

NYISO Business Issues Committee Meeting Minutes**June 10, 2015****10:05 a.m. – 10:40 a.m.**

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

The vice chair of the Business Issues Committee (BIC), Mr. Chris LaRoe (IPPNY) 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.

2. Meeting Minutes**Motion #1:**

Motion to approve the Minutes of the May 13, 2015 meeting.

Motion passed unanimously.

3. Market Operations Report

Mr. Rana Mukerji (NYISO) reviewed the market operations report included with the meeting material. There were no questions.

4. Seams Report

Mr. Mukerji reviewed the seams report included with the meeting material.

Regarding CTS with ISO-New England, Mr. Mukerji noted that ISO-NE presented the joint coordination agreement and tariff revisions for approval at their Joint Reliability/Markets Committee Meeting on June 3, 2015.

IESO will not be ready to support capacity exports to NYISO in time for the 2015/2016 Winter Capability period. NYISO will provide stakeholders with an update on any IESO progress toward meeting eligibility requirements. Mr. Scott Leuthauser (HQ US) asked what drove the interest of IESO selling into NY. Mr. Mukerji said the NYISO was contacted by the IESO and IESO wanted to facilitate the sale of capacity into NY.

The NYISO plans to discuss the impact of FERC Order 809 on the NYISO's day ahead market timing and efforts to coordinate any changes across the regional markets at the June 9th MIWG.

5. Planning Update

Mr. Dana Walters (NYISO) reported that the NYISO will be presenting the preliminary base case results for CARIS on June 11, 2015. On Order 1000, the NYISO would be continuing its discussion of the Public Policy Transmission Planning Manual with ESPWG and the NYISO has processed the developer qualification requests and have notified developers. On the 2014 CRP, the NYISO has determined that the bulk power system will meet all of the applicable reliability criteria for the 2015-2024 period. The draft report was recommended for Board approval by the MC on May 29th.

The NYISO has received an order from FERC on the interregional compliance filing from 2013. FERC accepted the Northeast Protocol and associated tariffs. There is a further compliance filing and the revisions will be discussed at the June 25th ESPWG/IPTF meeting prior to a July 13th filing.

Business Issues Committee Meeting

June 10, 2015

Final Motions

Motion 1:

Motion to approve the Minutes of the May 13, 2015 meeting.

Motion passed unanimously.

Motion 2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s OATT, Services Tariff, and Coordination Agreement with ISO-NE as more fully described in the “CTS with ISO-NE Tariff Revisions” presentation made to the BIC on June 10, 2015 and further the Business Issues Committee (BIC) hereby requests that the NYISO perform an evaluation and prepare an informational report after one year of experience with CTS with ISO-NE, or earlier as conditions require, that will (1) evaluate the impact of ISO-NE Reliability Limits on the efficiency of CTS pricing and dispatch and; (2) report the instances and amount to which Congestion Rents are not shared equally between the ISOs and in those instances whether Reliability Limits were invoked and if so by which ISO and to which party the Congestion Rents were paid.

Motion passed unanimously with abstentions.

Motion 2a:

Motion to amend motion #2 as follows:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s OATT, Services Tariff, and Coordination Agreement with ISO-NE as more fully described in the “CTS with ISO-NE Tariff Revisions” presentation made to the BIC on June 10, 2015 and further the Business Issues Committee (BIC) hereby requests that the NYISO perform an evaluation and prepare an informational report after one year of experience with CTS with ISO-NE, or earlier as conditions require, that will (1) evaluate the impact of ISO-NE Reliability Limits on the efficiency of CTS pricing and dispatch and; (2) report the instances and amount to which Congestion Rents are not shared equally between the ISOs and in those instances whether Reliability Limits were invoked and if so by which ISO and to which party the Congestion Rents were paid.

Motion passed unanimously with abstentions.

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Alternate6	Alternate7	Proxy	Guest
Fluent Energy	Non Voting	Acampora , Peter	Begley, Jeff	Doll , Ed							
Great Bay Energy IV, LLC	Non Voting	Franco , Eugene	Colon , Antonio								
Hudson River Energy Group	Non Voting	Radigan, Frank	Canfield, Richard								
Hydro-Quebec TransEnergie	Non Voting	Prevost , Michel									
Iberdrola Renewables Inc	Non Voting	Allen, Thresa									
MAG Energy Solutions, Inc.	Non Voting	Roberge, Martin	VeZina, Alexandre								
NYS Department of Public Service	Non Voting	✓Paynter , Thomas	✓Evans , Adam								
New York Transco	Non Voting	Nachmias, Stuart	Lahtinen , James	Allen , Richard							
Noble Americas Energy Solutions	Non Voting	Sun , Jungsuk	Nakhonthap , Jade	Sunga , Leonard							
Northeast Clean Heat & Power Initiative	Non Voting	De Veer , Henrietta	Lilian , Jon	Dwyer , Herb	Brown, Ruben	Cinadr , Matt	Martin , Nicholas	Villegas , Cristina			
NuEnergen	Non Voting	Hamilton , Sandy	Korczykowski , Ryan								
Power Supply Services LLC	Non Voting	Phillips , Gabriel	Abend , Erik								
RBC Energy Services, LP	Non Voting	Burnham , Steve	Fraiture , Christian	Doolittle , Robin							
RES Americas, Inc.	Non Voting	Fernandes , John	Boyd , Dan								
Red Wolf Energy Trading, LLC	Non Voting	Sharma , Rishi									
Saracen Energy East LP	Non Voting	Peebles , Andy									
Saranac Power Partners	Non Voting	Wible , Steven									
Siemens Energy, Inc.	Non Voting	Feltes , James									
Taylor Biomass Energy, LLC	Non Voting	Taylor , Jim	Page , Allan								
TransAlta Energy Marketing (U.S.) Inc.	Non Voting	Nivolianitis , Ted									
Transmission Developers Inc.	Non Voting	Jessome , Donald	Helmer , William								
William P. Short	Non Voting	Short, William	Schaefer, Marc		Savage, Paul	Verna, Jim					

NYISO Employees

Walters, Dana

Mukerji, Rana

DeSocio, Mike

Pigeon, James

Schnell, Alex

Dixon, Kirk

Eckels, Debbie

For EIPC, the Levitan Gas Electric Report was presented to stakeholders at the May 19th EGCWG and the final report will be delivered to the Department of Energy next month.

6. CTS with ISO-New England (ISO-NE): Tariff Revisions

Mr. James Pigeon (NYISO) reviewed the presentation included with the meeting material.

Mr. Mark Younger (Hudson Energy Economics) noted that the actual energy price savings from CTS with PJM were less than the estimated savings and asked what the NYISO and ISO-NE were planning on doing to eliminate forecast pricing errors and identify problems proactively. Mr. Mike DeSocio (NYISO) said there would be a weekly discussion between the ISOs on the scheduling outcomes and any circumstances that resulted in questionable outcomes. As far as tracking, the NYISO has been tracking questionable scheduling outcomes with PJM to determine the root causes. The NYISO has proposed a project to address differences between RTC and RTD prices on the NY side. The NYISO understands that PJM is also looking at potential improvements to their IT-SCED. In response to a question from Mr. Younger, Mr. DeSocio said ISO-NE is aware of the importance of lining up the forecasts with the five minute dispatch price.

Ms. Marie Berninger (Con Edison) read the following statement:

Con Edison remains supportive of CTS and believe it will improve scheduling between NYISO and ISO-NE. Con Edison has raised two concerns at the working group level with two aspects of the arrangement that may limit the efficiency and they are: (1) ISO-NE has provisions that set up reliability limits that can curtail economic schedules when it feels they can be facing reserve shortages, and (2) the congestion rents in some situations could go to the ISO that is taking actions that increase the cross border congestion. Con Edison thinks that these aspects and the overall efficiencies should be re-evaluated once more experience is gained with CTS and address them if warranted.

NYSEG, Central Hudson, NYPA, LIPA, and Mr. Younger supported Con Edison's statement.

Mr. Mike Cadwalader (Atlantic Economics for the NYTOs) commented that Article 4.2 had a drafting flaw because if ISO-NE applies a reliability limit that limits flow on the NE-NY interface, it could have two possible consequences: (1) It could preclude economic transactions from being scheduled, or (2) it may require uneconomic transactions to be scheduled. He said the second possible consequence is not included in the definition and it would be necessary to change it before the MC. Mr. DeSocio said the NYISO would make the requested change, which is consistent with the logic that the ISOs developed and previously shared with stakeholders.

After the motion was moved and seconded, Ms. Berninger proposed an amendment to the motion and explained the amendment.

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Rents are not shared equally between the ISOs and in those instances whether Reliability Limits were invoked and if so by which ISO and to which party the Congestion Rents were paid.

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Motion passed unanimously with abstentions.

7. Working Group Updates

BAWG/CPWG – Mr. Norman Mah said the BAWG met on May 29th to review the grid accounting report. There was a market design concept discussion on the North Sub Zone Redistricting that will change billing names. The CPWG met to review the balance the TCC credit policy for balance of period TCCs.

ESPWG – Mr. Scott Butler (Con Edison) reported the FERC issued an order approving most aspects of the interregional planning procedures that the NYISO filed with neighboring regions. A compliance filing is due in mid-July. ESPWG will review the draft of the planned compliance filing when available. FERC also issued an order approving inclusion of more detailed outage states definitions in the NYISO tariff. The NYISO made an initial presentation to stakeholders at the May 21 ESPWG describing how generators in different states would be reflected in its planning studies. ESPWG completed its review of a *pro forma* Development Agreement that will apply to alternative regulated solutions selected in the reliability planning process, and that agreement was filed with the Commission as part of the NYISO’s fourth Order 1000 compliance filing. ESPWG will return to its review of the NYISO’s proposed transmission security cost allocation methodology later this summer. A review of a planned *pro forma* Operating Agreement for alternative regulated solutions selected in the reliability planning process will also take place later this year. ESPWG also completed its review of assumptions to be used in the CARIS 1 study to be conducted this year. Preliminary base case results will be reviewed at the ESPWG meeting to be held on the afternoon of Thursday, June 11. A more in-depth review of the NYISO’s fuel price forecasting methodology will also take place at the June 11th ESPWG. In preparation for the public policy transmission planning process that is expected to begin in earnest later this year, ESPWG is also reviewing the NYISO’s draft public policy planning process. Discussion of the most recent draft will take place at the ESPWG on June 11.

ICAPWG – Mr. Bob Boyle (NYPA) reported that ICAPWG discussed Behind the Meter: Net Generation, the DR Backstop proposal, the Rest of State Mitigation Study, and Potomac Economics gave a presentation on the State of the Market. The NYISO also provided the Demand Curve Reset schedule to stakeholders.

IPTF – Mr. Dan Mahoney (NYPA) reported that the IPTF will meet jointly with ESPWG on June 25th.

LFTF – Mr. Bryan Irrgang (PSEG Long Island) reported that the LFTF will meet on June 22nd for the Spring Economic Conference in NYC.

MIWG – Mr. LaRoe reported that MIWG received an update of Broader Regional Markets metrics, FERC’s Order on 809, Comprehensive Scarcity Pricing and Mr. Cadwalader proposed an alternative proposal suggesting modifications to how reserve requirements are treated. MIWG also discussed proposed Reference Level Manual and MST Attachment H changes.

PRWLG – Mr. Tim Lundin (CES) reported that PRLWG met with ICAPWG and MIWG on the DR Backstop Solution and BTM:NG.

EGCWG – Mr. Liam Baker (US Power Gen) said Levitan presented their results on May 19th.

8. New Business

None

Meeting adjourned at 10:40 a.m.