
DRAFT**NYISO Business Issues Committee Meeting Minutes****November 3, 2010****10:00 a.m. – 2:00 p.m.**

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

Mr. Glenn Haake (Dynergy), the Chair of the Business Issues Committee (BIC) called the meeting to order at 10:10 a.m. and welcomed the members of the BIC. Meeting participants introduced themselves and their affiliations. There was a quorum.

2. Approval of Meeting Minutes – September 1/ October 13, 2010 – Discussion/Vote**Motion #1**

The Business Issues Committee (BIC) approves the September 1, 2010 and October 13, 2010 meeting minutes.

The motion passed unanimously by show of hands.

3. Market Operations Report/Seams ReportMarket Operations

Mr. Rana Mukerji (NYISO) reviewed the Market Operations report through October 17th. The LBMP was down from September, driven by lower temperatures. The send out was lower as compared to both September of this year, and October of 2009. Under fuel prices, kerosene was up slightly, and natural gas was down. Uplift was a little higher than last month.

Seams

Mr. Mukerji noted there was a Joint stakeholder meeting with PJM hosted in Philadelphia to work on the buy-though of congestion initiative. Mr. Robb Pike (NYISO) will provide a preview of the conceptual design to at today's meeting. ITC and MISO intend to have the Bunce Creek PARs in operation in the first quarter of 2011.

The regional PARs coordination study team has met several times to begin the assessment of options for improving the coordinated operation and management of controllable power flow devices across the region. Included in these discussions has been the treatment of the Ontario-Michigan PARS in the NERC IDC model used by the TLR process.

On October 20, 2010 Midwest ISO and ITC filed proposed tariff amendments at FERC seeking to allocate 30.9 % of the cost of ITC's phase angle regulating transformers at Bunce Creek on the Michigan-Ontario border to New York, and 19.5% to PJM. The Commission has set a November 10, 2010 comment date in Docket No. ER11-1844. The NYISO intends to vigorously oppose this proposal.

Mr. Mukerji noted that on at last month's MC, tariff revisions for enhanced interregional transaction coordination were approved.

4. Planning Update

Mr. Henry Chao (NYISO) reported on the planning activities. EIPC members met last week in Atlanta, Georgia to discuss the 2020 Base Case. The assumptions were that regional planning data and policy

driven projects need to be included in the first 10 year case studies. After the meeting finished, the Coordinating Committee meeting had a conference call and had agreed that the draft report could be moved forward by putting assumptions into an appendix format, and posting it for comment on the EIPC website.

The Stakeholder Steering Committee plans to have a workshop with the economic modeler, to allow all stakeholders to understand the macroeconomic model that will be used. The Steering Committee will have a meeting in Charlotte, NC, on December 13th and 14th.

The IPSAC meeting between NY, PJM and New England was held via a webex call on October 29th, on economic study modeling.

5. Vice Chair Election for 2010-2011 Term - Discussion/ Vote

Vice Chair Election: Mr. Alan Ackerman (Customized Energy Solutions) was elected 2011 Vice Chair, Business Issues Committee.

6. STR Attachments H and O– Discussion/Vote strategic tariff review

Mr. Mark French (NYISO) reviewed the Strategic Tariff Review Attachments H and O Market Power Mitigation Measures and Market Monitoring Plan. Mr. French noted that the NYISO's primary goal in examining Attachment H was to identify inconsistencies, ambiguities or outdated material. He noted that the current review does not deal with the dispute resolution provisions of Att. H or Att. O, nor with the ICAP-related rules of Section 23.4.5 in Attachment H.

Ms. Doreen Saia (Mirant) asked how reference prices would be adjusted if information is provided showing that a mitigated bid was consistent with competitive behavior. Ms. Saia stated that she assumed that the bids would be corrected so that mitigation would not apply.

Mr. Alex Schnell (NYISO) said that the NYISO would look into addressing this issue by the MC meeting. The requested clarification would then need to be mirrored in Attachment O.

Mr. Brad Kranz (NRG) said that he had a concern about the reference level section. The changes indicated that the reference levels would be based on the most recent 90 days for which data is available to the ISO's reference level calculation software. He had a concern that the language didn't limit to the last 90 days in calculating reference levels.

Ms. Nicole Bouchez (NYISO) explained that the NYISO is trying to maintain a full 90 days worth of data to calculate reference levels. With regard to fuel price indexing of reference levels, Mr. Schnell explained that the reference level that is calculated will be indexed to the most up-to-date fuel price information that is available to the reference level calculation systems.

Motion 2

Strategic Tariff Review – Attachment H and O.

The Business Issues Committee recommends that the Management Committee approve the filing of Tariff revisions consistent with the NYISO's presentation to the Business Issues Committee on November 3, 2010.

The motion passed by show of hands with abstentions.

7. Grandfathered Rights Attachments K and L – Discussion and Vote

Mr. Greg Williams (NYISO) reviewed the tariff modifications of Grandfathered Rights Attachments K and L included with the meeting materials.

Motion 3

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve proposed revisions to the OATT Attachments K and L, with conforming changes to the Body of the OATT as necessary, all as presented to the BIC on November 3, 2010.

The motion passed by show of hands with abstentions.

8. Broader Regional Markets – Buy through of Congestion Concept – Robb Pike

Mr. Robb Pike (NYISO) provided an update on the Broader Regional Markets Buy Through of Congestion Concept. The goal, he said, was to raise awareness of the topic, and identify areas that need further development regarding the concept.

At the Broader Regional Markets technical conference hosted by PJM in September substantial time was spent reviewing the details of buy-through of congestion, including how it would operate and how participants would request service.

In response to a question raised on whether or not TLRs will still be available as a tool of operation, Mr. Pike said that TLRs will always remain an option. To address concerns impacting MISO and PJM, which experience loop flows from non-market areas, the buy-through of congestion concept will be integrated with the TLR protocol to provide comparable treatment of impacts from market and non-market areas. Mr. Pike added that once you introduce buy-through of congestion, regional operators will need to maintain a rigorous activation of the protocols whenever there is congestion.

Mr. Tom Paynter (PSC) asked if there were two distinct issues regarding circumstances under which a TLR would be called. Mr. Pike answered that TLRs would continue to be executed in the same manner as today, buy through of congestion only changes the order in which transaction are prioritized for curtailment.

Mr. Frank Francis said that at the last MIWG it was agreed that NYISO would consider an “up-to” capability within the day-ahead market. Mr. Pike confirmed that it remains the NYISO’s intention to facilitate up-to hedging opportunities within the DAM. Mr. Francis asked that it be reflected in the minutes that he asked Mr. Pike to consider this point.

Mr. Greg Pakela (DTE Energy) said that PJM offers an “up-to” congestion product for real-time transactions. Mr. Pike noted that PJM’s experience has been that participants do not utilize those capabilities in PJM and instead choose to maintain scheduling decisions within their own control.

Mr. Pike said that there has been internal progress on the white paper and that they are in the process of incorporating all of the updates discussed at the September Technical Conference; they hope to have it out within the next month.

Mr. Dan Congel (TransCanada) expressed concern that it appeared to be the opinion of the Market Participants present at the meeting that the buy-through concept was not very important and that the credit requirement aspect could limit its effectiveness. Mr. Pike said that those comments were raised in respect to prioritizing of the various Broader Regional Market efforts. The most valuable issue is more frequent scheduling and as such has been addressed most aggressively. The NYISO continues to put

efforts into the Buy Through Congestion concept as well, recognizing the benefits available from its implementation.

9. Ancillary services Tariff Review – Discussion / Vote

Mr. Rick Hoefer (NYISO) reviewed the Ancillary Services Tariff that was included with the meeting material. Ms. Mollie Lampi (NYISO) advised that the tariff language was distributed and that Section 15.3.1. would be amended to read “not be less than” instead of “not exceeded”.

Motion 4

The Business Issues Committee recommends that the Management Committee approve and recommend to the NYISO Board for filing under Section 205 of the Federal Power Act, amendments to the OATT and market Services Tariff proposed as part of the Strategic Tariff Review pertaining to Ancillary services, as described in the presentation made to the BIC on this date, November 3, 2010. *The motion passed by show of hands with abstentions.*

10. Proposal for Sharing Data with State Commissions and among Market Monitoring Organizations – Discussion / Vote

Ms. Liz Grisaru (representing NYISO) reviewed the proposal and tariff revisions for sharing data with state commissions and among market monitoring organizations. The goals of the tariff changes are to develop standard rules for sharing sensitive data among ISOs and market monitors, establishing rules governing the NYISO MMU’s response to requests from State Commissions, and preserving confidentiality of Market Participant data to the maximum extent possible.

Ms. Grisaru explained that the tariff proposal does not expand the ISO’s obligation to meet the existing PSC orders. It affects the NY MMU. The proposal does not require MMUs to make an announcement if it receives a “tailored request” if the requesting state commission is not seeking protected information.

If a tailored request touches on protected information, then the tariff states that prior to disclosing protected information market parties need to be given a reasonable time to object and to “provide context” to the information that is being produced by the MMU. There is no mechanism that would allow a state commission to come to the NYISO and ask for protected information from the NYISO. Tailored requests only go to the MMU.

In general, if information is requested of an MMU, the MMU has to issue a notice to the market party or parties to which the information pertains. The MMU will then allow the party or parties reasonable time to object to the disclosure of the information, or provide contextual information that is necessary.

Motion 5:

The Business Issues Committee (BIC) approves for filing under Section 205 of the Federal Power Act, amendments to the Open Access Transmission Tariff that 1) define the Market Monitoring Unit’s authority to share Protected Information with State Commissions, and 2) establish rules governing the sharing of Protected Information among ISOs and market monitoring entities, as described in the presentation made to the BIC on November 3, 2010.

The motion passed by show of hands with abstentions.

11. Working Group Updates

A. Billing & Accounting Working Group – Ms. Patti Caletka (NYSEG)

There was no report.

B. Electric System Planning Working Group (Joint BIC/OC Working Group) – Deidre Altobel (Con Edison)
Ms. Debbie Eckels (NYISO) provided the update on CARIS; the final review for TPAS will be on Friday. They are finalizing the scenario for Phase 2 of the economic study. Responses are due on November 11. The next meeting is this Friday and they'll be closing out the changes for CRD.

C. Installed Capacity Working Group – Bob Boyle (NYPA)

There was no report.

Interconnection Issues task Force Working Group – Frank Francis (Brookfield Power)

Mr. Frank Francis reported on the most recent IITF meetings. There was a follow-up presentation to the MP concern that CRIS rates were transferrable between external and internal participants. NYISO made a proposal to allocate facility costs of Phase 1 to ensure that projects with below average study costs did not end up paying more than their share. Attachment Z of the OATT was also changed. Projects determined from the interconnection study will need to undergo a class year study. The next meeting is scheduled for November 11th.

E. Market Issues Working Group – Patti Caletka (NYSEG)

Mr. Norman Mah (Con Ed Solutions) provided feedback on the most recent MIWG meetings. Attachments H and O were reviewed. A proposal regarding data sharing was also reviewed. FERC issued an order on credit reform.

F. Price Responsive Load Working Group – Alan Ackerman (CES)

Mr. Alan Ackerman (ECS) reported. There was a NYISO proposal for a new base line for special case resources; top 20 coincident hours and adjusting time windows. The next PRLWG is December 6th.

G. Credit Policy Working Group – Norman Mah (Con Edison Solutions)

Mr. Norman Mah reviewed the buy through congestion issues.

H. Load Forecasting Working Group – Bryan Irrgang (LIPA)

There was no report.

I. IPTF: - Ken Lotterhos (Navigant for LIPA)

There was no report.

12. Other Business

Mr. Mark Younger (Slater Consulting) asked what the status was in getting information on the exemption test data on the ISO website. The ISO filed one month ago to make this a transparent process. Mr. Mukerji will look into the status.

Mr. Mukerji thanked Mr. Glenn Haake for his stewardship for the past year.

The meeting adjourned at 1:20 pm.