

**DRAFT****NYISO Business Issues Committee Meeting Minutes****August 13, 2014****10:00 a.m. – 12:15 p.m.**

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

The chair of the Business Issues Committee (BIC), Mr. Brad Kranz (NRG) called the meeting to order at 10:05 a.m. by welcoming the members of the BIC. The members of the BIC identified themselves and attendance was recorded. A quorum was determined.

Mr. Kranz announced that members of the press were in attendance for the BIC and welcomed Messrs. Rich Heidorn Jr. and William Opalka (RTO Insider). Mr. Kranz reminded the reporters of the participation rules at NYISO meetings. Mr. Bruce Bleiweis (DC Energy) noted that the publication provided valuable insight into PJM meetings.

In addition, Mr. Kranz announced that Mr. Norman Mah (Con Ed Solutions) would chair the Billing and Accounting Working Group and the meetings would be combined with the Credit Policy Working Group.

**2. Approval of Meeting Minutes – July 16, 2014****Motion #1:**

Motion to approve the Minutes of the July 16 2014 BIC meeting.

***Motion passed unanimously by show of hands***

**3. Market Operations Report/Seams Report**

Mr. Rana Mukerji (NYISO) reviewed the Market Operations report included with the meeting material. Mr. Mukerji also reviewed the seams report included with the meeting material. There were no questions.

**4. Planning Update**

Mr. Henry Chao (NYISO) reported that the 2014 Reliability Needs Assessment was scheduled for the August 14<sup>th</sup> Operating Committee meeting for action. He added that the Comprehensive Reliability Plan would begin in the coming months.

**5. Proposed Black Start Changes**

Mr. Brad Garrison (NYISO) reviewed the presentation included with the meeting material.

Mr. Howard Fromer (PSEG) said it was jurisdictionally inappropriate for the New York State Reliability Council (NYSRC) to dictate that the NYISO had to change its tariff, the proposal was flawed because "material" is not a defined term and it would be difficult measure improvements, generators should not be forced into involuntary servitude, and the compensation level should have been revisited. He added it was disappointing that the NYISO would not object to what the NYSRC has done. He asked if a generator had the right to make a section 205 filing to FERC. He said it should be a fundamental right of a generator and should be clear.

Mr. Liam Baker (US Power Generating) asked if, under the proposal, the NYISO determined a generator has demonstrated it had a good case for an exemption from Con Edison's black start

program, but the NYSRC disagreed, how the situation would get resolved. He believed it put the NYISO in an awkward position. Mr. Mark Younger (Hudson Energy Economics for Indeck) agreed with Mr. Baker and expressed a concern whether the NYISO could make an independent decision if the NYISO agreed with a generator that the resource was unduly burdened by Con Edison's requirement. Mr. Wes Yeomans (NYISO) said that non-compliance situations get resolved by the NYSRC on a case-by-case basis.

Dr. Mayer Sasson (Con Edison), as the NYSRC Executive Committee chairman, said that the NYSRC has always been respectful of the NYISO's independence and the NYISO was helpful in developing the reliability rule (PRR-116). He added that the rule was developed to protect reliability. He disagreed with Mr. Fromer that the rule forced the NYISO to change its tariff. PRR-116 gave the NYISO the ability to make the final determination. He disagreed with Mr. Baker and said there was no compliance issue. Mr. Rich Bolbrock (MEUA) stated that if the NYISO was in non-compliance with the NYSRC, a plan would be put forth to allow the NYISO to return to compliance. Mr. Rick Brophy (NYSEG) urged the BIC to read PRR-116. Mr. Rich Miller (Con Edison) said that the generators were raising an extreme hypothetical scenario and noted that there existed a dispute resolution procedure. He added that the black start program was modified a few years ago and had the same language. The generators did not raise an objection at that time and voted in favor of that proposal.

Ms. Doreen Saia (Entergy) said the proposal was a significant change to Con Edison's black start program and that generators were not receiving clear answers to their questions. She said that the dispute resolution process that Mr. Miller raised was flawed. She added that the proposal should be sent back to the task force for further discussion and that it was not ready for BIC approval. Mr. Kranz agreed and said the proposal would only result in litigation.

Mr. Christopher Sharp (NYISO) read the NYSRC reliability rule containing the standard for adequacy of a TO system restoration plan, and noted that the rule focuses on whether a system restoration plan contains adequate resources to assure system restoration in a safe and orderly manner, and as promptly as reasonably possible. It does not contain a requirement that the Plan include every single resource that could improve the Plan.

Mr. Kevin Lang (Couch White for the City of NY) stated that he agreed that the language could be clearer and understood that the generator community would want an objective standard, but there is no established objective standard to be applied. He added that the BIC should vote on the proposal because the BIC has voted on numerous proposals that included subjective standards.

Mr. Christopher LaRoe (IPPNY) asked if the generators have the right to file at FERC for a unit specific rate pursuant to Section 205. Mr. Kevin Jones (Hunton & Williams, on behalf of NYISO) said that the relevant tariff language establishes a unique process for filing for a unit-specific rate, but that the filing likely would be submitted as a Section 205. Mr. LaRoe also asked how the change would affect mothballed units and would the NYISO make determinations for whether they could leave. Mr. Garrison noted that the NYISO did not make those determinations.

Mr. Dan Congel (TC Ravenswood) asked how units that provide service under their own tariffs would be affected by the change. Mr. Jones said that the validity of individual tariffs is an open issue that has not been finally resolved at FERC, but stated that the terms of the tariff under which a service is provided would be the ones that would control.

Dr. Sasson stated that the proposal was important for reliability and thanked all parties for their involvement.

## **Motion #2**

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Services Tariff as described in the presentation entitled “Proposed Black Start Changes”, made to the BIC on August 13, 2014.

***Motion passed with 60.07% affirmative votes.***

## **6. CARIS 2 Update**

Mr. Timothy Duffy (NYISO) reviewed the presentation included with the meeting material. Mr. Miller noted that Con Edison had expressed disagreement with the gas price forecast used by the NYISO.

## **7. Working Group Updates**

- a. *Billing and Accounting Working Group* – Ms. Debbie Eckels (NYISO) reported that the group reviewed the grid accounting report.
- b. *Credit Policy Working Group* – Mr. Norman Mah (Con Ed Solutions) reported that the CPWG discussed an overview of 2014 financial projects and that all projects were on schedule. The 2015 projects are being discussed at the BPWG meetings. There are no scheduled CPWG meetings in August.
- c. *Electric System Planning Working Group* – Ms. Eckels reported that the group reviewed the RNA draft report and the RNA will advance to the Operating Committee.
- d. *Installed Capacity Working Group* – Mr. Chris LaRoe (IPPNY) reported that the ICAPWG met to discuss the External CRIS rights 4-strike rule
- e. *Inter-regional Planning Task Force* – No update.
- f. *Load Forecasting Task Force* – Mr. Arthur Maniaci (NYISO) reported that the LFTF met twice in June to review the load forecast uncertainty models and the NYISO hosted the 2014 spring economic conference. He added that the LFTF will next meet on August 25<sup>th</sup>.
- g. *Market Issues Working Group* – Ms. Patti Caletka (NYSEG) reported that MIWG reviewed the Q1 2014 State of the Market report and a study on the number of Centralized TCC auction rounds. She noted a meeting for August 25<sup>th</sup> would be scheduled to review the Q2 State of the Market report because the August 26<sup>th</sup> meeting had a full agenda.
- h. *Price Responsive Load Working Group* – Mr. Bob Boyle (NYPA) reported that the PRLWG (along with ICAPWG and MIWG) reviewed a proposal on the SCR performance obligations. The proposal would be discussed further at joint meetings in August.

## **8. New Business**

Mr. Younger asked if the NYISO received a retirement notice for the nuclear power plant, Ginna. Mr. Chao said the NYISO could respond to the question at the August 14<sup>th</sup> Operating Committee. Ms. Marji Philips (Direct Energy) requested an email be sent to the BIC on how the NYISO responded to Mr. Younger’s question at the OC.

Ms. Saia said it was important to note that the NYISO did a strong job with the 2014 RNA, which should serve as a model for future years. She thanked Ms. Yachi Lin (NYISO) for her responsiveness at the ESPWG meetings.

Ms. Saia raised a concern about the Class Year 2012 process and the lack of information used for the scaling factor for the mitigated exemption tests as they apply to the TDI project. She understood there was litigation at FERC, but in the interest of transparency, it would be helpful for the NYISO to release the scaling factor information that was being used. She said the issue could not wait much longer and should be addressed. Mr. Chao said he would talk to the Market Mitigation and Analysis

department and get an answer to the BIC. He noted that the NYISO was working out an issue with a Class Year 2012 member and it could be delayed.

The meeting adjourned at 12:15 p.m.