
NYISO Business Issues Committee Meeting Minutes

July 16, 2008

10:00 a.m. – 12:00 p.m.

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

Mr. Glen McCartney (Constellation), Chair of the Business Issues Committee (BIC) called the meeting to order at 10:05 am and welcomed the members of the BIC. Meeting participants introduced themselves.

2. Approval of the June 18, 2008 Meeting Minutes

Motion #1: To approve the Minutes May 21, 2008.

Motion passed by show of hands with minor edits.

3. Market Operations Report

Mr. Rana Mujeri (NYISO) and Dr. Nicole Bouchez provided an overview of the Market Operations Report and the Uplift Report. Mr. Mukerji reported that uplift came down in June as compared to May. He explained that much of the uplift can be attributed to the recent frequency of Thunderstorm Alert (TSAs) events and the residual impact associated with the congestion they cause. A handout was provided to Market Participants and posted to the NYISO website.

A request was made for quantitative data with respect to uplift. Dr. Bouchez responded that it would not be possible to separate the issues from one another because they end up confounding each other (i.e. if there are unanticipated flows as a result of a recent trend, and then the flows are compounded by line tripping and a Thunderstorm Alert, there is no way to distinguish one from the other).

Market Participants were advised that the NYISO would be making a filing with FERC by the end of the week or the beginning of the next week regarding the anticipated Tariff changes to address the mitigation of loop flows. The proposed Tariff changes would be provided for review at the Management Committee meeting scheduled for Wednesday, July 23. Further details regarding the filing could not be discussed as current rules could be exploited if information was preemptively made public. The NYISO took an action to request that the Tariff changes become effective immediately.

Mr. Rick Gonzales (NYISO) explained that the loop flow modeled in NYISO systems is based upon a 90-day rolling average and added that the NYISO will be reevaluating the 90-day review process.

A request was made regarding to the referral to price comparisons in the Market Operations report that fuel adjusted information be made available on future charts to provide for more meaningful comparisons.

4. Seams Report

Mr. Rana Mukerji (NYISO) provided an update on the Northeast Seams Issues. A handout was included in the meeting materials folder.

5. IPSAC Meeting Update – Henry Chao

Mr. Henry Chao (NYISO) provided an overview of the June 27th IPSAC meeting held at the Hartford airport. Addressed were:

- Transmission adequacies for the entire New England region.
- A scope-of-work report addressing a more environmental approach.
- The transmission study results; they indicated that NY has seen an increase in the need for contingency planning for the New England system. Additional work will be done with PJM to identify the upper limit. The impact on PJM systems has remained the same.
- The joint coordinated study results. They have provided preliminary conclusions indicating that a high transmission overlay is needed between the NY and New England systems.

Mr. Chao encouraged all Market Participants to provide input for the next study, due in August.

6. Situation Specific Resource Settlement Rules

Mr. John Hickey (NYISO) gave a presentation regarding the Situation Specific Resource Settlement Rules. A handout was provided at meeting.

Motion #2:

Motion for the Business Issues Committee (BIC) for the Management Committee to approve revisions:

- 1) include start-up bids in the real-time BPCG calculation for 10-minute start generators that are committed in the Real-Time Market so long as they start within 20 minutes of their scheduled start-up time;
- 2) include start-up bids in the real-time BPCG calculation for generators with start-up times of more than 10 minutes that are committed in the Real-Time Market so long as they start within 45 minutes of their scheduled start-up time;
- 3) clarify that for generators that are committed economically or via SRE, or that are committed or dispatched OOM for reliability, the NYISO will only include the originally submitted Start-Up and Minimum Generation Bid costs in its real-time BPCG calculation for hours when, after being scheduled, these types of generators (i) request an increase to their minimum generation level, or (ii) do not operate to their schedule and NYISO operations increases the generator's minimum generation level either to reconcile the NYISO's dispatch with the generator's operation or to address reliability concerns; and
- 4) clarify that a scheduled generator will be compensated to the lesser of its actual or scheduled output and will not be eligible to receive compensable overgeneration (the 3% tolerance) in hours when it does not operate to its schedule and NYISO operations reduces the generator's UOL, either to reconcile the NYISO's dispatch with the generator's operation or to address reliability concerns.

The Motion passed unanimously by show of hands.

7. Incremental TCC Awards Update

Mr. Greg Williams (NYISO) updated the BIC members on the Incremental TCC Awards – timeline and update on proposed procedure. A handout was provided to Market Participants.

A question was posed as to whether or not there was any potential for creating infeasible TCCs. Ms. Patti Farrell (NYISO) advised that to prevent this from occurring the NYISO would require the entire portfolio to change ownership

8. Autumn 2008 TCC Auction Update

Mr. Williams provided an update regarding the autumn 2008 TCC Auction. There has been a fair amount of interest generated in the concept of a two-year TCC. Please see the handout regarding the proposed schedule. Forms have been posted in the TCC area of the website regarding auctions. The volume for each of the auction rounds will be listed in the revised Attachment C of the TCC Manual pertaining to the Autumn 2008 TCC Auction. The final auction schedule will be provided in the revised Attachment D of the TCC Manual pertaining to the Autumn 2008 TCC Auction.

9. Working Group UpdatesBilling & Accounting Working Group (BAWG)

Ms. Kathy Logan updated the BIC group regarding the Billing and Accounting Working Group. Topics included the Grid Accounting Report, The Thunderstorm Alert billing project which has made significant progress in the goal to reduce the number of TSA charges not on the initial invoice, Redistricting the North Sub Zone: NYPA and National Grid presented a proposal to redistrict the North Sub Zone. Proposal will be presented to other MP groups as well.

Electric System Planning Working Group (ESPWG)

Mr. Tariq Niazi reported that the ESPWG had met on July 8 and had discussed economic planning, the steps that are needed in the CARIS procedure development, the impact of the EEPs on the long term forecast and the 2009 RNA base case, and the status of the RNA base case. He also noted that the group had discussed the determination of SCRs and EDRP resources for planning.

Installed Capacity Working Group (ICWG)

Mr. Haake reported that a meeting was not held since the last BIC; the next meeting will be scheduled for July 31.

Interconnection Issues Task Force (IITF)

Mr. Glenn Haake reported that the IITF had met four times since the June OC meeting and was addressing issues related to Deliverability. He noted that the filing deadline had been extended to August 4, and added that there was still a lot of work to do. Mr. Haake indicated that additional IITF meetings would be scheduled.

Market Issues Working Group (MIWG)

Norman Mah reported that the MIWG had met on July 1 and discussed: Beacon Power- Integrating Energy Storage Technologies, Increasing Offers in Real-Time, Autumn 2008 TCC Auction (Discussion on TCC Survey/2008 Plan), and Disaggregated Virtual Trading. The next meeting is scheduled for August 13th.

Price Responsive Load Working Group

Mr. Steve Lynch reported that at the last PRLWG meeting, Con Edison presented their Direct Load Control program. A final review of the Draft Emergency Demand Response manual was provided.

New Business

Roger Kirkpatrick informed BIC members that a Customer Support focus group is in the process of being formed to cover issues regarding process improvements and cycle time related to injuries. BIC members who were interested in being a part of this focus group were directed to contact Roger Kirkpatrick.

Adjournment- The meeting was adjourned at 11:45 a.m.