

**DRAFT**

## **NYISO Business Issues Committee Meeting Minutes**

### **February 20, 2008**

New York Independent System Operator  
10 Krey Boulevard  
Rensselaer, NY

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#### **1. Welcome and Chairman's Report:**

Mr. Glen McCartney (Constellation), Chair of the Business Issues Committee (BIC) called the meeting to order and welcomed the members of the BIC.

#### **2. Approval of Minutes**

The minutes from the January 2008 meeting were deferred to the March meeting.

#### **3. Market Operations Report**

Dr. Nicole Bouchez (NYISO) reviewed the market performance highlights for January, 2008. In the report, LBMP was \$86.98/MWh; average monthly cost was \$92.31 MWh; Day Ahead and Real Time LBMPs have decreased from December 2007. Uplift was higher this month relative to December 2007. Uplift (not including NYISO cost of operations) is \$3.06/MWh, up from \$1.35/MWh in December 2007.

#### **Discussion**

Mr. Tom Rudebusch (Duncan Weinberg Genzer & Pembroke) asked if a report on uplift would be provided to Market Participants. Mr. Mark Lynch had informed MC members at the last meeting that a more detailed report would be provided to them. Dr. Bouchez said she would take this as an action item and report at a future MIWG meeting.

Dr. Bouchez stated that overall uplift had gone down substantially since SMD2.

Concerns were raised regarding the unusually high real-time prices in January between the East and West. A request was made that this issue, along with an explanation of what caused the swings in uplift, be included in the future uplift report to MIWG.

#### **4. Regional Market Enhancements**

Chris Brown (NYISO) reviewed the Northeast Seams Report for the BIC with was included in the meeting materials folder.

#### **Discussion**

There was discussion on the quarterly Seams report conference calls which included staff from the three ISO's and Market Participants. The consensus from the group was that these

meetings are important in order for all involved to understand the issues. The NYISO is planning on visiting other ISO's and will stress the importance of carrying on the Seams dialogue.

## **5. Proposed Revisions to the Market Mitigation Measures (Attachment H to the Market Services Tariff)**

Ms. Diane Peluso (NYISO) reported that the Market Mitigation Task Force has been meeting over the last month to address changes to attachment H of the Market Services Tariff.

On December 10, 2007 the NYISO filed a report of tariff implementation issues and request for limited tariff waivers in FERC Docket No. ER08-321-000. A presentation outlining the issues addressed in the NYISO's filing was presented at the MIWG on October 1, 2007, and from that, the Market Monitoring Task Force was developed to discuss the proposed Tariff changes, and report to BIC directly. The waiver request in the report anticipated Tariff changes would be implemented by July 1, 2008.

Dr. Bouchez provided an overview and details of the proposed tariff changes. There were three areas that MMTF was proposing changes and a fourth clean up area (the definition of Out-of-Merit Generation) that came up as part of the MMTF discussions.

### **Motion #1:**

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to the NYISO's Market Services Tariff and OATT that were discussed with the Market Monitoring Task Force and presented to the BIC. The NYISO proposes to:

1. clarify the definition of, and method that the NYISO uses to calculate "Constrained Hours" in Section 3.1.2(b)(1) of Attachment H to the Market Services Tariff (the "Market Mitigation Measures" or "MMM");
2. correct a typographical error in Section 3.1.4(a) of the MMM;
3. modify the method used to determine Bid-based reference levels in Section 3.1.4(a)(1) of the MMM by specifying the hours of the day that the NYISO uses/will use to develop Bid-based reference levels, and by specifying when the NYISO will exclude certain Bids from its development of Bid-based reference levels;
4. modify the method used to determine LBMP-based reference levels in Section 3.1.4(a)(2) of the MMM by removing the words "for similar hours or load levels" and specifying when the NYISO will exclude certain LBMPs from its development of LBMP-based reference levels; and
5. update the definition of "Out-of-Merit Generation," in both the OATT and Market Services Tariff to more clearly reflect its common meaning/usage.

***(Motion passed unanimously with abstentions.)***

## **6. PSC Meeting**

Mr. John Buechler (NYISO) updated the BIC on the January 30 PSC Meeting on Long-Range Electric Resource Plan & Infrastructure Planning Process and how they relate to the NYISO's CRP process and Order 890. This meeting was in response to the PSC's December proceeding on the motion of the Commission to establish a long-range electric resource plan and infrastructure planning process.

Discussed this meeting was:

- NYISO's Existing Planning Process (CRPP)
- FERC Order 890's Planning Requirements
- NYISO/NYTOs' Joint Motion for Partial Extension of time
- Cost allocation and cost recovery for regulated transmission projects.

Issues with cost allocation proposal still remain unresolved. Mr. Buechler suggested the proper forum to continue cost allocation discussions is ESPWG.

The next meeting will be at the PSC in NYC on 3/12.

## **5. Working Group Updates**

### **Electric System Planning (Joint OC/BIC WG)**

Mr. Tariq Niazi (NYSCP) provided an update on the February 1 ESPWG update. The primary topics at this meeting were the 2008 CRP next steps and the 2009 RNA schedule. Mr. Clyde Custer (NYSIO) provided a report on CRP solution monitoring at the meeting.

### **ICAP Working Group (ICAPWG)**

Mr. Glen Haake (Dynergy) submitted a summary of ICAP WG and IITF activities. This summary was posted on the NYISO website under the February 20, 2008 BIC Meeting Material.

### **Market Issues Working Group (MIWG)**

Norman Mah provided a written update of the January 24 and February 4, 2008 MIWG meetings. This update was included in the folders and posted on the NYISO website. I

### **Price Responsive Load Working Group (PRLWG)**

Mr. Steve Lynch (ESCN) reported on the last PRLWG meeting. An update was given at the meeting on demand response program registration. An update on ancillary services qualifications and performance criteria was also provided. Tariff language for the demand side ancillary services program was presented and reviewed by PRLWG. Ms. Sheri Prevratil (NYISO) presented credit requirements for DSASP. Some Market Participants pointed out that the requirement might be onerous and may preclude some market participants from entering the market.

### **New Business**

There was no new business. The meeting was adjourned at 12:30