

DRAFT**NYISO Management Committee Meeting Minutes****October 25, 2017****10:00 a.m. – 1:00 p.m.****1. Introductions, Meeting Objectives, and Chairman's Report**

The chair of the Management Committee (MC), Ms. Patti Caletka (NYSEG/RGE), called the meeting to order at 10:00 a.m. by welcoming the members of the MC. Members identified themselves and attendance was recorded. A quorum was determined.

2. Approval of the Draft September 27, 2017 Meeting Minutes

The draft meeting minutes for the September 27, 2017 MC meeting were presented for approval.

Motion 1

The Management Committee (MC) approves the September 27, 2017 MC meeting minutes.

(The motion passed by show of hands with one abstention.)

3. President/COO Report

Mr. Brad Jones (NYISO) announced a location change for the October 27, 2017 Integrating Public Policy Task Force meeting. Due to the expected high attendance, the meeting which was originally scheduled at the NYISO's Krey Corporate Office, was relocated to the Albany Convention Center. Mr. Jones informed members that an email notification on the change would be sent out following the MC meeting.

Mr. Rick Gonzales (NYISO) reviewed the Market Performance Highlights and Operations Performance Report (presentation included with the meeting material).

4. 2018 Vice Chair Election

Mr. Chris LaRoe was elected as the 2018 Management Committee Vice-Chair.

5. NYISO Draft 2018-2022 Strategic Plan

Mr. Rich Dewey (NYISO) reported on the NYISO 2018-2022 Strategic Plan (presentation included with the meeting material). The Strategic Plan is a five year look-ahead that outlines the mission, guiding principles, and core values under which the NYISO will operate over the next five years. Mr. Dewey noted that the information gathering process that leads into the development of the Plan includes a review of the existing Strategic Plan, the NYISO budget and Business Plan, and, importantly, feedback received from stakeholders at the Sector meetings and the Joint Board of Directors and Management Committee meeting on topics of importance. Mr. Dewey noted that many of the topics have State policy drivers, so feedback is also received through formalized sessions with NYS Department of Public Service. Mr. Dewey explained that new industry drivers, which might result in a change in the direction or variation of the Plan, are also considered.

Mr. Dewey provided a recap of feedback received from the sector meetings and topics discussed at the Joint Board of Directors and Management Committee meeting which centered on the Clean Energy Standard, Capacity Market Issues, Integrating Distributed Energy Resources, and Public Policy Transmission Planning Process.

Mr. Dewey discussed in detail the five Strategic Initiatives identified by the NYISO to address the

evolving nature of New York's electricity grid. These initiatives are:

- Reliability through Markets
- Integration of Distributed Energy Resources
- Integration of Public Policy
- Technology & Infrastructure Investment
- Sustainable Business Model

The final Strategic Plan is approved each year in October, published in December, and then becomes the work plan for the NYISO.

6. NYISO 2018 Budget Overview

Mr. Alan Ackerman (Customized Energy Solutions) provided an overview (presentation included with meeting material).

Mr. Kevin Lang (City of NY) noted his appreciation for NYISO's efforts over the last four years to keep the budget flat. He stated that while he recognizes that this was not sustainable forever and understands the pressures on the NYISO that will result in an increase in 2018, he asked that the NYISO continue to keep budget considerations in mind as we go through 2018.

Ms. Doreen Saia (Greenberg Traurig, LLP) stated her appreciation to Ms. Cheryl Hussey and her team for their phenomenal job reporting on the budget in a transparent manner that was understandable by all stakeholders.

Ms. Caletka stated that the NYSIO has done a good job on keeping budget flat; however, NYSEG is concerned about the cost and for that reason will be voting against the budget motion.

Motion #2

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2018 budget year as described in the presentation materials for the October 25, 2017 Management Committee meeting, subject to the following provisions:

Revenue Requirement – The Revenue Requirement is \$155.7 million.

Rate Schedule #1 – The budgeted Rate Schedule #1 is \$0.987/MWh.

Spending Under-runs – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

Volume Over-collections – If an over-collection on Rate Schedule #1 occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

(The motion passed by show of hands with one abstention and one vote against.)

7. Inverter-Based Technology Providing Ancillary Services – Tariff Revisions

Mr. Daniel Noriega (NYISO) presented an update (presentation included with meeting material).

Motion #3:

The Management Committee ("MC") hereby approves 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 Revisions" made at the October 25, 2017 MC meeting, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

(The motion passed by show of hands.)

8. MMA Attachment H and Market Services Tariff General Rules Update

Mr. Nicholas Shelton (NYISO) presented an update (presentation included with meeting material).

Motion #4:

The Management Committee (“MC”) hereby approves revisions to the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) as described in the “Fuel Cost Adjustments and Min Oil Burn Compensation Program” presentation made to the MC on October 25, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

(The motion passed by show of hands with an abstention.)

9. New Business

There was no new business. The meeting adjourned at 1:00 pm.