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**DRAFT**

**NYISO Management Committee Meeting Minutes**

**April 29, 2015**

**10:00 a.m. –12:30 p.m.**

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

The chair of the Management Committee (MC), Ms. Deidre Altobell (Con Edison) called the meeting to order at 10:05 a.m. by welcoming the members of the MC. The members of the MC identified themselves and attendance was recorded. A quorum was determined.

**2. Approval of Meeting Minutes**

**Motion #1:**

The Management Committee (MC) approves the March 2015 meeting minutes.

***The motion passed unanimously by show of hands***

**3. President/COO Report**

Mr. Stephen Whitley (NYISO) announced that the final committee sector meeting had been held on Tuesday, completing this year’s round of informational exchange meetings between Senior Staff and representatives from the various sectors. Mr. Whitley noted that there was good discussion from all on key strategic issues, and feedback on these topics would be used in developing the agenda for the Annual Joint Board of Directors and MC Meeting, and ultimately feed into the NYISO Strategic Plan.

Ms. Emilie Nelson (NYISO) provided an update on the outage states tariff change filing pending at FERC. In the filing, NYISO had requested a May 1 effective date, but to date, FERC has not ruled. The NYISO will not implement until FERC responds. The purpose of the filing was to improve clarity and implement a defined process for handling various outage states including mothballs. If an order is not received soon, NYISO will file for a new effective date.

Mr. Rick Gonzales (NYISO) reviewed the Market Operations report and the Operations Performance Metrics report included with the meeting material.

**4. Annual Solicitation of Market Participant Input On the External MMU’s Performance**

Mr. Gonzales reported on the new process that will be put in place that will allow Market Participants to provide input on the external MMU performance and renewal of contract. The new process came out of a request from stakeholders at the July 2014 Board Liaison meeting. The NYISO’s tariff establishes the requirement of the Board to retain and independently oversee and review the performance of the External MMU. Stakeholder input will be useful in assessing the Market monitoring performance.

Mr. Gonzales provided a Summary of Key Provisions of the MMU’s Contract Statement of Work and reviewed the performance metrics.

Once a year, the NYISO will solicit written comments from MC members regarding the MMU’s performance of its defined duties and the quality of its work products. The comments will be treated as confidential to protect commercially sensitive matters, and the NYISO staff will provide the Board with a summary of the stakeholder comments and verbatim copies of each of the comments received.

Stakeholder comments will be accepted until June 1, 2015. Written comments should be submitted to: Rick Gonzales at [rgonzales@nyiso.com](mailto:rgonzales@nyiso.com) and Leigh Bullock at [bullock@nyiso.com](mailto:bullock@nyiso.com).

## 5. **Proposal for FERC Fee Recovery**

Ms. Cheryl Hussey (NYISO) provided an overview of the proposal for an alternative method for recovering FERC fees outside of NYISO's annual budget charge. She recapped the stakeholder meetings that were held for discussion and stakeholder input on the proposal, and provided background on the current process. NYISO's rate schedule 1 revenues are collected via a fixed charge per MW hour; the result is that revenues typically follow a seasonal pattern with electricity usage and there is also the potential for volatility. NYISO's expenses which are fixed don't follow a seasonal pattern. The largest single payment in NYISO's budget is the FERC fee, which does impact management of NYISO's budget and cash flows. MC members were also provided an overview of the FERC fee structure, challenges with the current process, and the benefits of the new proposed recovery method.

Historically, NYISO has included FERC Fees within its annual revenue requirement as part of rate schedule 1 ISO annual budget charge. The budget amount is an estimate which can differ from actual invoice, potentially by millions of dollars. Timing and amount of assessment requires NYISO to pay FERC Fees from external lines of credit, incurring additional debt interest expense, historically as high as 0.1M annually. She also noted that no other ISO includes FERC Fees within its annual budget.

Mr. Kevin Lang (City of NY) stated that City of NY continues to have very significant concerns with the proposal. There are many things that the NYISO does differently from other regions and the idea that we should be treating this the same way as other regions is not a significant basis. The FERC fees and what NYISO has budgeted has not been that far apart and the number presented is not a significant number. The NYISO has done a good job of predicting this cost so there really has never been a significant mismatch. He noted that while his concerns are not shared by most Market Participants, CNY thinks NYISO should be managing to the budget. The proposal gives us less certainty while it gives NYISO more certainty.

Mr. Whitley stated that he appreciated Mr. Lang's comments, as he has always been very involved in budget discussions. He assured members that when next year's budget is developed; the NYISO will use last year's budget without FERC fees as a basis of comparison. The NYISO has established an enterprise cost management program and related procurement initiatives that provide value to our Market Participants and we appreciate your support.

Mr. Rudebusch agreed with Mr. Lang's comments but added that he respects NYISO's process and will not oppose the proposal.

### **Motion #2:**

The Management Committee (MC) hereby approves, and recommends to the NYISO Board of Directors for filing under Section 205 of the Federal Power Act, revisions to the Open Access Transmission Tariff as described in the presentation entitled " Proposal for FERC Fee Recovery" made at the April 29, 2015 MC meeting.

***The motion passed by majority show of hands with abstentions***

## 6. **2016 Project Prioritization Process & Timeline**

Mr. Ryan Smith (NYISO) reported on improvements to the project prioritization process and how it fits into the overall prioritization timeline. The NYISO plans to enhance the 2016 project prioritization process to increase transparency, enhance existing feedback mechanisms and

encourage greater participation in the process. This is a continuous improvement effort in response to stakeholder feedback and lessons learned during the 2015 process.

**7. Proposed Tariff Revisions to Public Policy Transmission Planning Process**

Mr. Carl Patka (NYISO) reviewed a summary on the Public Power Transmission Planning Process (included with the meeting material). The NYISO expects to file the tariff changes following Board approval in June. This schedule would allow FERC to act on the filing within 60 days and have a revised tariff process with which to conduct the planning process by the time the PSC determines any Need(s). Concurrently, the NYISO is working on completing a new manual for the Public Policy Transmission Planning Process.

**Motion #2:**

The Management Committee (MC) hereby recommends that the NYISO Board of Directors approve for filing under Section 205 of the Federal Power Act, revisions to OATT Attachment Y, Sections 31.1, 31.4, and 31.5, clarifying the NYISO's Public Policy Transmission Planning Process as presented and discussed at the April 29, 2015 MC meeting.

***The motion passed unanimously by show of hands with abstentions***

**8. New Business**

There was no new business.

Meeting adjourned at 12:00 p.m.