

DRAFT**NYISO Business Issues Committee Meeting Minutes****August 13, 2014****10:00 a.m. – 12:15 p.m.**

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

The chair of the Business Issues Committee (BIC), Mr. Brad Kranz (NRG) 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.

Mr. Kranz announced that members of the press were in attendance for the BIC and welcomed Messrs. Rich Heidorn Jr. and William Opalka (RTO Insider). Mr. Kranz reminded the reporters of the participation rules at NYISO meetings. Mr. Bruce Bleiweis (DC Energy) noted that the publication provided valuable insight into PJM meetings.

In addition, Mr. Kranz announced that Mr. Norman Mah (Con Ed Solutions) would chair the Billing and Accounting Working Group and the meetings would be combined with the Credit Policy Working Group.

2. Approval of Meeting Minutes – July 16, 2014**Motion #1:**

Motion to approve the Minutes of the July 16 2014 BIC meeting.

Motion passed unanimously by show of hands

3. Market Operations Report/Seams Report

Mr. Rana Mukerji (NYISO) reviewed the Market Operations report included with the meeting material. Mr. Mukerji also reviewed the seams report included with the meeting material. There were no questions.

4. Planning Update

Mr. Henry Chao (NYISO) reported that the 2014 Reliability Needs Assessment was scheduled for the August 14th Operating Committee meeting for action. He added that the Comprehensive Reliability Plan would begin in the coming months.

5. Proposed Black Start Changes

Mr. Brad Garrison (NYISO) reviewed the presentation included with the meeting material.

Mr. Howard Fromer (PSEG) said it was jurisdictionally inappropriate for the New York State Reliability Council (NYSRC) to dictate that the NYISO had to change its tariff, the proposal was flawed because "material" is not a defined term and it would be difficult measure improvements, generators should not be forced into involuntary servitude, and the compensation level should have been revisited. He added it was disappointing that the NYISO would not object to what the NYSRC has done. He asked if a generator had the right to make a section 205 filing to FERC. He said it should be a fundamental right of a generator and should be clear.

Mr. Liam Baker (US Power Generating) asked if, under the proposal, the NYISO determined a generator has demonstrated it had a good case for an exemption from Con Edison's black start

program, but the NYSRC disagreed, how the situation would get resolved. He believed it put the NYISO in an awkward position. Mr. Mark Younger (Hudson Energy Economics for Indeck) agreed with Mr. Baker and expressed a concern whether the NYISO could make an independent decision if the NYISO agreed with a generator that the resource was unduly burdened by Con Edison's requirement. Mr. Wes Yeomans (NYISO) said that non-compliance situations get resolved by the NYSRC on a case-by-case basis.

Dr. Mayer Sasson (Con Edison), as the NYSRC Executive Committee chairman, said that the NYSRC has always been respectful of the NYISO's independence and the NYISO was helpful in developing the reliability rule (PRR-116). He added that the rule was developed to protect reliability. He disagreed with Mr. Fromer that the rule forced the NYISO to change its tariff. PRR-116 gave the NYISO the ability to make the final determination. He disagreed with Mr. Baker and said there was no compliance issue. Mr. Rich Bolbrock (MEUA) stated that if the NYISO was in non-compliance with the NYSRC, a plan would be put forth to allow the NYISO to return to compliance. Mr. Rick Brophy (NYSEG) urged the BIC to read PRR-116. Mr. Rich Miller (Con Edison) said that the generators were raising an extreme hypothetical scenario and noted that there existed a dispute resolution procedure. He added that the black start program was modified a few years ago and had the same language. The generators did not raise an objection at that time and voted in favor of that proposal.

Ms. Doreen Saia (Entergy) said the proposal was a significant change to Con Edison's black start program and that generators were not receiving clear answers to their questions. She said that the dispute resolution process that Mr. Miller raised was flawed. She added that the proposal should be sent back to the task force for further discussion and that it was not ready for BIC approval. Mr. Kranz agreed and said the proposal would only result in litigation.

Mr. Christopher Sharp (NYISO) read the NYSRC reliability rule containing the standard for adequacy of a TO system restoration plan, and noted that the rule focuses on whether a system restoration plan contains adequate resources to assure system restoration in a safe and orderly manner, and as promptly as reasonably possible. It does not contain a requirement that the Plan include every single resource that could improve the Plan.

Mr. Kevin Lang (Couch White for the City of NY) stated that he agreed that the language could be clearer and understood that the generator community would want an objective standard, but there is no established objective standard to be applied. He added that the BIC should vote on the proposal because the BIC has voted on numerous proposals that included subjective standards.

Mr. Christopher LaRoe (IPPNY) asked if the generators have the right to file at FERC for a unit specific rate pursuant to Section 205. Mr. Kevin Jones (Hunton & Williams, on behalf of NYISO) said that the relevant tariff language establishes a unique process for filing for a unit-specific rate, but that the filing likely would be submitted as a Section 205. Mr. LaRoe also asked how the change would affect mothballed units and would the NYISO make determinations for whether they could leave. Mr. Garrison noted that the NYISO did not make those determinations. Dr. Sasson further stated that the current tariff already contains a provision indicating that the commitment to provide blackstart services would not prevent a unit from seeking to be mothballed.

Mr. Dan Congel (TC Ravenswood) asked how units that provide service under their own tariffs would be affected by the change. Mr. Jones said that the validity of individual tariffs is an open issue that has not been finally resolved at FERC, but stated that the terms of the tariff under which a service is provided would be the ones that would control.

Dr. Sasson stated that the proposal was important for reliability and thanked all parties for their involvement.

Motion #2

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Services Tariff as described in the presentation entitled “Proposed Black Start Changes”, made to the BIC on August 13, 2014.

Motion passed with 60.07% affirmative votes.

6. CARIS 2 Update

Mr. Timothy Duffy (NYISO) reviewed the presentation included with the meeting material. Mr. Miller noted that Con Edison had expressed disagreement with the gas price forecast used by the NYISO.

7. Working Group Updates

- a. *Billing and Accounting Working Group* – Ms. Debbie Eckels (NYISO) reported that the group reviewed the grid accounting report.
- b. *Credit Policy Working Group* – Mr. Norman Mah (Con Ed Solutions) reported that the CPWG discussed an overview of 2014 financial projects and that all projects were on schedule. The 2015 projects are being discussed at the BPWG meetings. There are no scheduled CPWG meetings in August.
- c. *Electric System Planning Working Group* – Ms. Eckels reported that the group reviewed the RNA draft report and the RNA will advance to the Operating Committee.
- d. *Installed Capacity Working Group* – Mr. Chris LaRoe (IPPNY) reported that the ICAPWG met to discuss the External CRIS rights 4-strike rule
- e. *Inter-regional Planning Task Force* – No update.
- f. *Load Forecasting Task Force* – Mr. Arthur Maniaci (NYISO) reported that the LFTF met twice in June to review the load forecast uncertainty models and the NYISO hosted the 2014 spring economic conference. He added that the LFTF will next meet on August 25th.
- g. *Market Issues Working Group* – Ms. Patti Caletka (NYSEG) reported that MIWG reviewed the Q1 2014 State of the Market report and a study on the number of Centralized TCC auction rounds. She noted a meeting for August 25th would be scheduled to review the Q2 State of the Market report because the August 26th meeting had a full agenda.
- h. *Price Responsive Load Working Group* – Mr. Bob Boyle (NYPA) reported that the PRLWG (along with ICAPWG and MIWG) reviewed a proposal on the SCR performance obligations. The proposal would be discussed further at joint meetings in August.

8. New Business

Mr. Younger asked if the NYISO received a retirement notice for the nuclear power plant, Ginna. Mr. Chao said the NYISO could respond to the question at the August 14th Operating Committee. Ms. Marji Philips (Direct Energy) requested an email be sent to the BIC on how the NYISO responded to Mr. Younger’s question at the OC.

Ms. Saia said it was important to note that the NYISO did a strong job with the 2014 RNA, which should serve as a model for future years. She thanked Ms. Yachi Lin (NYISO) for her responsiveness at the ESPWG meetings.

Ms. Saia raised a concern about the Class Year 2012 process and the lack of information used for the scaling factor for the mitigated exemption tests as they apply to the TDI project. She understood there was litigation at FERC, but in the interest of transparency, it would be helpful for the NYISO to

release the scaling factor information that was being used. She said the issue could not wait much longer and should be addressed. Mr. Chao said he would talk to the Market Mitigation and Analysis department and get an answer to the BIC. He noted that the NYISO was working out an issue with a Class Year 2012 member and it could be delayed.

The meeting adjourned at 12:15 p.m.

Business Issues Committee Meeting
August 13, 2014
Final Motions

Motion #1:

Motion to approve the Minutes of the July 16 BIC meeting.

Motion passed unanimously.

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Services Tariff as described in the presentation entitled "Proposed Black Start Changes", made to the BIC on August 13, 2014.

Motion passed with 60.07% affirmative votes.

New York Independent System Operator
Business Issues Committee - August 13, 2014

Motion: Motion #Black Start

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.50	✓	✓	21.50	0.00	9.00	1.00	0.00	21.50	
Other Suppliers	21.50	✓	✓	21.50	1.00	6.00	8.00	3.07	18.43	
Transmission Owners	20.00	✓	✓	20.00	3.00	0.00	1.00	20.00	0.00	
End Use Consumer			✓							
Large Consumer	9.00	✓		9.00	4.00	0.00	0.00	10.33	0.00	
Large Cons. Gov. Agency	2.00	✓		2.00	0.00	0.00	0.00	0.00	0.00	
Small Consumer	4.50	✓	✓	4.50	6.00	0.00	0.00	5.17	0.00	
Gov. State-wide Cons. Advocate	2.70	✓		2.70	1.00	0.00	0.00	2.70	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.80	✓		1.80	2.00	0.00	0.00	1.80	0.00	
Public Power			✓							
State Power Authorities	8.00	✓		8.00	2.00	0.00	0.00	9.07	0.00	
Munis & Co-ops	7.00	✓		7.00	11.00	0.00	0.00	7.93	0.00	
Environmental	2.00	✓		2.00	0.00	0.00	2.00	0.00	0.00	
				5	100.00	30.00	15.00	12.00	60.07	39.93
					100.00	Normalize to 100% :		60.07	39.93	

New York Independent System Operator

Business Issues Committee - August 13, 2014

Motion: Motion #Black Start

Result: Motion Passed

Sector	Organization	Representative	Affiliate	Present	For	Against
Generation Owners	Indeck Energy Services, Inc.	Younger, Mark	N	Y	0.00	1.00
Generation Owners	Astoria Energy LLC	McCall, Chuck	N	Y	0.00	1.00
Generation Owners	Calpine	LaRoe, Chris	N	Y	0.00	1.00
Generation Owners	CPV Valley LLC	DellOrto, Ken	N	Y	0.00	1.00
Generation Owners	East Coast Power, LLC	Fogarty, Thomas	N	Y	0.00	1.00
Generation Owners	Entergy Nuclear Northeast	Saia, Doreen	N	Y	0.00	1.00
Generation Owners	Innovative Energy Systems		N	N	0.00	0.00
Generation Owners	New Athens Generating Co. LLC	DellOrto, Ken	N	Y	0.00	1.00
Generation Owners	Noble Environmental Power LLC		N	N	0.00	0.00
Generation Owners	Selkirk Cogen Partners, LP		N	N	0.00	0.00
Generation Owners	TC Ravenswood, Inc.	Congel, Dan	N	Y	0.00	0.00
Generation Owners	EDP Renewables North America LLC		N	N	0.00	0.00
Generation Owners	Cricket Valley Energy Center		N	N	0.00	0.00
Generation Owners	Invenergy Energy Management LLC	LaRoe, Chris	N	Y	0.00	1.00
Generation Owners	National Grid Generation LLC		Y	N	0.00	0.00
Generation Owners	Somerset Operating Company, LLC	LaRoe, Chris	N	Y	0.00	1.00
Generation Owners	Howard Wind LLC		N	N	0.00	0.00
Generation Owners	Stephentown Spindle, LLC		N	N	0.00	0.00
Other Suppliers	Hess Corporation		N	N	0.00	0.00
Other Suppliers	BJ Energy LLC		N	N	0.00	0.00
Other Suppliers	Brookfield Energy Marketing	Francis, Frank	N	Y	0.00	1.00
Other Suppliers	Citigroup Energy Inc.	Trayers, Barry	N	Y	0.00	0.00
Other Suppliers	Con Edison Solutions Inc.		Y	N	0.00	0.00
Other Suppliers	Constellation New Energy		Y	N	0.00	0.00
Other Suppliers	Cross Sound Cable Company, LLC		Y	N	0.00	0.00
Other Suppliers	DC Energy	Bleiweis, Bruce	N	Y	0.00	0.00
Other Suppliers	DTE Energy		N	N	0.00	0.00
Other Suppliers	Dynegy Power Marketing, Inc.	Roby, Rick	N	Y	0.00	1.00
Other Suppliers	Energy Spectrum		N	N	0.00	0.00
Other Suppliers	EnerNoc	Breidenbaugh, Aaron	N	Y	1.00	0.00
Other Suppliers	Galt Power	Ackerman, Alan	N	Y	0.00	0.00
Other Suppliers	HQ Energy Services US	Leuthauser, Scott	N	Y	0.00	0.00
Other Suppliers	Integritys Energy Services of New York, Inc		N	N	0.00	0.00
Other Suppliers	Morgan Stanley Capital Group, Inc.		N	N	0.00	0.00
Other Suppliers	NRG Power Marketing Inc.	Johnson, Shaun	N	Y	0.00	1.00
Other Suppliers	Ontario Power Generation, Inc.		N	N	0.00	0.00
Other Suppliers	Exelon Generating Co. LLC	McCartney, Glen	N	Y	0.00	1.00
Other Suppliers	PPL EnergyPlus, LLC		N	N	0.00	0.00
Other Suppliers	PSEG Energy Resource & Trade, LLC	Fromer, Howard	N	Y	0.00	1.00
Other Suppliers	SESCO Enterprises, LLC		N	N	0.00	0.00
Other Suppliers	Shell Energy North America, LLC		N	N	0.00	0.00
Other Suppliers	TransCanada Power Marketing, Ltd.		Y	N	0.00	0.00
Other Suppliers	U.S. Power Generating Co.	Baker, Liam	N	Y	0.00	1.00
Other Suppliers	J.P. Morgan Ventures Energy Corporatio		N	N	0.00	0.00
Other Suppliers	BP Energy Company		N	N	0.00	0.00
Other Suppliers	EDF Trading North America, LLC		N	N	0.00	0.00
Other Suppliers	Iberdrola Renewables Inc		Y	N	0.00	0.00

Sector	Organization	Representative	Affiliate	Present	For	Against
Other Suppliers	NextEra Energy		N	N	0.00	0.00
Other Suppliers	Innoventive Power		N	N	0.00	0.00
Other Suppliers	Vitol Inc.		N	N	0.00	0.00
Other Suppliers	GDF Suez Energy NA, Inc.		Y	N	0.00	0.00
Other Suppliers	Viridity Energy, Inc.		N	N	0.00	0.00
Other Suppliers	Riverbay Corporation		N	N	0.00	0.00
Other Suppliers	Comverge/Enerwise Global Technologies	Ackerman, Alan	N	Y	0.00	0.00
Other Suppliers	EnergyConnect	Lawrence, David	N	Y	0.00	0.00
Other Suppliers	Twin Cities Power LLC		N	N	0.00	0.00
Other Suppliers	Castleton Commodities Merchant Trading L.P.		N	N	0.00	0.00
Other Suppliers	Great Bay Energy IV, LLC		N	N	0.00	0.00
Other Suppliers	BlueRock Energy, Inc.		N	N	0.00	0.00
Other Suppliers	Noble Americas Gas & Power Corp.		N	N	0.00	0.00
Other Suppliers	Lyonsdale Biomass, LLC	Hebel, Nathan	N	Y	0.00	0.00
Other Suppliers	Boston Energy Marketing & Trading		Y	N	0.00	0.00
Other Suppliers	Direct Energy Business Marketing, LLC	Philips, Marjorie	N	Y	0.00	0.00
Transmission Owners	New York State Electric & Gas (NYSEG)	Caletka, Patricia	N	Y	0.00	0.00
Transmission Owners	Central Hudson Gas & Electric Corp.	Borchert, John	N	Y	1.00	0.00
Transmission Owners	Consolidated Edison Co. of NY, Inc.	Miller, Richard	N	Y	1.00	0.00
Transmission Owners	National Grid	Franey, Bart	N	Y	1.00	0.00
Transmission Owners	Orange & Rockland Utilities, Inc.		Y	N	0.00	0.00
Transmission Owners	Rochester Gas and Electric Corp.		Y	N	0.00	0.00
End Use - Large Consumer	Alcoa, Inc.	Mager, Michael	N	Y	1.00	0.00
End Use - Large Consumer	IBM Corporation	Mager, Michael	N	Y	1.00	0.00
End Use - Large Consumer	Occidental Chemical Corp.	Mager, Michael	N	Y	1.00	0.00
End Use - Large Consumer	Wegmans Food Markets	Mager, Michael	N	Y	1.00	0.00
End Use - Large Consumer	Nucor Steel Auburn, Inc.		N	N	0.00	0.00
End Use - Large Cons. Gov. Agency	Metropolitan Transportation Authority		N	N	0.00	0.00
End Use - Small Consumer	American Sugar Refining, Inc	Mager, Michael	N	Y	1.00	0.00
End Use - Small Consumer	Beth Israel Health Care System	Mager, Michael	N	Y	1.00	0.00
End Use - Small Consumer	Fordham University	Mager, Michael	N	Y	1.00	0.00
End Use - Small Consumer	Memorial Sloan Kettering Cancer Center	Mager, Michael	N	Y	1.00	0.00
End Use - Small Consumer	Mount Sinai Medical Center	Mager, Michael	N	Y	1.00	0.00
End Use - Small Consumer	New York University	Mager, Michael	N	Y	1.00	0.00
End Use - Small Consumer	Association for Energy Affordability		N	N	0.00	0.00
End Use - Gov. State-wide Cons. Advocate	Utility Intervention Unit, Division of Consumer Protection, NY Dept. of State	Hogan, Erin	N	Y	1.00	0.00
End Use - Gov. Sm. Cons. & Retail Aggr.	City of New York - Energy Conservation	Lang, Kevin	N	Y	1.00	0.00
End Use - Gov. Sm. Cons. & Retail Aggr.	NYS Energy Research & Dev. Authority	Hall, Christopher	N	Y	1.00	0.00
Public Power - State Power Authorities	Long Island Power Authority	Clarke, Dave	N	Y	1.00	0.00
Public Power - State Power Authorities	New York Power Authority	Antinori, Andrew	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Freeport Electric	Rudebusch, Tom	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Jamestown Board of Public Utilities	Rudebusch, Tom	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Lake Placid Village	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Municipal Commission of Boonville	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Village of Westfield	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Village of Solvay	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Village of Arcade	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Village of Fairport	Bolbrock, Richard	N	Y	1.00	0.00
Public Power - Munis & Co-ops	Village of Rockville Centre	Rudebusch, Tom	N	Y	1.00	0.00
Public Power - Environmental	American Lung Association		N	N	0.00	0.00
Public Power - Environmental	American Wind Energy Association		N	N	0.00	0.00
Public Power - Environmental	Environmental Advocates	Bambrick, Conor	N	Y	0.00	0.00
Public Power - Environmental	Natural Resources Defense Council		N	N	0.00	0.00

Sector	Organization	Representative	Affiliate	Present	For	Against
Public Power - Environmental	PACE Energy & Climate Center	Gahl, David	N	Y	0.00	0.00
Public Power - Environmental	Riverkeeper		N	N	0.00	0.00

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Alternate7	Proxy	Guest
Energy Curtailment Specialists	Non Voting	Pieniazek, Marie	Scheiderich , Jim	Lynch, Stephen	Korczykowski , Jim						
First Wind Holdings, LLC	Non Voting	Keene , John	Salehian , Afshin								
Fluent Energy	Non Voting	Acampora , Peter	Begley, Jeff	Doll , Ed							
Hudson River Energy Group	Non Voting	Radigan, Frank	Canfield, Richard								
Hydro-Quebec TransEnergie	Non Voting	Prevost , Michel									
MAG Energy Solutions, Inc.	Non Voting	Roberge, Martin	Vezina, Alexandre								
NYS Department of Public Service	Non Voting	Paynter , Thomas	✓Evans , Adam								
Noble Americas Energy Solutions	Non Voting	Sun , Jungsuk	Nakhonthap , Jade	✓Sunga , Leonard							
Northeast Clean Heat & Power Initiative	Non Voting	De Veer , Henrietta	Banach , Timothy								
RBC Energy Services, LP	Non Voting	Burnham , Steve	Fraiture , Christian	Doolittle , Robin							
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	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					

NYISO Employees

Chao, Henry

Dixon, Kirk

Duffy, Timothy

Eckels, Debbie

Garrison, Brad

Mukerji, Rana

Schnell, Alex

Sharp, Chris

Yeomans, Wes