	Generation Owners	Hebert , Chris	Bullwinkel , Aaron	O'Brien , Robin							
TC Ravenswood, Inc.	Generation Owners	Taylor, William	DAndrea , James	✓Congel, Dan	Hachey, Mike						
BJ Energy LLC	Other Suppliers	Ni, Bing	Lee, George								
BP Energy Company	Other Suppliers	Prescott , Randy	Magruder , Kathy	Bassett , Jeffrey							
BlueRock Energy, Inc.	Other Suppliers	Nichols , Jim	Eno , Jason	VanHorne , Phil	Gipson , Jon						
Brookfield Energy Marketing	Other Suppliers	✓Mitreski , Aleksandar	Mitelman , Rimma	Dallaire , Eric							
CPower	Other Suppliers	✓Markham , Craig	Lacey , Frank	Damaskos , Deno	✓Ackerman, Alan						
Castleton Commodities Merchant Trading L.P.	Other Suppliers	Stuss , Gordon	Cheong, Mei								
Citigroup Energy Inc.	Other Suppliers	Trayers, Barry									
Con Edison Solutions Inc.	Other Suppliers	✓Mah, Norman	Wemple, Steve								
Constellation New Energy	Other Suppliers	McCartney, Glen	Wentlent, Chris	Kirk , Steven							
Cross Sound Cable Company, LLC	Other Suppliers	Reinhart, Brian	Rotger, Jose								
DC Energy	Other Suppliers	Bleiweis, Bruce	Stevens, Andrew	Tate, Matthew	Milberg, Sadao	Kuo, David					
DTE Energy	Other Suppliers	Pakela, Gregory	Wieszczyk, Raymond	German , Robert							
Direct Energy Business Marketing, LLC	Other Suppliers	✓Philips , Marjorie	Comstock , Read								
Dynergy Power Marketing, Inc.	Other Suppliers	✓Roby , Rick	Ellis, Dean	Daley , Marty							
EDF Trading North America, LLC	Other Suppliers	Erbrick , Michael	LeForce , Randall								
EnerNoc	Other Suppliers	Brewster, David	Breidenbaugh, Aaron	Geller , Greg							
Energy Spectrum	Other Suppliers	David, Gary	Ahrens, David	Neiburg, David	Iskowitz, Aron	✓Brown, Ruben	Pentland , William	✓Villegas , Cristina			
Energy Technology Savings	Other Suppliers	Hendler , Jeff	Ross , Valerie	Nudelman , Craig							
EnergyConnect	Other Suppliers	Campbell , Bruce	Davis , Robert	✓Lawrence , David							
Exelon Generating Co. LLC	Other Suppliers	McCartney, Glen	Wentlent, Chris	Kirk , Steven	✓Sears , Deborah						
GDF Suez Energy NA, Inc.	Other Suppliers	Levine , Jeffrey	Hawkins , Darin	Campbell , Chad							
Galt Power	Other Suppliers	Fernands , Rochelle	✓Ackerman, Alan								
HQ Energy Services US	Other Suppliers	Bernier , Luc	Collins , Kyle	✓Leuthauser, Scott	Vennes, Yannick						
Innoventive Power	Other Suppliers	✓Gruber , Craig	Halford , Steve								
Integrus Energy Services of New York, Inc	Other Suppliers	Haugh, Michael									
Lyonsdale Biomass, LLC	Other Suppliers	Ralston , William	Hebel , Nathan	✓Carrigan , Kathleen							
Mercuria Energy America, Inc.	Other Suppliers	Davis , Andrew	✓Younger, Mark								
Morgan Stanley Capital Group, Inc.	Other Suppliers	Murray, Patrick	Kochonies, Karen	Ezickson, Doron							
NRG Power Marketing Inc.	Other Suppliers	✓Joseph , Kelli	Fuller , Peter	Neal , David							
NextEra Energy	Other Suppliers	Applebaum, David	Gardner , Michelle	Gil , David							
Noble Americas Gas & Power Corp.	Other Suppliers	Boston , Roy	Kyle , Chris	Sunga , Leonard							
Ontario Power Generation, Inc.	Other Suppliers	Lacivita, Ken	Gell, Richard	Barr, David	Sheinfield , Joel						
PSEG Energy Resource & Trade, LLC	Other Suppliers	✓Fromer, Howard	Carretta , Kenneth	Messmer , Robert	Murawski , James						
Powerex Corporation	Other Suppliers	Tang , Glen	Dion , Julien	Fichten , Murray							
Repsol Energy North America Corporation	Other Suppliers	Moreton , Samuel	Horvath , Peter								
Riverbay Corporation	Other Suppliers	Merola , Peter	Freedman , Herbert	Ahrens, David	✓Villegas , Cristina						
SESCO Enterprises, LLC	Other Suppliers	Schubiger, Michael	Thoresen, James								
Shell Energy North America, LLC	Other Suppliers	Picardi, Matt	French, Dave								
Talen Energy	Other Suppliers	Hyzinski , Tom	Greening , Michele								
TransCanada Power Marketing, Ltd.	Other Suppliers	Taylor, William	D'Andrea, James	✓Congel, Dan	Hachey, Mike						

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Alternate7	Proxy	Guest
Energy Curtailment Specialists	Non Voting	Pieniasek, Marie	Scheiderich , Jim	Lynch, Stephen	Korczykowski , Jim						
Energya VM	Non Voting	Ortiz Lopez , Jose Ignacio	Adell Almazan , Miguel								
First Wind Holdings, LLC	Non Voting	Keene , John	Salehian , Afshin								
Fluent Energy	Non Voting	Acampora , Peter	Begley, Jeff	Doll , Ed							
Great Bay Energy IV, LLC	Non Voting	Franco , Eugene	Colon , Antonio								
Hudson River Energy Group	Non Voting	Radigan, Frank	Canfield, Richard								
Hydro-Quebec TransEnergie	Non Voting	Prevost , Michel									
Iberdrola Renewables Inc	Non Voting	Allen, Thresa									
Innovari, Inc.	Non Voting	Lunt , Robin	Hodges , Brent								
MAG Energy Solutions, Inc.	Non Voting	Roberge, Martin	Vezeina, Alexandre								
NYS Department of Public Service	Non Voting	Paynter , Thomas	✓Evans , Adam								
National Fuel Gas Distribution Corporation	Non Voting	Novak , Michael	Eck , Robert								
New York Transco	Non Voting	Nachmias, Stuart	Lahtinen , James	Allen , Richard							
Noble Americas Energy Solutions	Non Voting	Sun , Jungsuk	Nakhonthap , Jade	Sunga , Leonard							
Northeast Clean Heat & Power Initiative	Non Voting	✓De Veer , Henrietta	Lilian , Jon	Dwyer , Herb	✓Brown, Ruben	✓Cinadr , Matt	Martin , Nicholas	✓Villegas , Cristina			
NuEnergien	Non Voting	Hamilton , Sandy	Korczykowski , Ryan								
Power Supply Services LLC	Non Voting	Phillips , Gabriel	Abend , Erik								
RBC Energy Services, LP	Non Voting	Burnham , Steve	Fraiture , Christian	Doolittle , Robin							
RENEW Northeast	Non Voting	Pullaro , Francis	Krich , Abigail								
RES Americas, Inc.	Non Voting	Fernandes , John	Boyd , Dan								
Red Wolf Energy Trading, LLC	Non Voting	Sharma , Rishi									
Saracen Energy East LP	Non Voting	Peebles , Andy									
Saranac Power Partners	Non Voting	Wible , Steven									
Siemens Energy, Inc.	Non Voting	Feltes , James									
Taylor Biomass Energy, LLC	Non Voting	Taylor , Jim	Page , Allan								
TransAlta Energy Marketing (U.S.) Inc.	Non Voting	Nivolianitis , Ted									
Transmission Developers Inc.	Non Voting	Jessome , Donald	Helmer , William								
William P. Short	Non Voting	Short, William	Schaefer, Marc		Savage, Paul	Verna, Jim					