

NYISO Business Issues Committee Meeting Minutes**February 10, 2016****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

Correction of a typographical error in the draft minutes of the December 9, 2015 that were included with the meeting materials was noted. There were no additional comments or questions.

Motion #1:

Motion to approve the minutes of the December 9, 2015 BIC meeting.

Motion passed unanimously.

3. Market Operations Report

Prior to the Market Operations report, Mr. Doug Chapman (NYISO) provided a brief, verbal update regarding the outage that occurred at the Carman Road (backup) data center on January 28, 2016. Mr. Chapman reported that the cause of the outage was a coolant leak in an air conditioner unit within the Carman Road data center. The leak triggered the fire alarm resulting in activation of the fire suppression system and cutting out all power to the data center. Although Carman Road normally serves as the backup data center, all applications had been switched to run from Carman Road earlier in the day on January 28, 2016 in order to performance maintenance on systems at Krey Boulevard. As a result, the outage at Carman Road resulted in a period during which all important systems were down, including the energy management system (EMS), the market systems and the financial systems. Immediately following the outage at Carman Road, the NYISO mobilized its emergency response and initiated system recovery at Krey Boulevard. The EMS was restored at Krey Boulevard approximately 90 minutes after the outage at Carman Road and the primary market system functionality was restored approximately 30 minutes after restoration of the EMS. Mr. Chapman noted that the NYISO has commenced a "lessons learned" analysis as a result of the outage. Mr. Howard Fromer (PSEG) asked how system operations were maintained during the period that the EMS system was unavailable. Mr. Chapman noted that system operations by the NYISO were sustained throughout this period and NYISO operators had continual access to backup telemetry data in order to maintain visibility as to system conditions. Mr. Brian Wilkie (NYPA) asked if there were any impacts on market outcomes during the outage. Mr. Chapman and Ms. Emilie Nelson (NYISO) noted that system conditions were stable during the outage, but that price corrections for certain real-time intervals during the outage have occurred.

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. There were no questions.

5. Planning Update

Mr. Dana Walters (NYISO) reported the NYISO has begun the RNA process and will present a schedule for such process at a future ESPWG meeting. Mr. Walters also noted that a solicitation for solutions in response to the AC Transmission Public Policy Transmission Needs recently identified by the New York State Public Service Commission (NYPSC) would likely be issued by the end of February 2016. There were no questions.

6. ICAP Manual Updates: Import Rights for Capability Year 2016/2017

Mr. Josh Boles (NYISO) reviewed the presentation included with the meeting material. Mr. Fromer asked the NYISO to consider including a link in the ICAP Manual to the results of the subsequent deliverability analysis in order to assist Market Participants to identify the final set of applicable values. Mr. Boles noted that the values determined following the deliverability analysis are posted to the NYISO's website and distributed via email to Market Participants, but stated he would consider the request. Ms. Doreen Saia (Entergy) requested that the NYISO subsequently provide notification when the current Class Year process is completed and whether Ontario would be included for the Winter 2016/2017 Capability Period.

Mr. Mike Cadwalader (Atlantic Economics) provided the following statement for the minutes:

The TOs recognize that the NYISO's tariff obligates it to update the ICAP manual with the maximum allowances for installed capacity provided by resources outside NYCA for the upcoming capability year, for each capability period and at each neighboring control area interface. These values are computed using a standard method. At this meeting, the TOs plan to support the ICAP manual changes to include these computed values for the upcoming capability year because the NYISO is meeting its obligation and following its standard method.

However, the TOs note that the analysis the NYISO has performed to support both this proposal, in addition to analysis it has conducted in the past, illustrates concerns regarding the procedure that the ISO uses to determine the number of MW of external CRIS rights that entities are permitted to request. Specifically, under this procedure, awarding external CRIS rights to import capacity into New York from a given control area can lead to an increase in the total number of ICAP import rights (above and beyond grandfathered rights, ETCNL, and external CRIS rights) that are allocated to that control area. That increase then permits yet more external CRIS rights to be awarded to that control area, which would cause additional ICAP import rights to be allocated to that control area, and so on.

The potential for such a cycle is particularly worrisome in cases when allocating additional external CRIS rights to a single control area substantially decreases the total amount of ICAP that can be imported from all control areas, taken together, and the ISO's analysis indicates that may also be occurring.

Therefore, the TOs urge the ISO to work with stakeholders over the coming year to verify that its procedures for allocating ICAP import rights, which in turn determine the number of MW of external CRIS

rights that entities are permitted to request, do not inadvertently produce such an outcome.

Mr. Scott Leuthauser (HQ US) noted support for the TOs request to review current import rights allocation process.

Motion #2:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the February 10, 2016 BIC Meeting.

Motion passed unanimously with abstentions.

7. Proposed Revisions to the Economic Planning Manual

Mr. Timothy Duffy (NYISO) reviewed the presentation included with the meeting material. There were no questions.

Motion #3:

The Business Issues Committee (BIC) hereby approves the proposed changes to the Economic Planning Process Manual as presented and described at the February 10, 2016 BIC Meeting.

Motion passed unanimously.

8. Working Group Updates

BAWG – Mr. Norman Mah (Con Ed Solutions) reported that the BAWG reviewed the grid accounting report and a presentation on FERC Fee Recovery.

CPWG – Mr. Mah reported that the CPWG reviewed Officer Certification Form updates.

ESPWG – Mr. Butler (Con Edison) reported there were two ESPWG meetings since the last BIC meeting. ESPWG has been reviewing interconnection process changes intended to comply with the FERC's December 23, 2015 order instructing the NYISO to have a non-discriminatory interconnection process for all transmission projects for which regional cost allocation is sought. On February 10, 2016, the NYISO will also review planned changes to its pro forma Development Agreement intended to comply with the December 23, 2015 order. The agreement will be executed by developers selected to develop transmission solutions in one of the NYISO's planning processes. On February 5, 2016, NYISO staff also presented its planned base case assumptions for the AC Transmission Public Policy Transmission Needs recently identified by the NYPSC. The NYISO indicated that it plans to post a solicitation seeking solutions to such needs on or before February 29, 2016. The NYISO also presented Reliability Planning Process reforms as part of a proposed revisions to the Reliability Planning Process Manual. The revisions are intended to allow the NYISO to update its estimate of reliability needs to reflect recent developments before proposed solutions are submitted. The revisions would also clarify the treatment of transmission projects selected or triggered in the NYISO's planning processes in the reliability base case.

ICAPWG – Mr. Liam Baker (US Power Gen) reported that the ICAPWG met twice since the last BIC meeting and covered the following topics: NCZ Study update, the Renewables and Self Supply Compliance Filing, UDR Facility Net Energy Revenue Estimation for BSM Determinations Compliance Filing, the Winter DMNC test period, External ICAP Rights for the 2016/2017 Capability Year (prior to deliverability testing), proposed ICAP Manual revisions related to the 2016/2017 Import Right Limits, the ICAP Demand Curve Reset and potential tariff revisions to address proposed changes to the ICAP Demand Curve Reset process.

IPTF – The group did not meet.

LFTF – The group did not meet.

MIWG – Mr. Bob Boyle (NYPA) reported that the MIWG reviewed potential improvements to the modeling of the Niagara Power Plant in the energy markets and the upcoming price formation report required by the NYISO in FERC Docket No. AD14-14-000.

PRWLG – The group did not meet.

EGCWG – The group did not meet.

9. New Business

Mr. Ethan Avallone (NYISO) reported the graduated transmission demand curve (GTDC) has been activated for the February 11, 2016 market day. Due to the delayed implementation of the GTDC, certain manual changes that were accepted by BIC last year are now out of date, but must still be posted. Specifically, these manual changes show the middle point of the GTDC as \$1,175, rather than \$2,350 as was accepted by FERC as part of the Comprehensive Shortage Pricing project. The NYISO will post updated manuals to the “under review” section of the NYISO website; these manuals will include the correct value for the middle price point (i.e., \$2,350). The NYISO intends to review these manual changes with Market Participants in March 2016 before pursuing approval thereof.

Meeting adjourned at 12:00 p.m.

Business Issues Committee
February 10, 2016 Meeting
Final Motions

Motion #1:

Motion to approve the Minutes of the December 9, 2015 meeting.

Motion passed unanimously.

Motion #2:

The Business Issues Committee (BIC) hereby approves revisions to the Installed Capacity Manual as presented at the February 10, 2016 BIC Meeting.

Motion passed unanimously with abstentions.

Motion #3:

The Business Issues Committee (BIC) hereby approves the proposed changes to the Economic Planning Process Manual as presented and described at the February 10, 2016 BIC Meeting.

Motion passed unanimously.

New York Independent System Operator - Committee Membership

Business Issues Committee - February 10, 2016 - NYISO - Parties Checked in Attendance

| Organization | Sector | Representative | Alternate1 | Alternate2 | Alternate3 | Alternate4 | Alternate5 | Alternate6 | Alternate7 | Proxy | Guest |
|---|-------------------|---------------------|-----------------------|---------------------|---------------------|------------------|--------------------|---------------------|---------------|-------|-------|
| Astoria Energy LLC | Generation Owners | McCall, Chuck | Browne , Scott | Habib , Phillipe | Singer, Leonard | | | | | | |
| CPV Valley LLC | Generation Owners | Litchfield , Matt | Rumsey , Tom | | | | | | | | |
| Calpine | Generation Owners | Kruse, Brett | Reitmeyer , Jay | Flumerfelt, John | Schleimer , Steve | | | | | | |
| Cricket Valley Energy Center | Generation Owners | De Meyere , Bob | Wallenstein , Arnold | Paryl , Ron | | | | | | | |
| EDP Renewables North America LLC | Generation Owners | Brodbeck , John | Kaplan , Seth | Grimes , Mike | Nemeth , Jeffrey | Dictor , Stephen | | | | | |
| East Coast Power, LLC | Generation Owners | Shanker, Roy | Fogarty , Thomas | Fisher , Amy | | | | | | | |
| Entergy Nuclear Northeast | Generation Owners | Logan , Kathy | Potkin , Marc | ✓Saia, Doreen | Del Orto , Ken | | | | | | |
| Howard Wind LLC | Generation Owners | Merich , Olivia | Rugh , Chris | | | | | | | | |
| Indeck Energy Services, Inc. | Generation Owners | Ferguson, Mike | ✓Younger, Mark | | | | | | | | |
| Innovative Energy Systems | Generation Owners | Zeliff, Peter | Henningham, Scott | | | | | | | | |
| Invenergy Energy Management LLC | Generation Owners | Ma , Alex | Goldstein , Michael | Orzel , Chris | | | | | | | |
| National Grid Generation LLC | Generation Owners | Kain , Terrence | McCabe , Brian | | | | | | | | |
| Noble Environmental Power LLC | Generation Owners | Silton , Harry | | | | | | | | | |
| Selkirk Cogen Partners, LP | Generation Owners | Biittig, Timothy | Ryan , James | | | | | | | | |
| Somerset Operating Company, LLC | Generation Owners | ✓Evanoski , Dave | Goodenough , Jeery | McManus , John | | | | | | | |
| TC Ravenswood, Inc. | Generation Owners | Taylor, William | DAndrea , James | Congel, Dan | Hachey, Mike | | | | | | |
| BJ Energy LLC | Other Suppliers | Ni, Bing | Lee, George | | | | | | | | |
| BP Energy Company | Other Suppliers | Briscoe , Judy | Magruder , Kathy | | | | | | | | |
| BlueRock Energy, Inc. | Other Suppliers | Nichols , Jim | Yeager , Keith | VanHorne , Phil | Graham , Tammy | | | | | | |
| Brookfield Energy Marketing L.P. | Other Suppliers | ✓LaRoe , Chris | Mitreski , Aleksandar | Mitelman , Rimma | Dallaire , Eric | | | | | | |
| CPower | Other Suppliers | Markham , Craig | Lacey , Frank | Damaskos , Deno | ✓Ackerman, Alan | | | | | | |
| Castleton Commodities Merchant Trading L.P. | Other Suppliers | Stuss , Gordon | Romine , Brad | Emmett , Robert | | | | | | | |
| Citigroup Energy Inc. | Other Suppliers | Trayers, Barry | | | | | | | | | |
| Con Edison Solutions Inc. | Other Suppliers | ✓Mah, Norman | Dannels , Jeff | | | | | | | | |
| Constellation New Energy | Other Suppliers | McCartney, Glen | Wentlent, Chris | Kirk , Steven | | | | | | | |
| Cross Sound Cable Company, LLC | Other Suppliers | Reinhart, Brian | Rotger, Jose | | | | | | | | |
| DC Energy | Other Suppliers | Bleiweis, Bruce | Stevens, Andrew | Tate, Matthew | Milberg, Sadao | Kuo, David | | | | | |
| DTE Energy | Other Suppliers | Pakela, Gregory | Wieszczyk, Raymond | German , Robert | | | | | | | |
| Direct Energy Business Marketing, LLC | Other Suppliers | ✓Philips , Marjorie | Comstock , Read | | | | | | | | |
| Dyegy Marketing and Trade | Other Suppliers | Roby , Rick | Ellis, Dean | Ziegler , Pete | | | | | | | |
| EDF Trading North America, LLC | Other Suppliers | Erbrick , Michael | LeForce , Randall | | | | | | | | |
| EnerNoc | Other Suppliers | Brewster, David | Breidenbaugh, Aaron | Geller , Greg | | | | | | | |
| Energy Spectrum | Other Suppliers | David, Gary | Ahrens, David | Neiburg, David | Iskowitz, Aron | Brown, Ruben | Pentland , William | Villegas , Cristina | Cinadr , Matt | | |
| Energy Technology Savings | Other Suppliers | Hendler , Jeff | Ross , Valerie | | | | | | | | |
| EnergyConnect | Other Suppliers | Campbell , Bruce | Davis , Robert | ✓Lawrence , David | | | | | | | |
| Exelon Generating Co. LLC | Other Suppliers | Sears , Deborah | Wentlent, Chris | Kirk , Steven | | | | | | | |
| GDF Suez Energy NA, Inc. | Other Suppliers | Levine , Jeffrey | Hawkins , Darin | Campbell , Chad | | | | | | | |
| Galt Power | Other Suppliers | Fernands , Rochelle | ✓Ackerman, Alan | | | | | | | | |
| HQ Energy Services US | Other Suppliers | Bernier , Luc | Collins , Kyle | ✓Leuthauser, Scott | Vennes, Yannick | | | | | | |
| Innoventive Power | Other Suppliers | Gruber , Craig | Halford , Steve | | | | | | | | |
| Integrus Energy Services of New York, Inc | Other Suppliers | Haugh, Michael | | | | | | | | | |
| Lyonsdale Biomass, LLC | Other Suppliers | Ralston , William | Hebel , Nathan | Carrigan , Kathleen | | | | | | | |
| Mercuria Energy America, Inc. | Other Suppliers | Davis , Andrew | ✓Younger, Mark | | | | | | | | |
| Morgan Stanley Capital Group, Inc. | Other Suppliers | Murray, Patrick | Kochonies, Karen | Ezickson, Doron | | | | | | | |
| NRG Power Marketing Inc. | Other Suppliers | ✓Joseph , Kelli | Fuller , Peter | Cona , Lisa | | | | | | | |
| NextEra Energy | Other Suppliers | Applebaum, David | Gardner , Michelle | | | | | | | | |
| Noble Americas Gas & Power Corp. | Other Suppliers | Boston , Roy | Kyle , Chris | Sunga , Leonard | | | | | | | |
| Ontario Power Generation, Inc. | Other Suppliers | Lacivita, Ken | ✓Gell, Richard | Barr, David | Sheinfield , Joel | | | | | | |
| PSEG Energy Resource & Trade, LLC | Other Suppliers | ✓Fromer, Howard | DePillo , Raymond | Messmer , Robert | Murawski , James | | | | | | |
| Powerex Corporation | Other Suppliers | Tang , Glen | Dion , Julien | Fichten , Murray | | | | | | | |
| Repsol Energy North America Corporation | Other Suppliers | Moreton , Samuel | Horvath , Peter | | | | | | | | |
| Riverbay Corporation | Other Suppliers | Merola , Peter | Ellison , Noel | Ahrens, David | Villegas , Cristina | | | | | | |
| SESCO Enterprises, LLC | Other Suppliers | Schubiger, Michael | Thoresen, James | | | | | | | | |
| Shell Energy North America, LLC | Other Suppliers | Picardi, Matt | French, Dave | | | | | | | | |
| Talen Energy | Other Suppliers | ✓Hyzinski , Tom | Greening , Michele | | | | | | | | |
| TransCanada Power Marketing, Ltd. | Other Suppliers | Taylor, William | D'Andrea, James | Congel, Dan | Hachey, Mike | | | | | | |
| U.S. Power Generating Co. | Other Suppliers | ✓Baker, Liam | Reese, John | ✓Younger, Mark | ✓Schwall , Matthew | ✓Johnson , David | Wolcott , Tyler | | | | |
| Viridity Energy, Inc. | Other Suppliers | Freifeld , Allen | | | | | | | | | |
| Vitol Inc. | Other Suppliers | Wadsworth , Joe | Viola , Bob | Kam , Kenney | | | | | | | |

| Organization | Sector | Representative | Alternate1 | Alternate2 | Alternate3 | Alternate4 | Alternate5 | Alternate6 | Alternate7 | Proxy | Guest |
|--|------------|---------------------|----------------------|-------------------|--------------------|---------------|-------------------|---------------------|------------|-------|-------|
| Iberdrola Renewables Inc | Non Voting | Allen, Thresa | | | | | | | | | |
| Innovari, Inc. | Non Voting | Lunt , Robin | Hodges , Brent | | | | | | | | |
| MAG Energy Solutions, Inc. | Non Voting | Roberge, Martin | Vezina, Alexandre | | | | | | | | |
| NRG Curtailment Solutions, Inc. | Non Voting | Pieniasek, Marie | ✓ Scheiderich , Jim | Lynch, Stephen | Korczykowski , Jim | | | | | | |
| NYS Department of Public Service | Non Voting | ✓ Paynter , Thomas | Evans , Adam | | | | | | | | |
| National Fuel Gas Distribution Corporation | Non Voting | Novak , Michael | Eck , Robert | | | | | | | | |
| New Athens Generating Co. LLC | Non Voting | DeVinney, Dan | | | | | | | | | |
| 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 | | | | | | | |
| RENEW Northeast | Non Voting | Pullaro , Francis | Krich , Abigail | | | | | | | | |
| RES Americas, Inc. | Non Voting | Fernandes , John | Boyd , Dan | | | | | | | | |
| Red Wolf Energy Trading, LLC | Non Voting | ✓ Sharma , Rishi | | | | | | | | | |
| Richard P. Felak | Non Voting | Felak, Rich | | | | | | | | | |
| Saracen Energy East LP | Non Voting | Peebles , Andy | | | | | | | | | |
| Siemens Energy, Inc. | Non Voting | Feltes , James | | | | | | | | | |
| Stephentown Spindle, LLC | Non Voting | Hebert , Chris | | | | | | | | | |
| 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

Pike, Robb

Avallone, Ethan

Bissell, Garrett

Boles, Josh

DeSocio, Mike

Mukerji, Rana

Eckels, Debbie

Dixon, Kirk

Chapman, Doug