

**Draft**

# **NYISO Business Issues Committee Meeting Minutes**

April 16, 2008

New York Independent System Operator  
10 Krey Boulevard  
Rensselaer, NY

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

Mr. Glen McCartney (Constellation), Chair of the Business Issues Committee (BIC), called the meeting to order at 10:00 a.m. and welcomed the members of the BIC. Meeting participants introduced themselves and their affiliations.

## **2. Approval of Minutes**

Mr. McCartney offered the February 20, 2008 and March 19, 2008 minutes for approval.

### **Motion #1:**

Motion to approve the Minutes of the February 20<sup>th</sup> and March 19<sup>th</sup> BIC meeting. **(The motions passed unanimously.)**

## **3. Market Operations Report**

Mr. Rana Mukerji (NYISO) presented the Market Operations Report, which was distributed to Market Participants. The following summary was provided:

Mr. Mukerji reported that the LBMP for march was \$85.21/MWH, down from \$85.69/MWH in February 2008. The average monthly cost was \$90.11/MWh, down slightly from \$90.75/MWh in February 2008. The Day Ahead LBMPs have increased from February 2008, while the Real Time LBMPs have decreased.

Mr. Mukerji reported that Natural Gas prices were down, but that other fuel prices were up in March. Details were provided in his presentation. He indicated that Uplift (not including NYISO cost of operations) was down slightly compared to February 2008, at 2.31/MWh versus \$2.57/MWh in February 2008.

## **4. Seams Report**

Mr. Mukerji presented the status of Seams Projects, and updated the following initiatives:

#### Intra-Hour Transaction Scheduling

Work on this initiative is continuing. The NYISO is not ready to bring anything to the market participants yet, but expects to be in a position to discuss it later in the year.

#### Cross-Border Controllable Line Scheduling

Mr. Mukerji reported that issues still remain with respect to DOE requirements related to Dennison Scheduled Line, and that a date for the implementation has not been set yet.

#### Dynamic Ramp Allocation Between Proxy Busses at the NYISO-Hydro Quebec Interface

Mr. Mukerji explained that the Dynamic Ramp initiative for the NYCA – HQ interface had been added to the Seams Report in response to a request at the previous BIC meeting.

#### Coordination of Interregional Planning

With respect to Inter-regional Planning, Mr. Mukerji explained that the NYISO was interested in discussing the topic of cost allocation with PJM, but that the issue must be discussed within the context of a variety of issues.

In response to a suggestion to put the inter-regional issues on the IPSAC agenda, Mr. Mukerji replied that the IPSAC had a fairly specific charter, and that it may not be appropriate. Mr. Howard Fromer (PSEG) requested that the NYISO publish a list of the issues for market participants to review as this would help them to better address the issues within the PJM governance process. Mr. Stuart Nachmias (Con Edison) suggested that a stakeholder meeting should be scheduled to discuss the inter-regional issues prior to the June IPSAC meeting.

### **5. Status Report on IPSAC Activities**

Mr. John Buechler (NYISO) reported that IPSAC work is continuing and that they were working on loss of large source studies. He indicated that there would be a meeting scheduled in June to update the public on studies being performed as well as future efforts.

Mr. Buechler also reported on the issue of inter-regional cost allocation, indicating that the NYISO had discussed stakeholder concerns with PJM. He explained that Karen Antion, the acting CEO of the NYISO, had sent a letter to PJM management indicating that the NYISO was interested in discussing a variety of inter-regional issues, and that PJM had not responded to date. In response to a request from Mr. Nachmias that the NYISO make the letter public, Mr. Buechler indicated that he would look into it. Dr. Kevin Jones (LIPA) suggested that the NYISO talk with market participants that have experience with

cost allocation within PJM and Mr. Buechler indicated that the NYISO would welcome such input.

## **6. Enhancements to Customer Creditworthiness Provisions**

Ms. Sheri Prevratil (NYISO) reported that the NYISO had reviewed its Tariffs and identified recommended revisions to the customer creditworthiness provisions. Mr. Kevin Jones (Hunton & Williams, representing the NYISO) provided background information on the initiative, and Ms. Prevratil explained the recommend changes to the formulas used to calculate operating requirements. She then explained the specific tariff changes required to implement the desired changes, and the next steps that included presentation to the MC at the April 23 meeting and Board approval for a Section 205 filing.

### **Motion #2:**

The Business Issues Committee hereby recommends that the Management Committee approve revisions to improve and clarify the customer creditworthiness provisions of Attachment K of the Market Administration and Control Area Services Tariff and Attachment W of the Open Access Transmission Tariff as presented to and approved by the Business Issues Committee on April 16, 2008.

**(Motion passed unanimously).**

## **7. Excellence in Execution Metrics**

Mr. Wayne Bailey (NYISO) reported on the NYISO's Excellence in Execution metrics for the first quarter of 2008, and explained that all of the goals for the quarter had been achieved. Referring to a chart distributed as meeting materials, Mr. Bailey reviewed each of the commitments and provided a brief overview of the progress to date.

Mr. Howard Fromer (PSEG) had questions concerning the metrics related to the NYISO's response to customer inquiries, and requested that future updates clarify the difference between Tier 1 and Tier 2. Ms. Doreen Saia (Greenberg-Traurig) suggested that the metric related to the deployment of new products and product enhancements be broken into two metrics to more clearly indicate the impact of changing priorities as the result of FERC orders and other outside influences. Ms. Saia also requested clarification on the metric concerning final bill challenges. Mr. Bailey said that he would look into the question that Ms. Saia raised and respond at a later date.

## **8. SRE Process Enhancements Tariff Language**

Ms. Diane Peluso (NYISO) provided an update on the Integration of SRE/OOM Applications initiative and explained that she would ask the BIC to recommend Tariff changes related to the initiative to the Management Committee. Ms.

Peluso reported that the focus of the change was to amend conflicting business rules related to the eligibility for BPCG payments for units committed via the SRE process. She referred to NYISO Technical Bulletins related to Start-UP/Shut-Down and Generator Testing rules and explained how the changes would rectify the existing business rule issues.

Mr. Mark Younger (Slater Consulting) questioned the intent to prorate the BPCG payment based upon the percent completion of the SRE schedule, and recommended that the BPCG for SRE schedules not be pro-rated. Mr. Howard Fromer (PSEG) questioned the netting of SRE BPCG payments with BPCG payments resulting from RT economic commitments.

Mr. Alex Schnell (NYISO) explained that the NYISO would have to investigate the settlement implications of the issues raised and would return to discuss the topic further at the April 30 MIWG meeting. The proposed action on the Tariff changes was deferred pending further discussion.

## **9. Working Groups Updates**

### **A. Billing and Accounting Working Group (BAWG):**

Ms. Kathy Logan (BAWG Chairperson) reported that the NYISO was working on the Billing and Accounting manual, and that she expected the revised draft manual to be distributed in May. She also reported that ISO New England had given a presentation to the BAWG on weekly invoicing, and encouraged BIC members to contact their BAWG representative for additional information.

Ms. Logan also reported that the NYISO had released a new customer issue tracking system, and that the Metering Task Force was working to lengthen the time allowed for submitting metered data in the event of an anomaly (currently a 60 day period) so that anomalies would be identified sooner, rather than later.

Mr. Ray Kinney (NYSEG) expressed concern that some manual DAC adjustments affect months that had been closed out and questioned whether or not the Tariff allowed such changes. He requested that the BAWG look into the issue.

### **B. Electric System Planning Working Group (ESPWG)**

Mr. Tariq Niazi (ESPWG Chairperson) reported that the group had met on April 9 to discuss the 2008 CRP and the 2009 RNA. He explained that a draft of the 2008 CRP was scheduled to be distributed on April 23 and that the group had scheduled a special meeting for April 25, in addition to the previously scheduled May 12 meeting to review the document. He also requested that comments on the 2009 RNA be submitted by April 30.

### **C. Installed Capacity Working Group (ICAP WG)**

Mr. Glen Haake (ICAP WG Chairperson) explained that the group had held two meetings and that the FERC had acted early on the Compliance Filing. He discussed the groups work on the Upstate/Downstate study and changes to the interface limits.

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

Mr. Haake reported that the IITF had been addressing issues related to the upcoming Deliverability filing, and that the filing was due on May 20. He explained that the group had a long list of issues to resolve, and that the IITF would meet again on April 25 to resume the discussions.

Mr. Peter Lemme (NYISO) reported on the progress of a Joint IITF/TPAS effort to resolve issues related to Tariff changes affecting Attachments S and X of the OATT. He indicated that, although the group had reached consensus on several issues, the group was unable to reach consensus on cost recovery/ cost allocation issues related to telecommunications costs and property taxes. The group plans to resume discussions on the topic.

#### **E. Market Issues Working Group (MIWG)**

Mr. Norman Mah (MIWG Chairperson) provided an update on Market Issues Working Groups. He reported that the group had discussed plans to redesign SCUC to incorporate LRR rules into an earlier SCUC pass. He also reported on the status of topics that included generator penalties for uninstructed deviations from schedules, demand side ancillary services, OATT uplift charges, and the SRE enhancements initiative.

#### **F. Price Responsive Load Working Group**

Ms. Marie Pieniazek (reporting for the PRLWG Chairperson) reported on the topics discussed at the March 31 PRLWG meeting. She explained that the group had discussed SCR and EDRP registrations, and changes to the EDRP Manual. She also reported that the NYISO had provided an overview on the semi-annual FERC Demand Response Report. She added that the group had also discussed an issue concerning aggregators that hold less capacity than they offered in the spot market auction, and indicated that the NYISO was looking for comments on the topic.