

NYISO Business Issues Committee Meeting Minutes**April 13, 2016****10:05 a.m. – 10:45 a.m.**

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

Ms. Patti Caletka (NYSEG) substituted as Chair and 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. Market Operations Report

Mr. Rana Mukerji (NYISO) reviewed the market operations report included with the meeting material. There were no questions. Mr. Mark Younger (Hudson Energy Economics) suggested that the NYISO add a chart to depict changes in LBMPs for Central (Load Zone C) to accompany the similar charts for other selected zones.

3. Broader Regional Markets Report

Mr. Mukerji reviewed the report included with the meeting material. In reference to the FERC NOPR addressing energy market offer caps, Mr. Howard Fromer (PSEG) asked about what is meant by a "soft cap" and whether that would allow for offers above \$1000 to be eligible to set price. Mr. Mukerji explained details are still being worked out but costs would have to be verified and, if so, would be eligible to set price up to the level of a backstop hard cap that would be developed with neighboring control areas to ensure consistency across the regions. Mr. Fromer asked who is responsible for verification of costs in the case of external bids. Mr. Mukerji replied the NYISO has to look into it the treatment of external bids. Mr. Luc Bernier (HQUS) stated external supply costs should be considered. Mr. Fromer asked whether Con Edison had provided any formal notice to the NYISO related to extension or expiration of the Con Ed/PSEG wheeling agreements. Mr. Mukerji replied that NYISO had not received any such formal notice, but noted that it was his understanding that Con Edison had until the end of April 2016 to determine whether to extend the term of the agreements.

4. Planning Update

Mr. Henry Chao (NYISO) explained the 2016 RNA process has kicked off and will be discussed at the ESPWG. Mr. Fromer asked when the NYISO will release the draft 2016 Gold Book. Mr. Chao replied that the NYISO was continuing to review certain additional information, but was targeting release of the draft 2016 Gold Book for the following week (*i.e.*, on or before April 22, 2016). Ms. Caletka requested an update regarding the likely timing for the NYISO to complete the viability and sufficiency assessment for the projects submitted in response to the solicitation for the Western New York Public Policy Transmission Need. Mr. Chao indicated that the NYISO was continuing to expeditiously pursue completion of this analysis, but the timing for completion would, in part, be dependent on the timeframe for project sponsors to provide the NYISO certain additional information that has been requested by the NYISO to assist with completing its analysis.

4. Graduated Transmission Demand Curve Manual Updates

Mr. Ethan Avallone (NYISO) reviewed the presentation included with the meeting material. There were no comments or questions.

Motion #1:

The Business Issues Committee (“BIC”) hereby approves the revisions to the Transmission and Dispatching Operations Manual, Day-Ahead Scheduling Manual and Ancillary Services Manual as more fully described in the presentation made to the BIC on April 13, 2016.

Motion passed unanimously with abstentions.

5. NY Transco

Mr. Jim Lahtinen (New York Transco) reviewed the presentation included with the meeting material. Mr. Fromer asked about New York Transco’s corporate structure and affiliation with the existing Transmission Owners. Mr. Lahtinen explained that New York Transco is distinct from the existing Transmission Owners and does not develop plans for meeting the individual Transmission Owners’ requirements to serve their load. Mr. Younger asked for clarification regarding the approved return on equity (ROE) for New York Transco. Mr. Lahtinen replied that the approved ROE for the Transmission Owner Transmission Solutions (TOTS) projects was a base ROE of 9.5%, plus a 50 point basis adder. Mr. Fromer asked if any other capital projects beyond the TOTS projects were being planned New York Transco at this time. Mr. Lahtinen stated not at this time, but noted that New York Transco may submit a response to the AC Transmission Public Policy Transmission Needs solicitation issued by the NYISO. Mr. Lahtinen explained that the settlement recently approved by FERC as to cost recovery for New York Transco applies only to the TOTS projects. Therefore, cost recovery for any additional projects would have to go back to FERC for further settlement discussions. Mr. Fromer asked how costs were to be allocated to NYPA with respect to cost recovery for the TOTS projects. Mr. Lahtinen replied that NYPA’s load will be treated the same as all other LSEs and will be allocated costs for the TOTS projects using the same percentage as the LSEs in each transmission district where NYPA serves load.

6. Working Group Updates

BAWG – Mr. Norman Mah (Con Ed Solutions) reported that the BAWG met on March 21, 2016 to review the grid accounting report. He also reported that going forward the BAWG will meet every other month, but material will be posted on a monthly basis and anyone with questions on the posted materials should contact Stakeholder Services.

CPWG – Mr. Mah reported that the CPWG has not met since the last BIC meeting.

ESPWG – Mr. Scott Butler (Con Edison) reported that at the March 22, 2016 ESPWG meeting the NYISO reviewed its preliminary list of assumptions for the 2016 RNA, and provided supplementary information about compensatory MW by zone related to the Fitzpatrick deactivation analysis.

- Stakeholders also heard about the latest Northeast Coordinated System Plan, which is an interregional study evaluating the potential need for interregional projects among New York, PJM and New England, and were given an opportunity to comment on the study.
- At the April 7, 2016 ESPWG meeting, the NYISO reviewed its draft load forecast for the 2016 Gold Book, which is much lower than last year’s forecast.
- An additional ESPWG meeting has also been added to the calendar on April 19, 2016 to review the draft 2016 Gold Book. The NYISO may also discuss the updated Fitzpatrick deactivation resource adequacy assessment, if there is anything available to report.

ICAPWG – Mr. Liam Baker (EasternGen) reported that the ICAPWG has been working on the ICAP Demand Curve Reset and completed work on the Renewables and Self Supply Compliance Filing.

IPTF – The group did not meet.

LFTF – The group did not meet.

MIWG – Mr. Bob Boyle (NYPA) reported that the MIWG reviewed the Comprehensive Shortage Pricing manual updates that were acted upon at today’s BIC and had a presentation on generator status update transparency.

PRWLG – The group did not meet.

EGCWG – The group did not meet.

7. New Business

Ms. Doreen Saia asked for an update on the State Resource Plan Study at a future working group meeting.

Meeting adjourned at 10:45 a.m.