
NYISO Business Issues Committee Meeting Minutes
August 12, 2020
10:00 a.m. – 11:45 a.m.

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

Mr. Chris Wentlent (MEUA) called the meeting to order at 10:00 a.m. The members of the BIC identified themselves and attendance was recorded. A quorum was determined.

2. Market Operations Report

Mr. Rana Mukerji (NYISO) reviewed the Market Operations report included with the meeting material. There were no questions or comments.

3. Coordination of Energy and Ancillary Services Projects

Mr. Mike DeSocio (NYISO) reviewed the presentation included with the meeting material.

Mr. Matt Cinadr (E Cubed) asked whether the initiatives seeking to improve market pricing signals through ancillary services enhancements include any proposed changes to the Special Case Resource (SCR) program. Mr. DeSocio noted that the ongoing efforts related to ancillary services enhancements do not include any proposed changes to the SCR program.

Ms. Erin Hogan (UIU) asked for clarification regarding the relationship between the proposal to increase Southeastern New York (SENY) 30-minute reserves and the proposal to implement reserve requirements for certain load pockets within New York City. Mr. DeSocio noted that discretely modeling the various reserve requirements needed to reliably operate the system allows the market software to determine the optimal set of resource schedules to satisfy such requirements.

Ms. Hogan stated that given the interrelated nature of the various initiatives it is important to provide information to help understand the cumulative consumer impact of such initiatives. Mr. DeSocio acknowledged the importance of providing information regarding the potential consumer impacts of the various ongoing initiatives, noting that, ultimately, the initiatives are intended to help provide the necessary market pricing signals to inform the ongoing transition of the grid in a way that helps ensure that resource capability and services exist where needed to maintain system reliability.

Dr. Tom Paynter (NYDPS) stated that short-run analyses of potential consumer impacts often tend to overstate the expected impacts over the longer term because short-run analyses do not adequately capture the market response to market rule changes, which serves to reduce the magnitude of the impacts over a longer time horizon.

Mr. Liam Baker (Eastern Gen) requested confirmation that the NYISO is proposing to temporarily suspend efforts on the proposal to implement reserve requirements for certain load pockets in New York City to allow the potential for improving the overall efficiency of that proposal through potentially using a more dynamic approach to reserve procurement. Mr. DeSocio confirmed that the NYISO has recognized the potential to leverage additional enhancements to the proposal for implementing reserve requirements for certain load pockets in New York City through utilizing a more dynamic approach to reserve procurement.

Mr. Cadwalader (Atlantic Economics) asked whether the NYISO is seeking to accelerate the timeline for being able to develop the capability to implement more dynamic reserve requirements. Mr. DeSocio noted that the NYISO is continuing to assess opportunities to potentially accelerate the timeframe for being able to implement more dynamic reserve procurement capability. Mr. DeSocio stated that the ultimate implementation timeframe will largely depend on the study efforts next year to examine various options and the feasibility thereof.

Mr. Mark Younger (Hudson Energy Economics), Ms. Doreen Saia (Greenberg Traurig), and Mr. Wentlent noted appreciation for the NYISO's efforts in providing an overview of the various ongoing energy and ancillary services enhancement initiatives.

4. Reserves for Resource Flexibility

Mr. Ethan Avallone (NYISO) reviewed the presentation included with the meeting material.

Ms. Hogan and Ms. Amanda Trinsey (Couch White) noted appreciation for the supplemental information provided by the NYISO in response to stakeholder requests regarding the potential consumer impacts related to the proposal.

Motion #1:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff related to the "Reserves for Resource Flexibility" proposal, as more fully described in the presentation titled "Reserves for Resource Flexibility" made to the BIC on August 12, 2020.

Motion passed unanimously.

5. Manual Revisions for Energy Storage Resources

Mr. Padam Singh (NYISO) reviewed the presentation included with the meeting material.

Ms. Saia asked whether the NYISO could provide additional information regarding the expected effective date for the tariff revisions related to the implementation of the energy storage resource model. Mr. DeSocio stated that the NYISO currently expects to submit the required notice to FERC on or before August 14, 2020 to establish an effective date for the tariff revisions related to the implementation of the energy storage resource model.

Motion #2:

The Business Issues Committee ("BIC") hereby approves revisions to the Ancillary Services, Day-Ahead Scheduling, and Transmission and Dispatch Operations Manuals regarding Energy Storage Resources as described in the presentation made to the BIC on August 12, 2020. The revisions will become effective on the effective date of the tariff revisions accepted by the Federal Energy Regulatory Commission in Docket No. ER19-467-000, et al.

Motion passed unanimously with abstentions.

6. Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on July 20, 2020 and reviewed the standard accounting/settlement reports, updates to the Decision Support System (DSS) related to settlements for energy storage resources, and proposed enhancements to the credit security requirements for the Transmission Congestion Contracts (TCC) market.
- Electric System Planning Working Group: The group has met twice since the last BIC meeting. On July 23, 2020, the group met and reviewed a presentation by Analysis Group providing an update regarding assumptions and various scenarios for the Phase II analysis being conducted as part of the ongoing climate change impact and resilience study project, key study assumptions for the short-term assessment of reliability study for Q3 2020, an update regarding the status of the 2020 Reliability Needs Assessment (RNA) including initial results for scenarios being conducted as part of the study, and an overview of the NYISO's proposal to file a request for a declaratory order with FERC to address certain aspects of the treatment of local upgrades as part of the NYISO's transmission planning processes. The group also met on August 7, 2020 and reviewed a presentation by LS Power regarding the treatment of local upgrades as part of the NYISO's transmission planning processes, and the procedures for developing an hourly forecast of production by behind-the-meter solar resources in New York for the 2020 RNA.
- Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG three times since the last BIC meeting. On July 22, 2020, the group met and reviewed a presentation by Analysis Group regarding feedback received in response to its draft report and preliminary results for the ongoing 2019-2020 ICAP Demand Curve reset process, and interconnection and capacity market considerations for developing a hybrid storage resource

model. The group met on July 28, 2020 and reviewed reliability considerations and potential enhancements in response to the ongoing transformation of the electric system. The group also met on August 10, 2020 and reviewed a presentation by Analysis Group regarding its interim final report for the ongoing 2019-2020 ICAP Demand Curve reset process, an overview of the NYISO staff's draft recommendations related to the ongoing 2019-2020 ICAP Demand Curve reset process, capacity market considerations for developing a hybrid storage resource model, and the proposed methodology for conducting the consumer impact analysis related to the proposal to develop a hybrid storage resource model.

- Load Forecasting Task Force: The group met on July 31, 2020 and reviewed impacts on load patterns and energy consumption related to the ongoing COVID-19 pandemic including a presentation by PSEG Long Island on the impacts being experienced on Long Island.
- Market Issues Working Group: The group has met jointly with ICAPWG and/or PRLWG four times since the last BIC meeting. The group met on July 22, 2020 and reviewed interconnection and energy market considerations for developing a hybrid storage resource model. On July 28, 2020, the group met and reviewed proposed revisions to various manuals (Transmission and Dispatch Operations Manual, Day-Ahead Scheduling Manual, and Ancillary Services Manual) related to energy storage resources participating in the wholesale markets, and reliability considerations and potential enhancements in response to the ongoing transformation of the electric system. The group met on August 6, 2020 and reviewed proposed revisions to various manuals (Transmission and Dispatch Operations Manual, Day-Ahead Scheduling Manual, and Ancillary Services Manual) related to energy storage resources participating in the wholesale markets. On August 10, 2020, the group met and reviewed proposed enhancements to the current reserve shortage pricing values and reserve demand curves, energy and ancillary service market considerations for developing a hybrid storage resource model, the proposed methodology for conducting the consumer impact analysis related to the proposal to develop a hybrid storage resource model, and supplemental information regarding the consumer impact analysis related to the proposal to increase the current 30-minute reserve requirement for the Southeastern New York (SENY) reserve region.
- Price Responsive Load Working Group: The group met jointly with ICAPWG and/or MIWG four times since the last BIC meeting (i.e., July 22, 2020, July 28, 2020, August 6, 2020, and August 10, 2020). At each meeting, the group reviewed the agenda topics related to distributed energy resources, energy storage resources and/or the NYISO-administered demand response programs.

7. New Business

There was no new business.

Meeting adjourned at 11:45 a.m.