

## **NYISO Business Issues Committee Meeting Minutes**

April 20, 2007

NYISO - Teleconference

10 Krey Boulevard

Rensselaer, NY

### **1. Welcome and Chairman's Report:**

Bill Palazzo (NYPA), Chairman of the Business Issues Committee (BIC), called the meeting to order at 9 a.m. and welcomed the members of the BIC.

### **2. Approval of minutes for March 7**

Frank Francis (NYISO) said the minutes were circulated to MPs for review. One comment was received, incorporated into the minutes and posted.

#### **Motion #1:**

Motion to approve the Minutes of the March 7, 2007 BIC meeting.

***(Motion passed unanimously)***

Rana Mukerji (NYISO) introduced Nicole Bouchez (NYISO) as the NYISO's new Manager of Market Monitoring. He announced that Roger Kirkpatrick (NYISO) is the new Manager for Customer Relations and Training.

### **3. Market Operations Report**

Nicole Bouchez (NYISO) gave the presentation. Fuel prices and load came down in March. Natural gas was down 34 percent from last month, which helped drive down prices and LBMP in the market.

Stuart Nachmias (ConEd) asked if the NYISO had compared uplift charges from March 2007 to March 2006.

Ms. Bouchez said the March 2006 uplift was nine cents, very much in the expected range. Gas prices in March 2006 were slightly below March 2007 levels. Many components of uplift are correlated with gas prices.

### **4. Regional Market Enhancements**

Mr. Mukerji presented the Northeast Seams Report. He updated the following initiatives:

- Cross-Border Controllable Line Scheduling
- ISO-NE Phase II HVDC Evaluation
- Reserves Participation in Adjacent Regional Markets
- Modeling of Netted Transactions at the NYISO-HQ Interface
- NY-PJM Bus Clearing Price Calculations

He said that a new item will be added to the Seams Report next month: PJM has requested that the NYISO consider a new joint congestion management protocol between PJM and New York similar to one they have in place with MISO. The NYISO is talking to PJM about the initiative. The NYISO is preparing to present a

strawman on how the initiative could work to the NYISO Governance toward the end of 2007.

Mr. Nachmias inquired about the status of NY-PJM Proxy Bus Clearing Price Calculations. In that section, there is wording that says that there will be an update to the Operations Manual, and that it would be implemented after Management Committee (MC) approval. He wanted to know if that was correct.

Mr. Mukerji said the proxy bus does not go to the MC. If it goes to the MC, it would be for informational purposes only. This is not a tariff filing. It would be updated in a tech bulletin or a manual. He said the software will be ready for implementation during the first week of June. Mr. Mukerji also noted that the text in the Seams Report about the NY-PJM Proxy Bus Clearing Price Calculations is inaccurate and it will be corrected. He asked that his statement be noted in the minutes.

Mr. Nachmias said the issue needs to be clarified by April 23 so Market Participants at the MIWG meeting understand the issue.

Mr. Mukerji said that will happen. Regarding the PJM congestion management protocol, he said that the NYISO is evaluating the situation and decide if something similar to the agreement PJM has with the MISO will work between PJM and New York.

Several Market Participants requested that a copy of the PJM/MISO plan be made available.

Mr. Mukerji said he would take that as an Action Item.

## **5. Proposed Revisions to the Accounting and Billing manual**

Randy Bowers (NYISO) gave a presentation, for information purposes only. Mr. Bowers noted that ten page-turner review sessions were conducted between July 27– September 28, 2006 via WebEx. Few substantive changes were requested:

- Sections added on Station Power, Storm Alerts, Performance Tracking, & R/T Guarantee Payment Mitigation;
- Clarifications made to verbiage to improve clarity; and
- provide certain Billing Code cross reference

The revised Manual, incorporating majority of suggested format changes & all substantive changes was posted to the NYISO's Website.

## **6. Review Meter Scorecard**

Mr. Bowers reviewed the quarterly meter scorecard with the BIC members. The Scorecard is a quarterly report that the NYISO committed to provide to Market Participants. The Scorecard was developed when the NYISO had a 12-month settlement cycle. Tariff changes in January now require tie-line and generator metering data to be provided to the NYISO within 60 days after an initial invoice has been issued.

Mr. Bowers noted, during his presentation, that he had suggested , at the April BAWG meeting, that the NYISO stop providing the meter scorecard report and provide a monthly report to the BAWG on the metrics of how much data is moving around in that 60-day period. The BAWG chairman can use his report to inform the BIC on metering data.

Bart Franey (National Grid) asked if any progress has been made in identifying – by sub-zone – what ties or generators are moving around without identifying those facilities.

Mr. Bowers said those metrics are being compiled and checked for accuracy before being released. The metrics are clear that there is opportunity to improve the process. There was quite a bit of generator metering data **submitted after** initial invoice was issued in January. All meter authorities have done a good job meeting the 60-day deadlines. A meeting will be scheduled in May to review those metrics and present them to the BAWG.

Mr. Palazzo said Mr. Bowers request seemed like a reasonable approach to the situation. He agreed that the data should be presented monthly to the BAWG.

## **7. Proposed Tariff Revisions to Implement Real-Time Guaranteed Payment Mitigation**

Dr. Bouchez and Alex Schnell (NYISO) gave the presentation. The proposal approves revisions to sections of the NYISO's Market Mitigation Measures and adds a new Section 3.3.3 to that document. The revisions address the NYISO's implementation of Real-Time guarantee payment mitigation, and also place time limits on the NYISO's ability to apply Day-Ahead guarantee payment mitigation. Dr. Bouchez explained the proposal in detail, providing a hypothetical situation to illustrate her explanation.

Howard Fromer (PSEG) asked about the significance of the e-mail notification. If the NYISO fails to provide that, what happens to the window requesting the consultation.

Ms. Bouchez said the window does not change because it is based on the electronic posting date.

Mr. Fromer said he was concerned that something might happen to stop the NYISO from sending out the e-mail messages.

Ms. Bouchez said that sending out notification would be required as part of the tariff. The NYISO would do everything in its power to send out the e-mail, so as to be in compliance with the tariff. The NYISO is also requesting phone contacts as a back-up to the e-mail message.

Glenn Haake (IPPNY) expressed concern that as the bills are revised, the possibility exists that someone who was not notified of mitigation immediately

after their performance may find out they are being mitigated months after the fact. He asked if that was still a possibility.

Ms. Bouchez said that possibility does exist. But the NYISO would send out an e-mail notification at that point if that situation were to occur.

Mr. Haake said that is where the problem lies. Providing immediate notice allows a change in behavior for the next day. That is not a possibility four months or a year later.

Ms. Bouchez said those concerns have been recognized by the NYISO. A balancing concern is that the NYISO needs to be able to correctly mitigate guaranteed payments. The NYISO doesn't expect a lot of large-quantity changes in the bills, so the mitigation amount won't be as large.

Ms. Saia expressed concern that the BIC could be recommending specific tariff language to the MC for approval. She suggested that the motion state that the BIC is recommending concepts for MC approval. She also asked why references to DSS posting were removed from the proposed tariff language.

Ms. Bouchez said the reason references to DSS were taken out and electronic posting was substituted was because there is a concern that DSS is a brand name and a technology that could become obsolete, requiring a future tariff update.

Ms. Saia said she believed that generators need to be provided with more certainty. She asked for a slot at the April 23 MIWG meeting to address the issue further. She said she cannot support the measure as it is written today. She stated for the record that "we think it makes all the sense in the world to vote this as a concept, not the tariff revisions, but a concept today because we also feel we need to get it in front of FERC. But we cannot support it as it is written today."

Tim Duffy (NYISO) said that generators can challenge data for 55 days from the date of the initial invoice. The NYISO has five days following that period to process and correct the data. However, the "final" supplier metering data isn't processed by the NYISO's settlement systems and posted to DSS until 70-90 days after the initial invoice is published for a particular month.

Mr. Younger said that given that there is an absolute deadline in the tariff, he didn't know why an absolute deadline couldn't be crafted for this part of the tariff. Currently, the tariff is wide open for the NYISO's ability to revise the mitigation in terms of timeline and reason.

Ms. Bouchez the NYISO will reconsider the measure and discuss it at the MIWG. She said the motion can be amended to recommend that the Management Committee approve the concepts included in the proposed tariff provisions.

**Motion #2:**

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve the concepts as presented at the April 20, 2007 BIC meeting that address the NYISO's implementation of real-time guarantee payment mitigation, and also place limits on the NYISO's ability to apply Day-Ahead guarantee payment mitigation.

*(Motion passed with 100% affirmative votes and abstentions)*

**10. VSS Rules Review**

Kathy Whitaker (NYISO) reviewed the current voltage support services rules and requirements with suppliers wishing to provide VSS service. With the testing period coming up, the NYISO wants to ensure that MPs understand what the testing requirements are.

Mr. Fromer said there is a list of tests that have been in the works to be finalized for a long period of time following FERC's approval of the NYISO's authority to exempt penalties, deviations from base points when the tests are being performed. He asked if the technical bulletin was finalized to allow MPs to take advantage of the waivers approved by FERC.

Mr. Patka said there is no waiver in effect if the bulletin hasn't been approved yet.

Mr. Fromer suggested that the NYISO move forward quickly in approving the technical bulletin so MPs can take advantage of the full testing period.

Mr. Haake said he was asked two years ago to put together IPPNY's list of tests to be performed for this. There was a two-year delay where the NYISO did nothing. It seems unfair to expose MPs to penalties under those conditions.

Mr. Patka said the issue will be taken as an action item to get the technical bulletin released before May 1.

Ms. Saia suggested that the NYISO indicate in the VSS test technical bulletin that generators will be exempt from penalties.

**11. Working Group Updates**

**A. Billing and Accounting (BAWG)**

Dave Hall (NYSEG/RGE) presented the report included in the BIC meeting materials.

**B. Electric System Planning (Joint OC/BIC WG)**

Tariq Niazi (NYS Consumer Protection Board) reported on 2 meetings, April 5 and April 16. Topics addressed at those meetings dealt with RNA, the CRP, the 2008 RNA start-up and base case status, the CRPP manual and Order 890. A strawman is due to be posted on NYISO Web site in May.

**C. ICAP Working Group (ICAPWG)**

Mr. Haake reported. The group met on March 12 and March 22. He reviewed the agendas for and actions at those meetings for MPs. The April 27 meeting was moved to May 2.

**D. Interconnection Issues Task Force (IITF)**

The IITF will meet next on May 1.

**E. Resource Adequacy Issues Task Force (RAITF)**

Mr. Haake said a draft of the Upstate-Downstate study is due by end of April. A May 7 meeting has been scheduled to discuss the draft.

**F. Market Issues Working Group (MIWG)**

Norman Mah (Con Edison) reported that the MIWG met on March 16, March 28 and April 9. He reviewed the agendas for and actions at those meetings for MPs.

**G. Price Responsive Load Working Group (PRLWG)**

Mr. Rick Mancini (Customized Energy Solutions) provided his report in writing. His report was included in BIC meeting minutes.

**12. Administrative Matters**

Mr. Francis said he sent a list of open action items pending closure. He said MPs with questions can call or e-mail him.

**13. New Business**

Arthur Pearson (Energy Spectrum) asked about problems regarding notification of SCRs regarding last week's test. He asked if there could be some discussion about the notification procedure.

Mr. Mukerji said the problem was caused by a virus that impacted the servers of the company that provides this service to the NYISO. The company explained what the cause was and how it could be avoided in the future. He agreed that the issue should be discussed in a working group meeting.

**The meeting was adjourned at 11:03 a.m.**

Respectfully Submitted,  
Michael A. Lisi  
Recording BIC Secretary