
NYISO Business Issues Committee Meeting Minutes
October 11, 2017
10:00 a.m. – 11:00 a.m.

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

Mr. Scott Butler (Con Edison) called the meeting to order at 10:00 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. Approval of BIC Minutes

There were no comments or questions regarding the draft meeting minutes for the September 12, 2017 BIC meeting that was included with the meeting material.

Motion #1:

Motion to approve the September 12, 2017 BIC meeting minutes.

Motion passed unanimously.

3. Market Operations Report and Broader Regional Markets Report

Mr. Michael DeSocio (NYISO) reviewed the Market Operations report posted with the meeting material. There were no questions or comments.

Mr. DeSocio reviewed the Broader Regional Markets report included with the meeting material. Ms. Patti Caletka (NYSEG) asked if the NYISO could provide any additional information regarding the expected timing for a joint stakeholder meeting with PJM to further discuss cost sharing for the Ramapo phase angle regulators (PARs). Mr. DeSocio stated that no definitive date has been established at this time, but that it was unlikely that any such meeting would occur prior to late November/early December 2017.

4. Inverter-Based Technology Providing Ancillary Services - Tariff and Manual Revisions

Mr. Daniel Noriega (NYISO) reviewed the presentation included with the meeting material.

Mr. Howard Fromer (PSEG) sought clarification regarding the timing for implementing the proposed changes. Mr. Noriega stated that the changes are planned to go into effect shortly after approval by FERC.

Motion #2a:

Motion to amend motion #2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee (“MC”) approve revisions to the NYISO’s Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled “Inverter-Based Technology Providing Ancillary Services – Tariff and Manual Revisions,” made at the October 11, 2017 BIC meeting (the “October 11 Presentation”).

The BIC further approves the revisions to the NYISO’s Ancillary Services Manual as described in the manual revisions accompanying the October 11 Presentation made to the BIC which shall only take effect upon approval of the associated Tariff revisions by FERC.

Motion passed unanimously.

Motion #2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee (“MC”) approve revisions to the NYISO’s Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled “Inverter-Based Technology Providing Ancillary Services – Tariff and Manual Revisions,” made at the October 11, 2017 BIC meeting (the “October 11 Presentation”).

The BIC further approves the revisions to the NYISO's Ancillary Services Manual as described in the manual revisions accompanying the October 11 Presentation made to the BIC which shall only take effect upon approval of the associated Tariff revisions by FERC.

Motion passed unanimously.

5. MMA Attachment H and Market Services Tariff General Rules Updates

Mr. Nick Shelton (NYISO) reviewed the presentation included with the meeting material.

Mr. Liam Baker (Eastern Gen) asked if the NYISO was provided any flexibility to allow use of a submitted fuel cost adjustment (FCA) if that FCA fails the bias test. Mr. Shelton stated that the proposal is intended to provide the NYISO greater flexibility by allowing market participants the opportunity to demonstrate that the FCA is consistent with competitive behavior even in cases where the difference between the FCA and actual fuel costs exceed the proposed threshold.

Mr. David Clarke (PSEG LI) asked what granularity of pricing is used for real-time impact test. Mr. Shelton stated that the NYISO utilizes hourly integrated real-time prices.

Ms. Doreen Saia (Greenburg Traurig) sought clarification regarding how the penalty structure that forbids use of FCAs as a result of submitting inaccurate fuel type or fuel price information is intended to operate under circumstances where a market participant does not incur any additional bans on the use of the functionality for one year after having its eligibility to submit FCAs is reinstated. Mr. Shelton stated that if a market participant has been eligible to submit FCAs without any bans from using the functionality for a one year period, the penalty structure on bans from using the functionality would reset as if the market participant had not been subject to any prior bans.

Mr. Fromer asked how often the NYISO is able to update its fuel cost indexes in real-time to reflect real-time volatility in the gas market. Mr. Shelton explained that the FCA functionality and associated thresholds are intended to allow market participants to make adjustments in real-time to reflect the actual fuel costs that are being experienced.

Mr. Timothy Lundin (NYPA) provided the following statement for the minutes:

NYPA would like to raise a concern regarding the tariff updates dealing with inaccurate fuel pricing. We are concerned with the how penalties are being assessed for real time gas price deviations. The real time penalties are assessed when the Reference Level Software is updated with gas prices based on a Day-Ahead index price. We request that the NYISO going forward work with stakeholders on building a more robust and intuitive system for monitoring and confirming intra-day gas prices from generators submitting real-time gas price information.

Motion #3:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee ("MC") approve revisions to the NYISO's Market Administration and Control Area Services Tariff ("Services Tariff") as more fully described in the "Fuel Cost Adjustments and Min Oil Burn Compensation Program" presentation made to the BIC on October 11, 2017.

Motion passed unanimously.

6. eTariff Webviewer Enhancements Update

Mr. Ray Stalter (NYISO) and Mr. John Bub (NYISO) reviewed the presentation included with the meeting material. There were no questions or comments.

7. Working Group Updates

- Billing and Accounting and Credit Working Group – The group has not met since the last BIC meeting.

- Electric System Planning Working Group – The group met on October 10, 2017 and discussed proposed changes to the RNA base case inclusion rules. Separately, related to the Western New York Public Policy Transmission Planning Process, the NYISO Board of Directors (Board) will meet on October 17, 2017 to consider the approval of the NYISO’s report for the Western New York Public Policy Transmission Need. Stakeholders have submitted comments, which were forwarded to the Board along with the NYISO’s report. The Board will hear oral presentations from NYSEG, NYPA, and NextEra regarding this topic on October, 16, 2017. NYISO will also provide a teleconference to allow other market participants to listen to the oral presentations.
- Installed Capacity Working Group – The group met on September 18, 2017 and reviewed the September 2017 ICAP Spot Market Auction pricing issue related to the PJM interface, the deliverability requirements for UDRs, and the on ramps and off ramps proposal. The group also met on September 28, 2017 and reviewed alternative methodologies for determining LCRs, the on ramps and off ramps proposal, the proposed methodology for conducting a consumer impact analysis related to the on ramps and off ramps proposal, and the Analysis Group’s draft report on performance assurance.
- Electric Gas Coordination Working Group – The group has not met since the last BIC meeting.
- Load Forecasting Task Force – The group met on September 15, 2017 and reviewed the 2017 NYCA coincident load and weather data. The NYISO also presented two alternative weather normalization models and two methods for weather normalization. The group also met on October 2, 2017 and continued discussions regarding the two weather normalization methods presented at the September 15th meeting, as well as reviewed 2017 weather adjusted peak loads and the 2018 peak load forecast for the IRM study.
- Market Issues Working Group – The group has met three times since the last BIC meeting. On September 25, 2017, the group met and reviewed an update regarding the real-time market impact assessment being conducted as part of the Integrating Public Policy initiative, a presentation from the City of New York regarding the “NYC 80x50 Roadmap,” securing 100+kV transmission facilities in the market model, and proposed updates to certain fuel cost adjustment and minimum oil burn compensation program rules. The group met on September 29, 2017 and reviewed an updated regarding the Distributed Energy Resources (DER) pilot program, DER eligibility and performance obligations, dual participation of DER in wholesale and retail markets/programs, an update regarding the DER meter data study and the provision of more granular load pricing. The group also met on October 3, 2017 and reviewed the integration of large solar projects into the market, an overview of certain additional functionality being deployed for NERC eTag POR/POD designations for external transactions, a recent Accepted Revision to OATT Attachment L related to Contract Nos. 189.1 and 190.1, proposed day-ahead scheduling logic and mitigation framework for energy storage resources, an overview of the constraint specific demand curves project and the market structure assessment with 50% renewable generation as part of the Integrating Public Policy initiative.
- Price Responsive Load Working Group – The group met jointly with the MIWG on September 29, 2017 and reviewed the DER-related topics.

8. New Business

There was no new business.

Meeting adjourned at 11:00 a.m.