

NYISO Business Issues Committee Meeting Minutes**January 11, 2017****10:05 a.m. – 12:00 p.m.**

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

Mr. Scott Butler (Con Edison) 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. Approval of BIC Minutes

There were no comments or questions regarding the draft minutes for the November 16, 2016 meeting that were included with the meeting material.

Motion #1:

Motion to approve the November 16, 2016 meeting minutes.

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 or comments.

4. Broader Regional Markets Report

Mr. Mukerji reviewed the Broader Regional Markets report included with the meeting material. He highlighted the following items from the report: (1) Ontario would not be pursuing 15-minute scheduling at this time; (2) an update regarding the NYISO's planned compliance filing related to FERC Order No. 831 (addressing offer caps) would be provided at January 17, 2017 Market Issues Working Group (MIWG) meeting; (3) the NYISO Board of Directors approved the Con Edison/PSEG Wheel replacement proposal and the NYISO would likely seek to file the proposed tariff revisions with FERC by the end of January 2017; and (4) the NYISO will submit its compliance filing in response to FERC Order No. 825 (addressing settlement intervals and triggering of shortage pricing) on January 11, 2017. Mr. Scott Leuthauser (HQUS) asked if the NYISO would consider re-prioritizing 5-minute scheduling at the Hydro Quebec (HQ) Chateauguay interface in light of the delayed implementation of 15-minute scheduling with Ontario. Mr. Mukerji explained that implementation of 5-minute scheduling at the HQ Chateauguay interface requires that the EMS/BMS upgrade be completed first.

5. Locational Export Capacity Update

Mr. Joshua Boles (NYISO) reviewed the presentation included with the meeting material. He explained that, based on discussions at the ICAP Working Group (ICAPWG), the NYISO developed the list of five priorities included in the presentation, but had not ranked them in any particular order of priority. The five priority issues highlighted were: (1) evaluating a probabilistic approach to determining the Locality Exchange Factor values; (2) consideration of whether to modify the treatment of imports over alternating current (AC) ties to allow such imports to satisfy, at least in part, Locational Minimum Installed Capacity Requirements (LCRs); (3) consideration of whether to provide any payment to generators exporting from an Import Constrained Locality; (4) consideration of the impacts on prolonged, continuous exports on Capacity Resource Interconnection Service (CRIS) rights of the

exporting resource; and (5) assessing the appropriate modeling of capacity exports from Localities in the installed reserve margin (IRM) and LCR studies.

Mr. Paul Gioia (NYTOs) asked if the NYISO is coordinating with the NYSRC. Mr. Boles replied that it is. Ms. Kelli Joseph (NRG) asked when the NYISO will provide more detail on the priorities. Mr. Boles explained that he hopes to come to the ICAPWG in late January 2017 or February 2017 with a description of the analysis conducted regarding a probabilistic approach to determining the Locality Exchange Factor values. Mr. Jay Goodman (NYS DPS) suggested the NYISO consider assessing the current asymmetry in the treatment of imports and exports a high priority.

Mr. Howard Fromer (PSEG) asked why the NYISO was not also considering the ability of capacity within the Rest of State area (Load Zones A-F) to qualify to satisfy the capacity requirements in Localities. Mr. Brian Wilkie (NYPA) noted that the treatment of internal bilateral transactions raised by Mr. Fromer appeared to be outside the scope of this issue.

Mr. Kevin Lang (Couch White) questioned how payments to exporting generators made the NYISO's priority list. Mr. Boles explained the NYISO hadn't settled on a position yet, but that the Market Monitoring Unit (MMU) was very vocal about it and asked FERC to require the NYISO to provide such payments. Mr. Lang expressed concern with paying a generator an incentive to export. Mr. Goodman agreed. Mr. Brian Wilkie (NYPA) requested Potomac Economics participate in the next ICAP Working Group meeting so they can provide more information on their position. Mr. Mark Younger (Hudson Energy Economics) noted that the payment issue should be considered a high priority.

Mr. Lang asked if the NYISO plans to look at the fairness and equity issue; he doesn't want to encourage exports to ISO-NE if they don't allow exports to NYISO. Mr. Mark Younger (Hudson Energy Economics) asked the NYISO or the loads to come to the ICAPWG and explain what barriers they see in ISO-NE to allowing capacity exports.

Mr. Boles explained more detailed discussions would take place at the ICAPWG regarding the issues related to capacity exports from Localities.

6. BIC Working Groups Reorganization

Mr. Butler reviewed the presentation included with the meeting material. Mr. Fromer asked why the proposed Public Policy Integration Task Force would report to BIC and not to MIWG and/or ICAPWG. Mr. Butler explained it is an attempt to streamline and reduce the need for duplicate presentations. Mr. Younger stated he was concerned that pulling these discussions from the MIWG and ICAPWG is not appropriate and that all market design proposals should ultimately be vetted through MIWG and/or ICAPWG before going to BIC. He added that if proposals developed through the proposed task force were brought to the ICAPWG and MIWG before the BIC he would not have an issue with the proposed task force. Mr. Lang replied that requiring review at MIWG and/or ICAPWG would be inefficient and contradict the benefits of seeking to establish a separate group to address certain issues. Mr. Butler requested that stakeholder provide any additional thoughts soon. He noted that further discussions will take place at the February BIC meeting regarding the task force proposal. Mr. Butler also noted that revised draft scopes of responsibility for MIWG, the Billing, Accounting and Credit Working Group, and Electric System Planning Working Group (ESPWG) would be posted following the meeting for additional review and comment.

9. Working Group Updates

BAWG – Mr. Norman Mah (Con Ed Solutions) reported that the BAWG met on December 22, 2016 and reviewed the grid accounting reports as well as an update on the Rate Schedule 1 automation project.

CPWG – Mr. Mah reported that the CPWG did not meet since the last BIC meeting.

ESPWG – The group did not meet since the last BIC meeting.

ICAPWG – Mr. Liam Baker (EasternGen) reported that the ICAPWG met twice in December and reviewed presentations regarding the Locational Capacity Exports, alternatives for calculating LCRs and proposed changes to the Annual ICAP Report.

IPTF – The group did not meet since the last BIC meeting.

LFTF – Mr. Bryan Irrgang (LIPA) reported the group met twice in December and reviewed proposed changes to the Load Forecasting Manual, the 2016 Actual and Weather-Adjusted Loads and the final 2017 Installed Capacity Forecast.

MIWG – Mrs. Debbie Eckels (NYISO) reported the group met three times since the last BIC meeting and reviewed presentations regarding Transmission Constraint Pricing, 2017 Integrating Public Policy Initiative and the DER Roadmap.

PRWLG – Mr. Tim Lundin (NYPA) reported the group met jointly with MIWG to discuss the DER Roadmap.

EGCWG – The group did not meet since the last BIC meeting.

10. New Business

There was no new business.

Meeting adjourned at 12:00 p.m.