

---

**NYISO Management Committee Meeting Minutes****January 27, 2016****10:00 a.m. – 11:45 a.m.**

---

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

The chair of the Management Committee (MC), Mr. Andy Antinori (NYPA), called the meeting to order at 10:00 a.m. by welcoming the members of the MC. Members identified themselves and attendance was recorded. A quorum was determined.

**2. Approval of Meeting Minutes**

The draft meeting minutes for December 15, 2015 were presented for approval.

**Motion #1:**

The Management Committee (MC) approves the December 15, 2015 meeting minutes.

***The motion passed unanimously by show of hands***

**3. President/COO Report**

Mr. Brad Jones reported on the finished road work on Krey Blvd and thanked Mr. Rich Dewey for the effort he put into getting the road paved. He said it was an incredible job and much needed improvement. The MC members agreed and also thanked Mr. Dewey. Mr. Jones also reported on improvements to security; the new fencing and gates at each of the entry points. He mentioned the upgraded conference center, noting that this would be reported on later in the agenda, and thanked Mark Seibert for his role in the upgrade.

Mr. Rick Gonzales (NYISO) reviewed the market operations and operations performance highlights. He mentioned the measures the NYISO implemented to address balancing market residual costs had been effective and for December 2015, there was a reduction in statewide uplift cost.

Mr. Gonzales reported on the infrastructure improvement in the National Grid western NY service territory. A new 345 115 kV station, Five Mile Road, went in to service on December 23, eliminating the need for the reliability support services agreement with NRG's Dunkirk plant and further reducing the need for other local reliability western NY commitments.

Mr. Gonzales reported that CTS with ISO-NE was activated on December 15<sup>th</sup>. This was a significant accomplishment that required a great deal of coordination with ISO-NE and NY Market Design, IT, and Operations staff. In the long term, CTS with ISO-NE is expected to improve efficiency and result in cost savings for both NY and NE. Mr. Gonzales stated that the total Broader Regional Market cost savings for NY for 2015 totaled over 20 million dollars.

**4. NYS DPS System Resource Planning analysis study**

Mr. Leka Gjonaj (NYS DPS) presented this DPS initiated study to get input and answer any questions regarding the study. It was initiated due to two public policy initiatives that they believe will affect the generation resource mix in NY; the EPA Clean Power Plan and the NYS Energy Plan. These regulations are aimed to reduce the carbon output from existing fossil fuel generating facilities by 2030, with interim goals along the way. The NYS Energy Plan seeks to have 50% of electric energy consumed by New Yorkers to be provided by renewable resources by 2030. This goal was recently declared a mandate by Governor Cuomo who has directed the PSC to develop a plan to achieve it.

Given the significant renewable resources needed to comply, DPS wants to study the effects these resources may have on the bulk electric system and get a sense of infrastructure upgrades that may be needed to accommodate these policies. Mr. Gjonaj explained that this is a reliability study and is not a resource optimization study that looks to favor one resource over the other. He provided details on the study goals and participants, and scenarios to be studied, and the schedule.

Mr. Richard Bolbrock (Public Power Sector) asked how "cost effective" was defined and what metrics would be used to measure it including the cost to the consumer. He also requested that these costs be compared to a business-as-usual case so that consumers can better understand the costs of implementing the "various public policies and regulations" referred to in Mr. Gjonaj's presentation. Mr. Bolbrock further requested a definition of "reliability boundaries" and what criteria would be used to determine them as well as how those criteria would be applied.

Mr. Kevin Lang asked if the results of the modeling will be presented and will rate payer impact be provided. Mr. Gjonaj stated that the focus is on the reliability of the bulk power system and other studies may be done to address other issues.

Mr. Bob Boyle (NYPA) asked for details on how the modeling will be done. Mr. Gjonaj said it will be an iterative process. The IPM model is good at looking forward and projecting resources needed. What it doesn't do very well is getting down to discrete points on transmission systems or resource adequacy. GE may run LOLE (using their MARS model) and may need to re-run it with different resource mix to achieve the 1 day in 10 year resource adequacy requirement.

Ms. Kelly Joseph (NRG) asked if the scenarios would be three separate studies that are all off of the original base case, and how do they all fit together. Mr. Gjonaj stated that the base case would be the start and the other scenarios will be built from that. The intent is to review results periodically at future working group meetings.

Ms. Doreen Saia (Energy) stated that the NYISO's approach when it does its reliability planning is to remove from service any unit that has filed a notice of retirement. She questioned the logic for keeping FitzPatrick on the system in the base case, noting that a retirement notice was filed in November. She asked if a sensitivity study should be done without these units.

Mr. Gjonaj said a piece of the clean energy standard is to develop some means of providing support to nuclear units. Based on that, the DPS study will assume they stay in through their licensed expiration dates. A sensitivity study without the unit/s would be reasonable, but it's not on the list yet.

In response to a further question regarding whether it will be assumed that Indian Point has its license renewed and continues through 2030, Mr. Gjonaj said yes, but that there will also be a sensitivity case with the Indian Point plant out of service.

Mr. Howard Fromer (PSEG) asked who would be paying for the study. If this is a state mandated issue, why isn't this part of the DPS cost? Mr. Gjonaj said it would be a combination of transmission owners and NYISO. The bulk electric system owned by TOs and administered by NYISO. The NYISO is a key player in the bulk power system.

Mr. Fromer said he believes the PSC should be sharing in the cost with direct contributions, as the study has the potential to grow into an enormous undertaking. He added that he is sensitive for the need to augment this with outside resources. Mr. Paul Gioia (representing NYTOs) said he believes

that the NYISO has the responsibility to carry out studies requested by the PSC, in accordance with the tariff.

Mr. Brad Jones noted that many share Mr. Fromer's concern and stated that the NYISO wants to make sure the data were provided to the PSC in addition to completing the NYISO's normal work. The NYISO appreciates the concern but it has the obligation under its tariff and the capability to meet this requirement.

Mr. Rich Dewey (NYISO) said this budget for 2016 was developed with the awareness that the NYISO would be undertaking the study. Through the Budget and Priorities Working Group (BPWG) the NYISO did have some budget overruns in 2015 based on additional unanticipated request. The NYISO has put together a more thorough planning process with DPS staff to make sure we understand the level of work required which is budgeted for 2016. The NYISO anticipates the cost of study will come in within budget.

Mr. Dave Clarke (LIPA) stated that with 50% renewables by 2030, we are going to need a lot of conventional generation, but we may not need as much as we have now. We need to tighten up the amounts of conventional generation needed. Currently NYISO is contemplating the amount of renewables that should be exempt from buyer side mitigation for the mitigated capacity zones. In the grand scheme of things, this informs how much additional conventional generation is ultimately procured. In LIPAs view, it's important to consider the amount of renewables to be exempt from mitigation and to procure the appropriate amount and appropriate types of conventional generation once the Governor's goals are met. From LIPAs perspective, we need to look at what is needed from conventional generation once these goals are met and how to pay for it, and go from there.

Mr. Rich Felak said he would like to see if he can find out more about cost effectiveness and how it might be used in the study. He thought he heard Mr. Gjonaj state that the mix will not be optimized and also that there will be no consumer costs calculated. He asked what exactly would be; what are you trying to minimize if anything, in the term cost effectiveness? Mr. Gjonaj said what we are trying to minimize is the infrastructure upgrades potentially needed to meet these goals. Mr. Felak said you are only looking at incremental upgrades to the system and not the cost of energy producing? Mr. Gjonaj said yes.

##### **5. Attachment Y Public Policy Transmission Planning Process Clean Up**

Mr. John Buechler explained the NYISO's intention to re-file the Public Policy Transmission Planning Process (PPTPP) cleanup modifications with FERC. The NYISO had developed approximately 9 categories of clean-up changes to the PPTPP with stakeholder input that were previously approved by the MC the Board in April and filed at FERC in June 2015. On December 23, 2015, FERC issued an Order rejecting the entire filing based on the proposed inclusion of interconnection-related milestones in the process that referenced the existing, different interconnection requirements for incumbent and non-incumbent developers. The Order did not address the process revisions and clarifications proposed by the NYISO that were the principal reason for the filing, and that were not related to the NYISO's interconnection requirements.

The PSC has recently identified needs in Western NY and has requested the NYISO to solicit solutions to address these needs. To implement the next steps of the process, the NYISO requires the process revisions and clarifications approved by the MC in April 2015 and left unaddressed in the FERC Order. The NYISO is proposing to re-file with FERC in early February the identical process revisions and clarifications previously approved, excluding those revisions concerning the NYISO's

interconnection requirements that were expressly addressed and rejected by the FERC. Those issues will be discussed at ESPWG and included in the March 22<sup>nd</sup> compliance filing.

Mr. Dave Clarke expressed concerns with several sections of the original filing pertaining to the LIPAs role when a reliability need in Long Island is identified: the consultation process with the PSC and the determination whether a proposed solution met the Public Policy Transmission Need. Mr. Clarke stated that it's appropriate that the LIPA hold that role along with PSC in both the consultation process and identifying if the need is satisfied. Mr. Patka said the goal for today is to get the clean up previously approved by the MC back to FERC for approval, and that NYISO will work with LIPA and DPS to make a further 205 clean up filing to address additional concerns. Mr. Clarke indicated that approach was acceptable to LIPA.

Mr. Scott Butler (Con Edison) observed that the proposed revisions would allow the NYISO to release information about location of a proposed solution prior to completion of the selection phase of the public policy planning process. He asked the NYISO to clarify what location information could be released. Mr. Patka responded that the NYISO could release general information, such as the point of injection and/or withdrawal for proposed solutions and other information shown in the interconnection queue. Detailed information, such as specific bus configuration or the rights of way used, would not be released until completion of the selection phase.

In response to a question from Mr. Howard Fromer on if there will be opportunities in the future to address other potential changes to the NYISO's planning procedures; Mr. Patka said yes, and that those discussions would take place in the ESPWG.

Mr. Antinori thanked the NYISO for bringing the tariff language back to MC for review and approval.

**Motion #2:**

The Management Committee (MC) hereby recommends that the NYISO Board of Directors approve for filing under Section 205 of the Federal Power Act, revisions to OATT Attachment Y, Sections 31.1, 31.4, and 31.5, 31.7 clarifying the NYISO's Public Policy Transmission Planning Process as presented and discussed at the January 27, 2106 MC meeting.

*The motion passed unanimously by show of hands with abstentions*

**6. Conference Center Update**

Mr. Mark Seibert (NYISO) provided an update on the new and improved conference center. Mr. Seibert thanked stakeholders for their patience during the renovations. He noted that the month of December was strategically selected for the renovations to minimize inconveniences to members and limit the amount of off-site meetings, since December is a slower month for meetings. Mr. Seibert stated that the original equipment had exceeded its lifespan; based on that and stakeholder feedback, a decision was made to make renovations. The quality of the new equipment/technology along with dedicated 24 hr technical support should allow the NYISO and its stakeholders to benefit from the improvements for a long time.

Mr. Seibert welcomes any additional feedback for improvements from members. Mr. Bolbrock thanked the NYISO, on behalf of all, noting the quality of sound is greatly appreciated for those who dial in to the meetings. He said "The improvements are staggering."

**7. New Business**

Mr. Carl Patka reported that the PSC issued a white paper on the Clean Energy Standard on Jan 25, 2016, describing how the DPS staff is recommending the commission address the Governor's clean energy goals. He noted that the NYISO is currently reviewing the white paper and he reminded everyone to review it as well. The comment deadline is March 24, 2016.

Mr. Rob Fernandez (NYISO) reported on the Supreme Court decision on FERC Order 745. The Supreme Court ruled the FERC does have jurisdiction over Demand Response (DR) markets and also upheld the payment scheme of full LMP for these resources. The Supreme Court decision brings to an end a period of uncertainty for the NYISO, and renders moot the backstop solution that would have been put in place in the event the DR would become a retail only product. The NYISO has a Compliance filing on 745 pending at FERC and the NYISO will wait to see what that Commission does. Ms. Emilie Nelson (NYISO) stated that the next step would be to lay out a roadmap to talk to stakeholders on where the NYISO sees its DR programs going.

Mr. Antinori provided an update on the two Board vacancies. On Monday the Board Selection Subcommittee (BSSC) met to review the full list of candidates. Through a very democratic process, where each sector had a vote, the group culled that list down to ten candidates. Mr. Antinori stated that he was very pleased with the process; there was unanimity among all sectors on the final list. The BSSC will come back to the MC in February with the list of recommended candidates.

Mr. Antinori reported that the NYISO is finalizing the dates for the yearly Sector meetings. He stated these meetings are very informational and also provide a great opportunity for members to talk one on one with NYISO. He encouraged everyone to attend.

Mr. Antinori ended the meeting by noting that the NYISO has been transformed from over the years into a top notch facility, noting the new control center and renovated conference center. He thanked the NYISO for a job well done.

The meeting was adjourned at 11:45 am.