

DRAFT**NYISO Management Committee Meeting Minutes****April 27, 2016****10:00 a.m. – 1:15 p.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 March 2016 were presented for approval.

Motion #1:

The Management Committee (MC) approves the March 2016 meeting minutes.

The motion passed unanimously by show of hands

3. President/COO Report

Mr. Brad Jones announced that the Board Selection Subcommittee (BSSC) recommendation would be removed from the agenda. Based on feedback from the Board on the process for selecting a third candidate, the NYISO Board has requested additional time to review.

Mr. Jones announced a reorganization that took place several weeks ago; Mr. Rick Gonzales is now reporting directly to Mr. Jones. He added that Mr. Henry Chao, along with Mr. Rana Mukerji and Mr. Doug Chapman are reporting to Mr. Rich Dewey.

Mr. Jones provided an update on the RMR filing. FERC approved much of the filing but there were several areas that were rejected and will need to be addressed. We are currently looking at the ruling and will need more time to review so we may need to ask for an extension of time to allow more time for discussion.

Mr. Jones thanked everyone for their participation at the sector meetings. He noted that there are two remaining meetings this week and we are looking forward to the discussion.

Mr. Jones introduced Josette Valenti, who is the NYISO's new Vice President of Human Resources.

Ms. Doreen Saia stated that she appreciates the time needed to digest the RMR filing. Ms. Saia noted the October 20, 2015 effective date FERC granted and asked what NYISO would do if a generator submitted a retirement notice today? She asked if the NYISO could come back and provide direction. Mr. Rob Fernandez said NYISO will look into providing a response.

Mr. Rick Gonzales presented the Market Performance Highlights presentation, included with the meeting material.

4. Customer Satisfaction and Assessment of Performance

Dr. Don Levy (Siena) provided an update on the first quarter satisfaction and assessment data from the enhanced program that was instituted beginning in the first quarter of this year. He provided an update on improvements made to the surveying done through the customer inquiry ticket

program, the CEO surveys, and the Market Participants surveys. This was done through focus groups where members were asked what they liked about program, what was lacking, and how participation can be enhanced. The NYISO has eliminated some repetitive and redundant open ended questions. The focus groups had noted there were areas that they wanted to provide updates on, but there wasn't an opportunity to on the survey, so that has been changed to allow additional feedback.

The overall satisfaction score, which combines the customer inquiry and Market Participant scores is 87.5. Areas where the NYISO scored the highest were reliably operating New York's bulk electricity grid and administering both open and competitive wholesale electricity markets in New York, while areas that had opportunity for improvement included conducting comprehensive long-term planning for the state's electric power system and advancing the technological infrastructure of the electric system serving New York. The full report is posted with Management Committee meeting material.

Dr. Levy provided a screenshot of the NYISO website which contains the scores, information on the surveys, response rates by sector. He encouraged members to review the site and contact him with any questions or feedback.

Mr. Barlette stated the intent of the program is to improve customer satisfaction, and the quarterly report is shared internally with managers. We have acted on the feedback that we've gotten and are moving forward. Mr. Brad Jones added that based on feedback regarding the request for more transparency, internally, Rick Gonzales is leading a cross-organization group that is working on increasing transparency. Mr. Barlette also reported that quarterly updates were added based on feedback from the focus group.

5. RS1 Shortfall Recovery Proposal

Mr. Chris Russell provided both background on RS1 and a summary of the proposal (presentation included in MC meeting material). NYISO proposes to make two changes to the Non-Physical recovery of RS1 shortfalls: (1) limit the amount of the Non-Physical Revenue to be retained by NYISO in the event of a RS1 shortfall to the amount of actual costs or the total NYISO budgeted revenue requirement from the prior year, whichever is lower, and (2) eliminate the SCR/EDRP RS1 recoveries from the shortfall recovery process.

Mr. Antinori thanked the NYISO for the proposal, stating that the NYISO is raising the bar and he appreciates it.

Motion #2

The Management Committee (MC) hereby approves the revisions to the Open Access Transmission Tariff as described in the presentation entitled "RS1 Shortfall Recovery Proposal" made at the April 27, 2016 MC meeting, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously by show of hands

6. 2017 Project Prioritization Process Improvements

Mr. Ryan Smith (NYISO) provided an update for members on the presentation included in MC meeting material. The NYISO is seeking robust stakeholder engagement in the project prioritization process and is committed to continuous improvement of the process. Feedback on the process and proposed improvements was discussed at BPWG meetings from September 18, 2015 through March 31, 2016. Mr. Smith provided an overview of the stakeholder scoring changes, prioritization criteria changes, project advocacy changes, and next steps.

Ms. Marji Philips, Direct Energy, expressed a concern about the voting process. Direct Energy's sector, the Other Suppliers is a catch-all sector and doesn't accurately address the views of all in that sector. Mr. Gioia (representing the TOs) pointed out that our governance system is designed to allow Market Participants to have a lot of input into the process and this process is entirely appropriate. Ms. Jane Quin (Con Edison) asked how compliance works now that the mandatory projects have been pulled out of the scoring process. Mr. Smith stated that the mandatory projects would not be scored but there still may be areas where stakeholders believe NYISO faces a compliance risk.

7. New Business

Mr. Antinori reminded members that on June 13 and 14 the annual Joint Board of Directors and Management Committee meeting will be held at the Otesaga in Cooperstown, NY. One of the most critical things for making this event successful is picking the right topics. He asked members to think about topics and submit to Mark Seibert and Leigh Bullock.

The meeting was adjourned at 12:00 pm.