
NYISO Management Committee Meeting Minutes**November 20, 2014****10:00 a.m. –11:15 a.m.**

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

The chair of the Management Committee (MC), Mr. Alan Ackerman (CES) 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 October 29, 2014 meeting minutes.

The motion passed by show of hands with an abstention

3. President/COO Report

Mr. Stephen Whitley (NYISO) thanked Mr. Ackerman for his leadership as the 2014 MC chair. In addition, Mr. Whitley thanked stakeholders for their participation at the FERC and PSC joint technical conference in early November. He also thanked NYISO staff for implementing Coordinated Transaction Scheduling (CTS) with PJM. Mr. Rick Gonzales (NYISO) reviewed the market operations and operations performance highlights. He noted that future operations reports will include CTS metrics and he reviewed new TCC market metrics.

In response to a question from Mr. Jim Scheiderich (ECS), Mr. Gonzales explained the NYISO's initiation of a major emergency and said the NYISO could look into loss of load events .

Mr. Gonzales also announced that, in response to stakeholder comments, the NYISO would address planning process improvements regarding reliability needs that were identified in the 2014 Reliability Needs Assessment, but have been mitigated by updated Local Transmission Plans and recent changes to generation resources that are included in the Comprehensive Reliability Plan. Those discussions would take place at the Electric System Planning Working Group. Mr. Rich Miller (Con Edison) said Con Edison looked forward to those stakeholder discussions.

4. Winter 2014-2015 Capacity Assessment

Mr. Wes Yeomans (NYISO) reviewed the presentation included with the meeting material.

Ms. Erin Hogan (NY Department of State – Utility Intervention Unit) asked if Con Edison planned for a 60/40 load forecast for the winter. Mr. Miller (Con Edison) said he would have to take that back.

In response to a question, Mr. Yeomans said the peak load from January 7, 2014 was not adjusted to account for Special Case Resources (SCRs). Ms. Hogan asked if there was a daily capacity margin that would make the NYISO uncomfortable. Mr. Yeomans said the NYISO was generally comfortable with daily capacity margins in excess of 1,000 MWs of a peak load forecast.

Ms. Doreen Saia (Entergy) noted that at the Operating Committee, it was mentioned that the new gas employee position in the control center would begin interacting with generators and vice versa. She asked if the communication protocol with the employee would be discussed with

stakeholders. Mr. Yeomans said the NYISO planned to go to the System Operations Advisory Subcommittee and discuss the communications with this staff member in greater detail.

Mr. Whitley noted that PJM and ISO-New England would have tighter supplies due to retirements in their control areas and that will likely affect imports into New York for the upcoming winter.

5. VSS Payment Structure Changes

Mr. Brad Garrison (NYISO) reviewed the presentation included with the meeting material. Mr. Whitley noted that the proposal was important for reliability. In response to a question from Mr. Bob Boyle (NYPA), Mr. Garrison said the VSS was a \$60-70 million market.

In response to a question from Mr. Garrett Bissell (Multiple Intervenors and the City of New York), Mr. Garrison clarified that the proposal would be implemented and the compensation under the new structure would begin in 2016. In response to a question from Mr. Liam Baker (US Power Gen), Mr. Garrison said the Consumer Price Index (CPI) would also become effective in 2016.

Mr. Glen McCartney (Exelon) said Exelon could not support the proposal because of a loss of revenue and he expressed a concern that the TO would not allow Exelon's units to test under optimal system conditions to achieve their maximum leading capability. Mr. Bart Franey (National Grid) said National Grid would be willing to work with Exelon to update the Ancillary Services Manual to address Exelon's testing procedure concern. Mr. Gonzales noted that the NYISO would be interested in coordinating the testing window to help asset owners demonstrate their capabilities. Ms. Saia noted that the Ancillary Services Manual was posted for BIC review but was not acted upon and asked if the manual could be further updated after FERC acted on the proposal. Mr. Garrison said there could be additional manual changes after FERC action.

Ms. Saia noted that VSS was a cost-of-service and asked if the NYISO had data to share that show that costs have decreased since 1999. Mr. Garrison said the NYISO did not have that data.

Ms. Patti Calekta (NYSEG and RG&E) said NYSEG understood the operational aspects, but would abstain because of the concern with the CPI addition for a fixed asset. NYSEG looks forward to the NYISO's cost-of-service study and hopes the NYISO study could be completed soon.

Mr. Miller offered an amendment to the motion to sunset the CPI after five years from the effective date. He said that Con Edison had a concern with including the CPI into the tariff and a sunset provides an opportunity to revisit the CPI after the NYISO conducts its study. In response to a question, Mr. Miller said any inflation index was a concern of Con Edison's. However, if the motion to amend failed, he said that Con Edison would support the original motion. Mr. Baker said participating units in the program experience increasing costs each year to maintain their assets and it was only common sense to include the CPI because of inflation. The view that a CPI should not be included flies in the face of cost recovery for Transmission Owner assets. He appreciated the NYISO's leadership for including the CPI in the proposal.

Motion #2:

The Management Committee ("MC") hereby recommends that the Board of Directors approve changes to the NYISO's Services Tariff as described in the presentation entitled "NYISO VSS Payment Structure", made to the MC on November 20, 2014.

The motion passed with 79.69% affirmative votes

Motion 2a: Motion to amend Motion #2:

The Management Committee (“MC”) hereby recommends that the NYISO Board of Directors approve changes to the NYISO’s Services Tariff as described in the presentation entitled “NYISO VSS Payment Structure”, made to the MC on November 20, 2014, except that the CPI adjuster will sunset 5 years from the effective date as set forth by the Tariff and FERC.

The motion failed with 52.47% affirmative votes

6. Uniform Regulation Movement Multiplier

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

Motion #3

The Management Committee (“MC”) hereby recommends revisions to the NYISO’s MST as described in the presentation entitled “Uniform Regulation Movement Multiplier Update,” at the November 20, 2014 MC meeting and recommends that the Board of Directors authorize the NYISO staff to file these under Section 205 of the Federal Power Act.

The motion passed by show of hands with abstentions

7. New Business

Mr. Ackerman thanked stakeholders for their cooperation and wished Ms. Deidre Altobell (Con Edison) well for next year. He also thanked NYISO staff for their assistance.

Mr. Rob Fernandez (NYISO) noted that the NYISO issued an announcement that at the December 12th ICAP Working Group meeting, there would be a discussion on FERC Order 745 and its impact on SCR participation in the wholesale markets.

The meeting adjourned at 11:50 a.m.