

NYISO Management Committee Meeting Minutes**March 31, 2015****10:00 a.m. –12:30 p.m.**

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 January 28, 2015 meeting minutes.

The motion passed unanimously by show of hands

3. President/COO Report

Mr. Stephen Whitley (NYISO) reminded the MC of the upcoming annual sector meetings in April and looked forward to stakeholder participation.

Mr. Rick Gonzales (NYISO) reviewed the Market Operations report and the Operations Performance Metrics report included with the meeting material. Mr. Rich Miller (Con Edison) requested that the NYISO's operations report make it clear that the Market-to-Market Coordination and Coordinated Transaction Scheduling metrics are production cost savings values. Mr. Gonzales agreed to make that clarification.

4. System Resource Planning Analysis

Ms. Diane Barney (New York State Department of Public Service) reviewed the presentation included with the meeting material.

Mr. Rich Bolbrock (MEUA) expressed a concern that costs will increase to consumers if resources closer to loads were used instead of more economic statewide resources. Ms. Barney said that the study would poke the current NY system and achieve localized benefits while maintaining reliability. Mr. Alex Ma (Invenergy) asked how the coal and nuclear units would be modeled. Ms. Barney said the units would have to be modeled as sensitivities.

Mr. Liam Baker (US Power Gen) asked if the final study report would be made public. Ms. Barney said it would be public. Mr. Chris LaRoe (IPPNY) expressed a concern that the NYISO would go over its budget due to the AC Transmission studies and asked if the NYISO budgeted for these studies. Mr. Rich Dewey (NYISO) said that the study was not part of the AC Transmission studies and any costs would be incremental to those studies. Ms. Doreen Saia (Entergy) asked when stakeholders could expect a draft report released and where would it be discussed. Ms. Barney said the business as usual draft report would be released in the summer and she expected follow up at the MC. In response to a question, Ms. Barney said that consultants would perform the analysis through the TOs, but under the state's direction.

5. Winter 2015 Cold Weather Operations

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

In response to a question, Mr. Yeomans said the NYCA temperature average was a straight average.

Mr. David Clarke (LIPA) said his organization had a concern with circumstances when oil-fired facilities were required to use start up gas under OFO conditions throughout the whole gas day and it was a place where the economics of needing to sell out of their must take gas requirement was at odds with displacing gas at the rate of OFO. He suggested that we should work to align the incentives and relevant for the NYISO's discussion of gas and electric coordination issues. It is important if one wanted to collectively reduce the amount of gas being burned, then one shouldn't be required to use gas for oil facilities after those facilities are started. He understood some LDCs gave waivers, but it was an area that should be under consideration. Mr. Yeomans said that item could be added to the issues list.

Mr. Miller said the updated slides were helpful, but he would like to see data at the zonal level. Ms. Erin Hogan (NYS Department of State, Utility Intervention Unit) agreed and mentioned it would be helpful if the presentation was similar to the March 13, 2014 presentation that the NYISO provided to the Electric Gas Coordination Working Group for comparison purposes. Mr. Miller also requested that the NYISO compare the winter operating outcomes with its initial winter assessment that it did late last year to see how forecasted forced outages compared with actual results.

In response to questions as to why winter prices were lower in 2015 than in 2014, Mr. Yeomans reviewed the marginal prices slide. In response to a question from Mr. Miller, Mr. Yeomans said that if he had to call out one factor in particular that contributed to lower prices, it would be the LNG injections. Mr. Gonzales also added that generators replenished fuel supplies better than the NYISO anticipated and the NYISO should evaluate why that happened.

Mr. Bruce Bleiweis (DC Energy) asked about the process the NYTOs use to reschedule transmission outage work. Mr. Yeomans said that the NYISO was not heavily involved in those decisions, but helps coordinate them. Mr. Bleiweis said it would be helpful to notify rescheduled outages to the marketplace because the outages impact the TCC market auctions and LBMP prices. He requested that the NYISO take the lead to have a process on the OASIS and notified in a timely manner.

Mr. Bolbrock thanked Mr. Yeomans and the NYISO for the comprehensive presentation. Mr. Miller agreed and said that the NYTOs filed comments in support of the NYISO's fuel assurance efforts, however, there was a continuing concern about dual fuel capability. Mr. Whitley commended NYISO staff as well. Ms. Barney also commended the NYISO for its involvement in the NYS Agency Communication Protocol.

6. Market Participant Reporting Requirements

Ms. Jennifer Boyle (NYISO) reviewed the presentation included with the meeting material. Ms. Saia thanked the NYISO for delaying the proposal a month so that companies could have additional time to review the proposal and prevent a fight at FERC. Mr. Bleiweis said it would be great if the Market Participant certification process could be less burdensome for Market Participants and they would only need to submit one form to 7 different regions.

Motion #2:

The Management Committee (MC) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Services and Control Area Tariff as described in the presentation entitled "Market Participant Reporting Requirements," made at the March 31, 2015 MC meeting.

The motion passed unanimously by show of hands with abstentions

7. Proposed Enhancements to ICAP Spot Market Auction Credit Requirement

Ms. Sheri Prevratil (NYISO) reviewed the presentation included with the meeting material. There were no questions.

Motion #3:

The Management Committee (MC) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Services and Control Area Tariff as described in the presentation entitled "Proposed Enhancements to ICAP Spot Market Auction Credit Requirements," made at the March 31, 2015 MC meeting.

The motion passed unanimously by show of hands

8. Proposed Changes to External Transactions Credit Requirements

Ms. Sheri Prevratil (NYISO) reviewed the presentation included with the meeting material. Mr. Mike Kramek (Boston Energy Marketing) asked a clarification question on bid submittals. Mr. Frank Francis (Brookfield) thanked the NYISO for bringing the proposal through governance.

Motion #4:

The Management Committee (MC) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Services and Control Area Tariff as described in the presentation entitled "Proposed Changes to External Transactions Credit Requirements," made at the March 31, 2015 MC meeting.

The motion passed unanimously by show of hands with an abstention.

9. New Business

Mr. Bolbrock asked if the NYISO could provide a status update on the RMR compliance filing due to FERC. Mr. Rob Fernandez (NYISO) said the NYISO has had high level internal discussions, but it was premature to make a decision on whether it would seek an extension. Mr. Dewey noted that there was a discussion with stakeholders at the March 18th ICAP Working Group and there would be additional opportunities for stakeholder input.

Mr. LaRoe asked if the NYISO could give a status update on its response to FERC's order to engage a stakeholder discussion on Rest-of-State mitigation measures and if the NYISO would be leading that process. Mr. Fernandez said the order was for NYISO to answer two questions: (1) whether market power mitigation was required ROS; and (2) whether repowered units that have the potential to suppress prices should be subject to some sort of mitigation. He said the NYISO has a directive to conduct a stakeholder process to address those questions and provide a report to FERC by June 17th. FERC will then decide based on that report what, if any, additional actions have to be taken. Mr. Rana Mukerji (NYISO) added that the NYISO would conduct a study and the MMU would be involved and the NYISO would have stakeholder discussions on the preliminary results sometime in late April or early May. Mr. LaRoe said it would be helpful for stakeholders to provide input in the study as it was being developed as opposed to only seeing the final results. Mr. Mukerji said that was a good comment and would take it back for consideration.

Ms. Altobell asked stakeholders to keep the joint Board of Directors/MC meeting in mind and let the committee chairs know of any potential topics that should be discussed.

Meeting adjourned at 12:30 p.m.