
DRAFT**NYISO Business Issues Committee Meeting Minutes****July 22, 2009****10:05 a.m. – 4:00 p.m.**

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

Stuart Nachmias (Con Ed), the Chair of the Business Issues Committee (BIC) called the meeting to order at 10:05 a.m. and welcomed the members of the BIC. Meeting participants introduced themselves and their affiliations. There was a quorum.

Mr. Nachmias informed the BIC that the Credit Policy Task Force would be changed to a working group to alleviate the over crowding of the MIWG agendas. Items before the Credit Policy Working Group will not be brought to the MIWG, but go directly to the BIC.

2. Market Operations Report

Rana Mukerji presented the Market Operations Report. Highlights include: LBMP was slightly higher in June than it was in May, which follows a slight increase in send out. Uplift is up from May, primarily due to Thunder Storm Alerts. The cool summer and weak economy have kept load down overall.

3. Seams Report

Mr. Mukerji provided an update on the Seams report. The entire presentation was included as part of the meeting material and is posted on the NYISO website. He reported that work on the Inter-Hour scheduling mechanism to allow for dynamic scheduling is proceeding with HQ. Work with neighboring ISOs will begin in the future to review price differences. A detailed presentation will be brought to the MIWG. Discussions continue with PJM on Congestion Management. PJM is very interested in working with the NYISO on Congestion Management.

Henry Chao provided a planning update. The IPSAC met on June 30 and discussed three specific studies:

- PV 20 Study
- NY/PJM Reliability Study
- North Country Study

Mr. Chao also provided an update on the Eastern Interconnection Planning Collaborative (EIPC).

4. External Transactions Credit Requirements

Kim Sebben (NYISO) presented the Credit Requirements for External Transactions. The objectives of the project are to eliminate manual credit processes through the automation of the Credit Management System, to leverage automation to further stratify credit requirements based on transaction characteristics, and to define credit requirements to appropriately match market and transaction risks.

Ray Kinney (NYSEG) commented that these improvements could also be applied to the Energy & Ancillary Services Markets because there seems to be dramatic over collateralizing in those markets for some participants. Sheri Prevratil (NYISO) explained that issue will be brought to the July 31 CPWG.

Motion #1:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Tariff’s with regard to external transaction credit requirements as more fully described in the presentation made to the BIC on July 22, 2009.

Motion approved by a majority with opposition and abstentions.

5. Reporting Market Issues

The item was deferred to the August BIC meeting due to additional edits requested by the Transmission Owners. BIC Members requested that the changes be sent to the NYISO for distribution well in advance of the August BIC meeting to allow for proper review.

6. Waldwick PAR (Jan 2008) Restitution

Ray Kinney (NYSEG) presented the NYSEG and RGE proposal which demonstrated that restitution was feasible. He stated that the genesis of this proposal stemmed from belief that market errors and flaws that impact load need to be addressed and cannot be left unresolved. This event had a much less dramatic impact than the Lake Erie Loop Flow issue but did have a major impact on load. Mr. Kinney reiterated that the Commission directed the NYISO in the February 9 Order to discuss with the NYISO stakeholders whether any course of restitution is feasible.

Rick Gonzales (NYISO) stated the NYISO is focused on avoiding errors up front, and addressing errors quickly, and learning from them. He added the NYISO intends to bring the NYSEG proposal to the Management Committee for an advisory vote on whether to move ahead with it.

Mike Mager (Multiple Intervenors) commented that Loads are often left paying for market errors and they do prefer some type of restitution where possible. Howard Fromer (PSEG) cautioned that there are multiple parties affected by market errors. He supports the NYISO’s view and encouraged the process of identifying and addressing issues quickly.

7. CARIS Procedures

Branka Brlosic-Nirenberg (NYISO) presented the proposed CARIS Procedures. Ms. Brlosic-Nirenberg noted the Voting Procedures for Regulated Economic Transmission have been deferred to the August BIC meeting. In response to a question regarding a mechanism for sharing potential cost over-runs, Ms. Brlosic-Nirenberg replied that would be brought back to the ESPWG for further discussion.

Motion #2A:

Motion to adopt the draft procedure entitled “PROJECT COST OVERRUNS” under Attachment Y, Section 15.4.e, for inclusion in the Initial Congestion Assessment and Resource Integration Study Manual, as presented to the Business Issues Committee at its July 22, 2009 meeting.

Motion approved by a majority.Motion #2B:

Motion to adopt the revised draft procedure entitled "PROCESS FOR ADDITIONAL CARIS STUDIES – under Attachment Y, Section 11.2.c, for inclusion in the Initial Congestion Assessment and Resource Integration Study Manual, as presented to the Business Issues Committee at its July 22, 2009 meeting.

Motion approved by a majority.**8. Ancillary Services Manual Revisions – Limited Energy Storage Resource**

Vinh Le (NYISO) presented the Manual Revisions. The presentation detailing the revisions can be found under the meeting material link for the meeting.

Motion #3:

The Business Issues Committee ("BIC") hereby approves revisions to the NYISO Ancillary Services Manual pertaining to Limited Energy Storage Resources as described in the presentation made to the BIC at the July 22, 2009 meeting.

Motion approved with abstentions.**9. New Unit DMNC Test Submission Dates**

Dave Lawrence (NYISO) explained that at the request of LIPA, NYISO reviewed the submission of DMNC Data for testing requirements, and shortened the deadline to submit new generator test data prior to certification for the ICAP market for new units. Kevin Jones (LIPA) asked if a unit missed the deadline would the NYISO make a best effort to process the test for participation in the next auction. Lisa Travaly (NYISO) replied the NYISO will make every reasonable effort to do that. Dave Lawrence took an action item to research streamlining the process for External Resources as well.

10. Working Group UpdatesA. Billing & Accounting Working Group –

BAWG reviewed the close out month of 9/08 and this is the last six month issuance of a bill with December 2008 invoice. Tim Duffy provided a presentation on the verification processes of the bid data entering the Billing System. Michelle Gerry reported on the modifications being made to the DSS files and the hourly and daily statements. Reviewed the 5th Installment for the Billing and Accounting Manual

B. Electric System Planning Working Group (Joint BIC/OC Working Group) –

Began initial analysis of the CARIS congestion results, finalized the CARIS Potential Solution Cost matrices for Demand Response, Transmission owners, and Generators and finalized the CARIS procedure Process for Additional Studies and Cost Overruns. NYISO also presented on the Economic Overview for the remainder of 2009 and into 2010.

C. Installed Capacity Working Group –

Reviewed the initial SCR Shutdown Manual language. The draft RFP language for the Demand Curve Reset was discussed and will be brought back to the next ICAP meeting with a more refined scope. The Qualifications of New Resources time line, where the lead times for entry into the Installed Capacity market has been shortened, was discussed with the working group members. Introduction of the proposed ways to handle mitigation for controllable lines was discussed and comments are requested. The concept of Transmission District UCAP requirements was introduced and tabled at this time.

D. Interconnection Issues Task Force -

IITF discussed Grandfathered External Import Rights and discussed the External CRIS Rights proposal for long term CRIS determination for External ICAP providers where qualifications were defined. IITF also teamed up with TPAS to begin discussions on revamping the NYISO Interconnection Queue Process by reviewing attachments X, Y and Z with further discussion to continue.

E. Market Issues Working Group –

MIWG reviewed the following items at the June & July Meetings:

- Rate Schedule 1 Unbundling
- Technical Bulletin - Generator Retirements
- 2008 State of the Market Review
- Disaggregated Virtual Trading
- PJM Congestion Management
- Interregional Transaction Coordination
- Award of Incremental TCC for a Transmission Expansion
- Reference Level Software Project Update
- Reporting on Compliance Issues
- Rate Schedule 1 Proposal
- CMS: External Transactions Credit Requirements
- Proposed Tariff Revisions for DAMAP
- Reporting Market Issues
- Additional Tariff Remedies/FERC Remedial Authority
- Waldwick PAR Issue: Stakeholder Restitution Proposal
- Buy-Through of Congestion
- Strategic Tariff Review – Attachment L & K Grandfathered Rights
- Proposed Leading VAr Test Changes
- Managing Startup Bids
- Combined Cycle Min Run Issue –Technical Bulletin 51
- Discussion on TCC Auction – Autumn 2009

F. Price Responsive Load Working Group –

There was no meeting in July.

11. New Business

There was no new business

The meeting was adjourned at 3:45