
NYISO Business Issues Committee Meeting Minutes
September 9, 2020
10:00 a.m. – 11:30 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. Draft July 15, 2020 and August 12, 2020 BIC Minutes

There were no questions or comments regarding the draft minutes from the July 15, 2020 and August 12, 2020 BIC meetings that were included as part of the meeting material.

Motion #1:

Motion to approve the July 15, 2020 and August 12, 2020 BIC meeting minutes.

Motion passed unanimously with abstentions.

3. Market Operations Report

Mr. Wentlent stated that due to the early timing of the meeting within the month, the market performance highlights were not yet available for review. It was further noted that the Market Operations Report would be posted as part of the meeting material once available.

4. Accounting and Billing Manual Revisions

Mr. Mark Buffaline (NYISO) reviewed the presentation included with the meeting material. There were no questions or comments.

Motion #2:

The Business Issues Committee ("BIC") hereby approves the revisions to the Accounting & Billing Manual as described in the presentation to the BIC on September 09, 2020.

Motion passed unanimously with abstentions.

5. New York City Steam Units Exemption

Mr. Chris Hargett (Con Edison) reviewed the presentation included with the meeting material.

Mr. Howard Fromer (Bayonne Energy Center) asked whether the steam units at issue are operated solely to meet Con Edison's steam system requirements. Mr. Hargett confirmed that the units at issue are operated to meet the requirements of Con Edison's steam system.

Mr. Fromer asked whether the capacity market participation of the units at issue is limited to only the electric output needed to meet Con Edison's steam system. Mr. Hargett stated that the full electric output capability of the units at issue is bid into the market and made available in the event needed by the NYISO for reliability. Mr. Hargett noted that the units at issue are self-scheduled based on the electric output corresponding to the operation to meet the steam system requirements with the additional output capability also being made available to the market if needed for reliability.

Motion #3:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff and Open Access Transmission Tariff as more fully described in the presentation titled "New York City Steam Exemption" made to the BIC on September 9, 2020.

Motion passed unanimously with abstentions.

6. Bidding Rules for Energy Storage Resources as ICAP Suppliers with Energy Duration Limitations

Ms. Sarah Carkner (NYISO) reviewed the presentation included with the meeting material. There were no questions or comments specific to the proposal.

Motion #4:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee (“MC”) approve changes to Sections 5.12 of the NYISO’s Market Administration and Control Area Services Tariff as more fully described in the presentation “ESR Bidding Rules for ICAP Suppliers with an Energy Duration Limitation” made to the BIC on September 9, 2020.

Motion passed unanimously with abstentions.

7. Large Scale Solar on Dispatch

Mr. Cameron McPherson (NYISO) reviewed the presentation included with the meeting material.

Mr. Kevin Lang (Couch White) asked for clarification regarding the data used in real-time for determining the output by solar generation that is directly participating in the wholesale markets. Mr. McPherson stated that, in real-time, the actual metered output by solar generation is used for purposes of determining compensation.

Mr. Norman Mah (Con Edison Energy) asked whether the proposed revisions are intended to apply to existing solar generation that is directly participating in the wholesale markets. Mr. McPherson confirmed that the proposed revisions are intended to apply to existing solar generation directly participating in the wholesale market. Mr. McPherson noted that the NYISO has already initiated outreach to the only existing solar generator that directly participates in the wholesale markets to discuss the proposed revisions.

Ms. Soria Talbot (NextEra) asked whether the NYISO could provide any further specificity regarding the anticipated timeframe for implementing the proposed changes in 2021. Mr. McPherson noted that, at this time, the NYISO has not yet finalized the expected deployment timeframe for the proposal within 2021.

Motion #5:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve changes to the NYISO’s Market Administration and Control Area Services Tariff as more fully described in the presentation titled “Large Scale Solar on Dispatch Tariff Revisions” made to the BIC on September 9, 2020.

Motion passed unanimously with abstentions.

8. Unsecured Credit for Public Power and Governmental Entities

Ms. Sheri Prevratil (NYISO) reviewed the presentation included with the meeting material.

Mr. Lang asked whether the NYISO has assessed the potential impact of the proposal on current governmental entities participating in the wholesale markets. Ms. Prevratil stated that, based on the NYISO’s review, it is not anticipated that the proposal will result in adverse impacts to current governmental entities participating in the wholesale markets.

Mr. Tom Rudebusch (NYAPP) and Mr. Wentlent raised concerns about the potential for adverse impacts in the future to smaller municipal electric entities that are currently unrated and may not be able to qualify for unsecured credit under the proposed revisions for unsecured credit.

Mr. Wentlent recommended that the NYISO consider the ability for unrated, smaller municipal electric entities to provide annual statements filed with the New York State Public Service Commission as an alternative to audited financial statements in order to pursue an Equivalency Rating for purposes qualifying for unsecured credit.

Mr. Lang recommended that the NYISO assess whether further enhancements may be needed to avoid the potential for adverse impacts to unrated, smaller municipal electric and other governmental entities that may not currently have audited financial statements.

Mr. Fromer stated that with the potential for increasing participation by municipal/governmental entities through community choice aggregation programs developed by the New York State Public Service Commission it will be important for the NYISO to carefully monitor the application of such credit security requirements to municipal/governmental entities going forward. Mr. Lang noted that municipal or other governmental entities do not generally act as a Load Serving Entity (LSE) under community choice aggregation programs. Mr. Lang further explained that the LSE for a community choice aggregation program is typically a third party retail electric supplier.

Mr. Andrew Antinori (NYPA) requested that the NYISO evaluate the ability to provide additional information to stakeholders regarding the total amount of unsecured credit that is currently provided to municipal electric and other governmental entities participating in the wholesale markets.

Motion #6:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled "Unsecured Credit for Public Power and Governmental Entities," made at the September 9, 2020 BIC meeting.

Motion passed by majority with abstentions.

[Votes in Opposition: Bath Electric, Lake Placid, Municipal Commission of Boonville, Plattsburgh Municipal Lighting Department, Village of Arcade, Village of Fairport, Village of Solway, and Village of Westfield, Freeport Electric, Jamestown Board of Public Utilities, and Village of Rockville Centre]

9. TCC Market Credit Policy Enhancements

Ms. Prevratil reviewed the presentation included with the meeting material.

Mr. Mike Kramek (Boston Energy) asked whether the proposal to conduct a future one-year round for a period equivalent to the second year of previously sold two-year TCCs essentially results in conducting a one-year round of the Spring Centralized TCC Auction early. Ms. Prevratil clarified that the proposed tariff revisions would provide the NYISO authority to conduct a single round Sub-Auction for the one-year period matching the second year of previously sold two-year TCCs. Ms. Prevratil further stated that such future one-year Sub-Auction round would be conducted as part of the Autumn Centralized TCC Auction that follows a Spring Centralized TCC Auction in which two-year TCCs were sold.

Motion #7:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to Attachment K of the Market Administration and Control Area Services Tariff and Attachments M and N of the Open Access Transmission Tariff as described in the presentation titled "Proposed TCC Credit Policy Enhancements" made at the September 9, 2020 BIC meeting.

Motion passed unanimously with abstentions.

10. Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on August 25, 2020 and reviewed the standard accounting/settlement reports, a presentation by KPMG providing an update regarding the status of the ongoing 2020 System and Organizational Controls (SOC) 1 audit, proposed enhancements to the credit security requirements for the Transmission Congestion Contracts (TCC) market, proposed enhancements to the requirements for public power and governmental entities to obtain unsecured credit, and proposed revisions to

the Accounting and Billing Manual related to energy storage resources settlements and the pricing rule enhancements for fast-start resources.

- Electric System Planning Working Group: The group has met twice since the last BIC meeting. On August 20, 2020, the group met and reviewed potential enhancements to the economic planning process, preliminary results for the 70x30 scenario being conducted as part of the 2020 Reliability Needs Assessment (RNA), and transmission security results for certain scenarios being conducted as part of the 2020 RNA. The group also met on August 31, 2020 and reviewed potential enhancements to the economic planning process.
- Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG twice since the last BIC meeting. The group met on August 19, 2020 and reviewed interconnection and capacity market requirements for co-located energy storage resources, and bidding rules for energy storage resources participating in the capacity market with energy duration limitations. The group also met on August 25, 2020 and reviewed capacity market participation requirements for co-located energy storage resources, the results of the consumer impact analysis for the proposed co-located energy storage resource participation model, and a presentation by the Market Monitoring Unit (MMU) regarding its quarterly market assessment for Q2 2020.
- Load Forecasting Task Force: The group met on August 24, 2020 and reviewed the peak load hours from the Summer 2020 Capability Period to date, an overview of the schedule for developing the load forecasts for the NYSRC's installed reserve margin study and capacity market peak load forecast for the 2021/2022 Capability Year, proposed enhancements to the methodology for calculating regional load growth factors used in developing peak load forecasts, the proposed methodology and preliminary results for weather normalization and regional load growth factors to be used in developing the peak load forecasts for the 2021/2022 Capability Year, and an overview of the recent stakeholder-approved enhancements to the methodology for determining the statewide peak load hour and the allocation of capacity requirements to Load Serving Entities.
- Market Issues Working Group: The group has met four times since the last BIC meeting, including joint meetings with ICAPWG and/or PRLWG. On August 19, 2020, the group met and reviewed energy market participation requirements for co-located energy storage resources. The group met on August 25, 2020 and reviewed energy market participation requirements for co-located energy storage resources, the results of the consumer impact analysis for the proposed co-located energy storage resource participation model, and a presentation by the MMU regarding its quarterly market assessment for Q2 2020. On September 1, 2020, the group met and reviewed proposed enhancements to the current reserve shortage pricing values, reserve demand curves and reserve procurements, the results of the consumer impact analysis for the proposed enhancements to the current reserve shortage pricing values, reserve demand curves and reserve procurements, proposed rules for dispatching solar resources that participate directly in the wholesale markets, and a proposal to allow for the reservation of transmission capacity from Centralized TCC Auctions to be released in Balance-of-Period Auctions. The group also met on September 8, 2020 and reviewed energy market participation requirements for co-located energy storage resources.
- Price Responsive Load Working Group: The group met jointly with ICAPWG and/or MIWG three times since the last BIC meeting (i.e., August 19, 2020, August 25, 2020, and September 8, 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.

11. New Business

There was no new business.

Meeting adjourned at 11:30 a.m.