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**DRAFT****NYISO Management Committee Meeting Minutes****February 23, 2012****10:00 a.m. – 12:00 p.m.**

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

Mr. Bart Franey (National Grid), the Vice Chair of the Management Committee (MC), called the meeting to order at 10:00 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. There was a quorum.

**2. Approval of MC Minutes – January 25, 2012****Motion #1:**

The Management Committee (MC) hereby approves the meeting minutes from the January 25, 2012 meeting

*Motion passed unanimously*

**3. President and CEO Report**

Mr. Stephen Whitley (NYISO) reported that as a result of the feedback the NYISO received from the customer survey results, the NYISO will revise its action plan for NYISO Board approval. Also, after receiving input from stakeholders, the NYISO has taken an initiative to provide statistics of the posting of timely meeting materials on all committee and working group agendas, with a comprehensive listing all committee stats on the last page of the MC agendas.

**Infrastructure Master Plan (IMP)**

Mr. Richard Dewey (NYISO) provided a verbal update of the latest IMP activities. Mr. Dewey reported that the Carman Road aspect of the project is proceeding steadily, and that the Certificate of Occupancy for the new addition was issued in January. The project to migrate the computing systems into the new data center has started, and will proceed through May.

For the Krey Blvd site, the project is going according to plan and within budget. Stakeholders can expect work on the foundation of the new control center to begin in late March and the mild winter has helped the parking lot re-configuration. Ms. Erin Hogan (NYSERDA) asked about any changes to NYISO's security protocols for visitors. Mr. Dewey indicated that there would be no changes to the existing protocols. There will be separate protocols for the new building and the current building.

**Market and Operations Reports**

Mr. Dewey updated stakeholders of the discussion held at the TPAS meeting on February 16, 2012 with regards to Consolidated Edison's local transmission plan update. Mr. Dewey said the new proposal intended to address reliability issues with Astoria 4 and 2 units and Consolidated Edison proposed a new LTP. A number of MPs asked clarification to post that presentation to a wider audience. That was done through committee mailing lists. MPs asked when would the NYISO announce when that new facility would be activated. The NYISO looked at previous protocols of actual commercial operation of the facility, the NYISO will post that to the TIE and OASIS lists. The exact timing is unknown, but the NYISO will follow the previous protocols.

Another question that came up was the day ahead market modeling of the facility. The NYISO's market operations team is working closely with Consolidated Edison to understand the new details of the configuration and the NYISO will go through a process to add that to the day ahead model. The NYISO is looking at the timeframe for when the NYISO would be ready to do implement the new power system software model that reflects the new power system configuration. The NYISO usually tries to coordinate power system model updates with planned software releases for validation and testing purposes. There is a software deployment scheduled to be released in March, but it's unlikely for the information to be ready in March. The NYISO will likely get the information in the model for the May software deployment. At the meeting, Consolidated Edison communicated they were targeting to get it ready before the summer. Mr. Mark Younger (Slater Consulting) asked if the information is received before Consolidated Edison operates the line, would the line be modeled as out on maintenance. Mr. Dewey said correct.

Mr. Mike Kramek (Edison Mission) asked if changes to the TCC model follow the same schedule. Mr. Dewey said no because TCC market coordination and model development process is different. The exact schedule will have to be discussed through the Market Issues Working Group.

Mr. Younger asked if the NYISO will discuss at MIWG a way to avoid this problem in the future and have a faster process in place to determine what the information looks like and to get it in the TCC model quickly. He noted this issue is an unusual circumstance, but he expressed a concern of a possible violation with the basic rule of the TCC auction – that any transmission line that is expected to be in for more than a half of the capability period is considered to be in-service. Mr. Dewey said this is a conversation that the NYISO should have with stakeholders at MIWG.

Ms. Doreen Saia (GenOn NY) noted that the NYISO should get a notice to the market as to how this PAR will be operated. Mr. Dewey said it is the NYISO's understanding that it is operated for reliability. When the NYISO receives additional details, the NYISO will notify the market. Mr. Whitley said the NYISO will get back to the market before the summer. Ms. Saia noted that Consolidated Edison presented it only as a reliability tool for a second contingency in the context of very high load levels.

Mr. Bruce Bleiweis (DC Energy) appreciated that Consolidated Edison identified a problem and has proposed a solution, but he noted that the market is in the middle of the TCC auction. He also noted that DC Energy sent a list of questions to Consolidated Edison and asked that the answers to those questions be posted on the OASIS.

Mr. Dewey reviewed the market and operations performance reports. Mr. Dewey noted that due to the mild winter weather, the NYISO has experienced Rate Schedule 1 under collections in January of about \$300,000, and the month of February is trending towards and under collection of approximately \$200,000.

#### **4. Consumer Impact Analysis – 2012 Project List**

Mr. Tariq Niazi (NYISO) reviewed the presentation included with the meeting material.

Mr. Mike Mager (Multiple Intervenors) asked when will the NYISO present on Frequency Regulation Compensation. Mr. Niazi noted that this topic is scheduled for the March 2, 2012 MIWG meeting.

Ms. Deidre Altobell (Consolidated Edison) thanked the NYISO for incorporating Con Ed's comments at the February 13, 2012 Business Issues Committee meeting in this presentation.

**5. 2011 CARIS Phase 1 Report**

Mr. Whitley expressed his appreciation for the hard work the NYISO staff did to make a number of improvements for this study and he thanked stakeholders for their input in the development of the report. Mr. Franey thanked the NYISO for being responsive to stakeholders throughout this process.

Mr. Howard Tarler (NYISO) reviewed the presentation included with the meeting material. Mr. Tarler discussed the CARIS Phase 1 process and development, the differences between the 2011 CARIS and the 2009 CARIS, and the new methodology for calculating production cost. The CARIS Phase 1 report selected three studies based upon the largest change in production costs. After selecting the studies, the NYISO implemented generic solutions (transmission, generation, and demand response) for each study with production cost savings from relieving congestion for each solution type and the benefit/cost ratios are reported for each solution.

Ms. Altobelli said the purpose of the CARIS Phase 1 study is to provide information concerning economic congestion and the benefit of potential generic solutions -- transmission, generation and demand side management -- as compared to their costs, based on production cost analysis. It is an important part of the CARIS process that sets NYISO's process apart from other ISO/RTO regions, and has been touted as such in national forums. The NYISO should continue to provide a balanced approach in future CARIS cycles. Finally, Consolidated Edison would like to thank the NYISO staff for all of their hard work as well as for the development of the Lessons Learned list, including the potential for items discussed today, as Consolidated Edison believe it shows both the NYISO's and stakeholders' commitment to continually improving the CARIS study.

Mr. Franey said National Grid views this study as an improvements over the 2009 CARIS and found the benefit metrics to be informative. However, National Grid continues to be concerned with the production cost forecast and impacts to be too low compared to actual. For these reasons, National Grid will abstain. It is National Grid's expectation through the lessons learned process, CARIS Phase 1 model results will be improved for the next cycle.

Mr. Rich Bolbrock (MEUA/NYMPA) asked for an explanation as to why National Grid thinks the production costs are too low. Mr. Franey said one reason is the first three quarters of the day ahead congestion for 2011 show over a billion dollars in the NYCA and the 4Q has yet to be published. National Grid assumes the congestion from 4Q to be around \$200,000-300,000 for a total of \$1.5 billion. The report in CARIS was around three quarters of a billion. The models in CARIS assumed that the SPS was out of service, which has an impact on transfer. Assuming that the SPS remains in service, it will put that much more of a delta between the modeled results and the actual. Mr. Tom Rudebusch (NYAPP) supported National Grid's comments.

Ms. Patti Caletka (NYSEG/RGE) said NYSEG/RGE appreciates the hard work the NYISO has done in creating the 2011 CARIS report. This report show significant improvement over the 2009 report in many areas. During the 2009 study review period, NYSEG/RGE vocalized concerns over the congestion figures; specifically that forecasted and actual figures were grossly out of line. This 2011 report shows a much needed improvement in these figures but NYSEG/RGE believes greater accuracy is still needed. The 2011 CARIS report shows total NYCA congestion at \$709 million but actual figures from the NYISO website shows congestion of \$1.11 billion through 3Q of 2011. NYSEG/RGE looks forward to working with the NYISO to continue improving this process.

*Motion #2:*

The Management Committee (MC) approves and recommends that the Board of Directors approve the NYISO 2011 Congestion Assessment and Resource Integration Study - Phase 1 Report (2011 CARIS Phase 1 Report) as presented by the NYISO to the MC at its February 23, 2012 meeting. The 2011 CARIS Phase 1 Report was the subject of prior action by the Business Issues Committee, and review by the Electric System Planning Working Group and the Transmission Planning Advisory Subcommittee.

*Motion passed unanimously with abstentions.*

**6. New Business**

Mr. Whitley reminded stakeholders of the upcoming annual sector meetings in April. Mr. Richard Barlette (NYISO) will be reaching out to the sectors to coordinate the agendas. The NYISO will continue the format from last year where the NYISO is listening to stakeholders. He advised members to submit their proposed agenda topics for their respective sector meetings to Committee Support. He noted the importance these meetings have in shaping the future direction of the NYISO's priorities.