

NYISO Business Issues Committee Meeting Minutes
December 9, 2015
10:05 a.m. – 2:00 p.m.

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

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

Requested revisions to the October 14, 2015 draft meeting minutes included with the meeting material received from Con Edison were noted. There were no additional comments or questions.

Motion #1

Motion to approve the minutes of the October 14, 2015 BIC meeting.

Motion passed unanimously.

3. Market Operations Report

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

4. Seams Report

Mr. Pike reviewed the seams report included with the meeting material. There were no questions.

5. Planning Update

Mr. Zach Smith (NYISO) stated the CARIS report was approved in November 2015. The NYISO will hold a public forum to discuss the findings of the CARIS report on December 17, 2015 at the Radisson on Wolf Rd. The Western New York Public Policy Transmission Need project solicitation window is open until December 31, 2015. The solicitation was issued on November 1, 2015. A frequently-asked-questions (FAQ) document was posted on December 3, 2015, and a deadline for any further questions was set for December 9, 2015. The FAQ document will be updated by December 15, 2015, if necessary, to reflect responses to any additional questions received by December 9, 2015. There were no questions.

6. ICAP Manual Updates for DMNC Test Temperature Correction

Mr. Zach T. Smith (NYISO) reviewed the presentation included with the meeting material. Ms. Marie Berninger (Con Edison) expressed support for the change and encouraged the NYISO to implement the revisions as soon as possible. Mr. Howard Fromer (PSEG) asked if the NYISO has assessed the ability for all resources to complete testing in a shorter test window if such a revision were pursued. Mr. Smith replied NYISO Operations would like to see the winter test period shortened.

Motion #2:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the December 9, 2015 BIC Meeting.

Motion passed unanimously with an abstention.

7. T&D Manual Revisions for CTS-NE and Other Updates

Mr. James Pigeon (NYISO) reviewed the presentation included with the meeting material. Mr. Fromer asked if the procedural change was to switch from a phone call to an email for providing notification to external ICAP providers regarding the need to make ICAP backed energy available under certain circumstances. Mr. Pigeon confirmed. Mr. Fromer asked the NYISO to send a test email out so Market Participants could confirm the appropriate contacts were receiving such notices. The NYISO committed to do so.

Motion #3:

The Business Issues Committee (BIC) hereby approves revisions to the T&D Manual as presented at the December 9, 2015 BIC Meeting.

Motion passed unanimously with abstentions.

8. Consumer Impact Analysis: Mechanism to Eliminate Capacity Zones

Mr. Tariq Niazi (NYISO) reviewed the presentation included with the meeting material. Several Market Participants expressed concern that the analysis was done prematurely because the final proposal had not yet been presented.

Ms. Doreen Saia (Greenberg Traurig) stated a premature elimination of a zone could have a negative impact on consumers. She also questioned the procedure for developing the Consumer Impact Analysis.

Mr. Mark Younger (Hudson Energy Economics) questioned what was meant by “too early” as it relates to premature elimination of a zone. For example, Mr. Younger asked whether this meant that a zone should not be eliminated before price signals converge.

Mr. Paul Gioia (Whiteman, Osterman & Hanna) stated that the Transmission Owners object to the use of reliability criteria as the basis for determining whether to eliminate a zone. He added it is disconcerting that the NYISO has not changed the proposal despite the input from Market Participants.

Mr. John Borchert (Central Hudson) said he hopes the NYISO does not bring the current proposal to BIC for approval.

Mr. Mark Montalvo (NYS UIU) expressed concern over the process of conducting the consumer impact analysis when the underlying proposal hasn't been finalized.

Mr. David Allen (NYISO) committed to returning to the ICAP Working Group for further discussion on the proposal.

Mr. Mike DeSocio (NYISO) stated the NYISO has heard all the feedback and will take it back and develop a plan for the initiative. Mr. DeSocio noted that the NYISO has heard the concerns on both sides and the NYISO's objective will be to try and develop a reasonable approach that both sides can support.

9. Behind-the-Meter Net Generation Initiative

Mr. Pradip Ganesan (NYISO) reviewed the presentation included with the meeting material.

Mr. Ruben Brown (E Cubed) read the following prepared statement that had the support from the following organizations (Energy Spectrum, EnerNOC, CPower, Innovative Innoventive Energy LLC, Natural Resources Defense Council, New York University, Fordham University, Mount Sinai Medical Center, Beth Israel Health Care System, Memorial Sloan-Kettering Cancer Center, Refined Sugars, Inc., Riverbay Corporation, Northeast Clean Heat and Power Initiative, City of New York, and Multiple Intervenors):

We are encouraged that the NYISO has agreed to include within their Wholesale Market Alignment with the NY PSC REV Proceeding a plan for discussing what is needed to reduce barriers for behind the fence generator participation in utility demand response programs while enrolled as wholesale market generators. To further that purpose, we would like the minutes to note the following points:

- The NYISO will develop a complete Market design to allow BTM:NG resources to participate in Local distribution DR programs. This should be developed and presented for stakeholder vote no later than Q2-2016.
- The NYISO should include the above point along with its timeline for alignment with the NY PSC REV proceeding in its filing letter to FERC.

Mr. Garrett Bissell (NYISO) replied the NYISO would note this request and consider it with respect to the previously planned project for 2016 that is intended to address wholesale market alignment with the New York State Public Service Commission (NYPSC) Reforming the Energy Vision (REV) initiative.

Mr. Younger stated he generally supports the proposal, but the grandfathering of CRIS rights remains a concern. Mr. Younger noted that allowing an unknown quantity of capacity to sell service, without demonstrating that the unit is capable of providing the service exacerbates potential deliverability problems and harms the markets. Mr. Younger stated that this particular issue is critical enough to warrant a vote against. Ms. Kelli Joseph (NRG), Ms. Kathy Logan (Entergy) and Mr. Fromer supported Mr. Younger's remarks.

Motion #4:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve, and recommend to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to the Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as described in the tariff revisions accompanying the presentation entitled "Behind-the-Meter Net Generation Initiative," made at the December 9, 2015 BIC meeting.

Motion passed with 74.92% affirmative votes.

10. Working Group Updates

BAWG – Mr. Norman Mah (Con Ed Solutions) reported that the BAWG met on November 20, 2015 to review the grid accounting report.

CPWG – Mr. Mah reported that the CPWG did not meet.

ESPWG – Mr. Butler (Con Edison) reported that the NYISO proposed some conceptual changes to the Reliability Planning Process Manual that would fold some technical bulletins into the manual, incorporate process changes proposed in the recent RMR compliance filing, and make other changes to streamline the process and better coordinate it with the public policy processes expected to be in

progress next year. Mr. Butler also reminded Market Participants that solutions in response to the public policy transmission need identified by the NYPSC in Western NY are due December 31, 2015. Process and technical questions should be submitted to the NYISO by COB on December 9, 2015. Only developers that submitted a Developer Qualifications form before the beginning of December are eligible to propose projects at this point.

ICAPWG – Ms. Logan reported that the ICAPWG discussed the Rest of State Buyer-Side Mitigation Compliance Filing and the Renewables and Self Supply Compliance Filing. It was noted that the NYISO requested an extension of time for submission of the Renewables and Self Supply Compliance Filing.

IPTF – The group did not meet.

LFTF – The group had a follow-up discussion related to the Economic & Load Forecasting Conferences in October 2015 and reviewed the 2015 Preliminary Weather Normalized Peaks.

MIWG – Mr. Bob Boyle (NYPA) reported that the MIWG reviewed manual changes related to the Comprehensive Shortage Pricing project.

PRWLG – The group did not meet.

EGCWG – The group did not meet.

11. New Business

Mr. Ray Stalter (NYISO) announced the NYISO launched new features on its public website, www.nyiso.com, to provide more user-friendly information for consumers, as well as detailed information about New York's wholesale electricity markets and high-voltage electric grid. New features include new value metrics pages, enhanced budget transparency, and a real-time fuel mix chart. The site delivers more information to the NYISO's wide range of stakeholders, including policymakers, regulators, Market Participants, and consumers.

Meeting adjourned at 2:00 p.m.