
DRAFT**NYISO Management Committee Meeting Minutes****May 31, 2017****10:00 a.m. – 2:00 p.m.**

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

The chair of the Management Committee (MC), Mr. Scott Leuthauser (HQUS), called the meeting to order at 10:00 a.m. by welcoming the members of the MC. Members identified themselves and attendance was recorded. A quorum was determined.

2. President/COO Report

Mr. Brad Jones (NYISO) Mr. Brad Jones announced that this was Mr. Leuthauser's last meeting as MC co-chair (new co-chair term begin in June). Mr. Jones stated his appreciation for Mr. Leuthauser's leadership over the year and congratulated him on a job well done and welcomed the incoming chair, Ms. Patti Caletka (NYSEG). Mr. Jones provided information on the June 12 – 13 Joint BOD MC, being held at the Sagamore Resort in Bolton Landing NY. He noted that the two round table discussion topics, selected by the NYISO Committee Chairs were 1) Understanding the Impacts of Public Policy on Wholesale Markets and 2) Harmonizing Public Policy with the Wholesale Markets.

Mr. Rick Gonzales (NYISO) provided the Market Operations highlights and Operations report (presentations included with meeting material). He announced that there will be several new charts added to next month's report: 1) Wind production by zone, wind curtailment by zone, and wind curtail by transmission constraint. This will provide additional transparency on how renewable are being impacted by transmission constraints in New York.

3. Summer Capacity Assessment

Mr. Wes Yeomans (NYISO) reviewed the presentation included with meeting material. The assessment is done every spring going into the summer and also in the fall going into the winter, using the same construct to provide consistency from year to year. This is a deterministic view from NYISO Operations as to the amount of capacity believed to be available going into a heat wave or peak summer conditions. As part of the summer preparedness, the NYISO reviews summer operating conditions with the NY Transmission Owners and adjacent operating areas. In addition, the NYISO Market Mitigation & Analysis Department has completed many generation site visits to review preventative maintenance work, fuel capability, and summer operating preparedness.

4. Ramapo Phase Angle Regulator Cost Recovery

Mr. Wes Yeomans (NYISO) reviewed the presentation included with meeting material, which included background on the PARs, benefits, and annual cost projections. NYISO proposes to make modifications to Rate Schedule 1 of its OATT where NY Transmission Customers would, on a going-forward basis (commencing on the effective date of the Tariff revisions), pay up to 100% of the charges associated with installing a second PAR at Ramapo and of Con Edison's cost of owning, maintaining and operating two Ramapo PARs. The proposed tariff revisions also provide for 1) Transparency of the Ramapo PARs Charge and 2) Potential partial refund of the Ramapo PARs Charge to NY Transmission Customers if PJM pays for part of the cost of the PARs.

Mr. Howard Fromer (PSEG) asked for confirmation that the total estimate is for both PARs, and includes capital necessary to procure second PAR. Mr. Yeomans confirmed this.

Mr. Mike Mager (MI and CNY) stated that Multiple Intervenors and City of NY support the proposal due to benefits of the PARs; he asked if agreeing to pay cost in full would have a future impact on negotiation for PJM's contribution.

Mr. Bruce Bleiweis (DC Energy) asked if the NY Transmission customers include exports. Mr. Chris Russell (NYISO) stated that exports pay with the exemption of anything exempt under CTS.

In response to question from Mr. Mark Younger (Hudson Energy Economics) on the timeframe for installation, Ms. Jane Quin (Con Edison) stated the installation process will take approximately 8-10 weeks, and absent contingencies, the PAR should be in place on or around September 15.

Ms. Doreen Saia (Entergy) requested that progress updates be provided to members going forward. Mr. Gonzales suggested that it be included in the monthly Operations Report.

A motion was made to amend the originally posted main motion:

Motion #1:

The Management Committee ("MC") hereby approves revisions to the NYISO's Open Access Transmission Tariff ("OATT") as described in the "Ramapo Phase Angle Regulator Cost Recovery" presentation made to the MC on May 31, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act. The MC also requests that the NYISO work with stakeholders on the development of a methodology to facilitate the identification of facility-specific Transmission Congestion Contract (TCC) revenue values and Day-Ahead Market Congestion Rent impacts associated with the Ramapo PARs. To the extent that such a methodology is approved and implemented, any separately identified TCC and congestion related values would be used to adjust the otherwise applicable charges for the Ramapo PARs under Rate Schedule 1 of the OATT on a going forward basis. The tariff revisions necessary to implement any such methodology and to account for any separately identified TCC and congestion-related values in the calculation of the charges for the Ramapo PARs under Rate Schedule 1 of the OATT will be subject to review and approval through the normal stakeholder shared governance process; provided, however, that this separate initiative shall not delay or otherwise impede the process for implementing the tariff revisions approved by the MC on May 31, 2017.

The motion passed unanimously by show of hands with abstentions

Motion 1a – Motion to Amend Motion 1

The Management Committee ("MC") hereby approves revisions to the NYISO's Open Access Transmission Tariff ("OATT") as described in the "Ramapo Phase Angle Regulator Cost Recovery" presentation made to the MC on May 31, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

~~To the extent that any substantive revisions to the OATT revisions described in the "Ramapo Phase Angle Regulator Cost Recovery" presentation are required, the NYISO shall prepare revisions accordingly and have such revisions reviewed and approved by the Committee Chairs of the MC, Business Issues Committee and Operating Committee prior to filing at the Federal Energy Regulatory Commission.~~

The MC also requests that the NYISO work with stakeholders on the development of a methodology to facilitate the identification of facility-specific Transmission Congestion Contract (TCC) revenue values and Day-Ahead Market Congestion Rent impacts associated with the Ramapo PARs. To the extent that such a methodology is approved and implemented, any separately identified TCC and congestion-related values would be used to adjust the otherwise applicable charges for the Ramapo PARs under Rate Schedule 1 of the OATT on a going forward basis. The

tariff revisions necessary to implement any such methodology and to account for any separately identified TCC and congestion-related values in the calculation of the charges for the Ramapo PARs under Rate Schedule 1 of the OATT will be subject to review and approval through the normal stakeholder shared governance process; provided, however, that this separate initiative shall not delay or otherwise impede the process for implementing the tariff revisions approved by the MC on May 31, 2017.

The motion passed unanimously by show of hands

5. Annual Solicitation of Market Participant Input on the External MMU's Performance

Mr. Shaun Johnson (NYISO) provided an update. Once a year, the NYISO solicits written comments from MC members regarding the MMU's performance of its defined duties and the quality of its work products. The stakeholder input NYISO receives is provided to the NYISO Board members. Mr. Johnson provided a summary of The key provisions of the MMU's contract statement of work.

Mr. Rich Bolbrock recommended that the next RPF process include contract duration periods of 1, 2 and 3 years.

Stakeholder comments will be accepted until June 23, 2017. Written comments should be submitted to: Shaun Johnson at sjohnson@nyiso.com or Leigh Bullock at lbullock@nyiso.com.

6. Proposal to Eliminate Bond Funds from MP Cash Collateral Investment Options

Ms. Sheri Prevratil (NYISO) reviewed the presentation included with the meeting material. The NYISO proposes to eliminate the bond fund options as an alternative to invest cash collateral. While the bond funds offered the potential for increased earnings, they were more volatile than the money market funds, primarily due to fluctuations in the market interest rates. Historically, there has been very low Market Participant utilization of the bond funds.

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 Administration and Control Area Services Tariff and Attachments U and V of the Open Access Transmission Tariff as described in the presentation entitled "Proposal to Eliminate Bond Funds from MP Cash Collateral Investment Options," made at the May 31, 2017 MC meeting.

The motion passed unanimously by show of hands with an abstention

7. Rate Schedule 1 – MISO PAR Cleanup

Mr. Chris Russell reviewed the presentation included with the meeting material. An August 2016 FERC order found that the MISO and International Transmission Company (ITC) did not demonstrate that the cost allocation to NYISO and PJM for Bunce Creek PAR was just and reasonable, and directed MISO to refund NYISO the funds that NYISO paid to MISO. MISO paid the refunds, which NYISO distributed in accordance with the provisions of OATT Rate Schedule 1, and all of the relevant bills are now final. It is now appropriate to remove the Bunce Creek PAR specific language from OATT Rate Schedule 1.

Motion 3:

The Management Committee ("MC") hereby approves revisions to the NYISO's Open Access Transmission Tariff ("OATT") as more fully described in the "Rate Schedule 1 – MISO PAR Cleanup" made to the MC on May 31, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously by show of hands

8. Cost Recovery for Regulated Transmission Facilities

Mr. John Buechler and Mr. Tim Duffy (NYISO) reviewed the presentation included with the meeting

material. The NYISO is proposing to revise Rate Schedule 10 of the OATT to establish a new Regulated Transmission Facilities Charge (RTFC). The RTFC will enable the NYISO to recover from Load Serving Entities and remit to Developers the costs associated with any regulated transmission project that is approved/accepted by FERC for cost allocation and recovery under the NYISO's Comprehensive System Planning Process (CSPP). The revisions establish a consistent mechanism across all three planning process components (reliability, economic, or public policy) of the CSPP for the recovery and remittance of costs that Developers are eligible to recover in accordance with Attachment Y of the OATT.

Motion

The Management Committee (MC) hereby approves the revisions to the NYISO's Open Access Transmission Tariff ("OATT") with regard to the Rate Schedule 10 Cost Recovery Mechanism for Regulated Transmission Projects and related amendments to OATT Attachment Y as more fully described in the presentation made to and as discussed at the MC on May 31, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously by show of hands with an abstention

9. BSM Enhancements : Forecast, and Inflation and Escalation

Mr. Lorenzo Seirup and Mr. Jonathan Newton (NYISO) reviewed the presentation included with meeting material. Two proposals approved at the May 17 Business issues Committee, BSM Forecast Enhancements and Escalation Factor and Inflation Rate in Buyer-Side Mitigation, were combined into one proposal for the MC's consideration.

In response to a question from Mr. Howard Fromer (PSEG) on if it is the NYISO's intention with the filing to have an effective date that would allow this to be used in connection with the 2017 Class Year, Mr. Seirup stated "yes."

Motion #5

The Management Committee (MC) hereby approves the revisions to buyer-side market power mitigation rules in Section 23.4.5.7 of the NYISO's Market Services Tariff as presented at the MC on May 31, 2017, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously by show of hands

10. New Business

There was no new business. The meeting adjourned at 2:00 pm.