

NYISO Management Committee Meeting Minutes**May 26, 2021****10:00 a.m. – 12:00 p.m**

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

The chair of the Management Committee (MC), Mr. Aaron Breidenbaugh (Rodan Energy), called the meeting to order at 10:00 a.m. by welcoming the members of the MC. Members identified themselves and the attendance was recorded. A quorum was determined.

2. Approval of the draft April 28, 2021 MC Meeting Minutes

The draft meeting minutes from the April 28, 2021 were presented for approval.

Motion 1:

Motion to approve the draft meeting minutes from April 28, 2021.

The motion was approved unanimously.

3. NYISO CEO-COO Report

Ms. Emilie Nelson (NYISO) noted the upcoming annual Joint Board of Directors and Management Committee meeting. This event will be held virtually on June 14 and 15, and will replicate the past in-person format to allow for interaction between stakeholders and the Board. Ms. Nelson said the NYISO looks forward to everyone's participation at this event. She introduced Mr. Mark Seibert (NYISO) who provided details on the event, including the agenda, format, and topics 1) Supporting Resource Adequacy through the Capacity Market and 2) The Role of Emerging Technologies.

Mr. Breidenbaugh stated that this event is very valuable to the Stakeholders, NYISO and the Board, and encouraged all to attend.

Mr. Rick Gonzales provided the Market Performance and Operations Highlights included with the meeting material.

Mr. Howard Fromer asked Ms. Nelson if she could share her observations as a panel member on the Power Generation Advisory Panel participating in the CLCPA implementation efforts, specifically, any concerns on how we retain a reliable system as we go through the 20-year implementation period.

Ms. Nelson provided an update on the Panel's comprehensive set of recommendation. Ms. Nelson stated that the recommendation on reliability is a strong one; specifically it speaks to a going forward process where those with responsibility for reliability come together, evaluate how the grid is changing, and if there are any concerns based on applicable operations and planning criteria. The recommendations allow the states to consider if there are any adjustments needed to the programs to achieve the CLCPA or to support reliability. Ms. Nelson said there is no way to perfectly predict what is going to be necessary with all of the unknowns before us for a two-decade period, but having processes where you have people working through issues and communicating the challenges that need to be managed is very important for the reliability of the grid going forward.

Ms. Nelson noted that the concept of a moratorium on gas was one of the more difficult and contentious issues that the Panel considered, and was an area where the Panel did not reach consensus agreement. Consensus could not be reached on the concept of having a gas moratorium until all of the plans to

achieve the CLCPA are solidified. From her perspective, the critical need in moving forward to achieve the goals of the CLCPA are to build out renewables and storage, as well as adding and enhancing transmission to ensure the energy is deliverable. Completing those efforts should allow the transformation to achieve the near term goal of 70% renewable energy by 2030. When you look out to the 2040 timeframe, there are still technology unknowns that need to be addressed, so taking options off the table does not seem to be the most productive path. There are a number of recommendations that are very strong and have been presented to the Climate Action Council. The Council will proceed with an integration analysis to ultimately develop a draft scoping plan. The Power Generation Advisory Panel agreed that the process to carefully consider how the fossil transition may occur, needs to be informed by planning studies and supported by regulations. The NYISO's engagement going forward will include reviewing and monitoring the development of the integration work closely on the draft scoping plan. Ms. Nelson stated that a lot of good work went into developing the recommendations, and being a member of the panel was a great opportunity. The different perspectives of the panel members helped strengthen the recommendations and there is a lot of work that remains to be done. Continued dialog will be critical to achieving the CLCPA and protecting reliable electric service.

Mr. Howard Fromer thanked Ms. Nelson for her efforts on the panel.

Mr. Briedenbaugh added that this topic and the discussions that took place at the Climate Action Council figured prominently in developing topics for the Joint Board of Directors and Management Committee meeting. He said the NYISO and its Board will be looking for your thoughts and perspectives on those issues during the joint meeting.

4. Regulation Movement Multiplier Update

Mr. Tolu Dina (NYISO) provided an update included with meeting material. Mr. Tolu reviewed the current regulation movement multiplier (RMM), the proposed tariff update and next steps.

Motion #2

The Management Committee ("MC") hereby approves changes to the Market Administration and Control Area Services Tariff as more fully described in the presentation titled "Regulation Movement Multiplier Update" made to the MC on May 26, 2021, and recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion was approved unanimously.

5. State of the Market Report

Mr. Pallas LeeVanSchaick (Potomac Economics) presented the State of the Market Report, which included a summary of market outcomes and investment trends, and recommended market enhancements for the energy and ancillary services markets and the capacity market. Mr. LeeVanSchaick noted that the report will also be presented at several upcoming stakeholder meetings.

Regarding Capacity Market Performance, Mr. Mike Mager (Multiple Intervenors) asked for explanation on occurrences in Zone A and B impacting the LCRs in the downstate region and increasing the IRM. Mr. LeeVanSchaick said there are a number of different things that affect these requirements, but we are looking at the importance of how the regions are defined. In Western NY, there have been significant retirements, most notably of coal units in recent years, and a better recognition in the models of some of the energy limitations of certain resources. Consequently, because of that loss of capacity, there is an area of the state that, under certain load conditions, would be import constrained and there is a limit to what can get into that part of the state. So, when the ICAP requirements are set, if additional capacity is needed to be put into Zone A or B in order to address reliability there, you have to shift capacity but the current method does not allow a shift directly to those zones. The method requires that capacity is be shifted in proportion into Zones A, C and D. Right now, the proportion of what's going into Zone A is very small relative to C and D so significant shifts can be necessary. As an example, if you needed to shift an

additional 10 MW into Zone A and B for reliability the process would also shift 100s of MWs into Zones C and D.

In response to a question from Mr. Mager on whether the Western NY transmission project that is underway would solve or reduce this issue Mr. LeeVanSchaick said he is not sure the project will help relieve the issue he described, but he would not be surprised if it does. Mr. LeeVanSchaick stated that the more you have resources coming in and leaving the system, which is generally expected, the more you can expect unforeseen things like this to occur.

Mr. Mager said he would not want to over focus on a problem that may already be in the process of being addressed if the ongoing transmission project eliminates it.

Regarding TCCs, Mr. Fromer asked if the expectation is that market participants would be willing to pay more to acquire TCCs in locations experiencing higher levels of congestion because the associated congestion revenues will be higher relative to other, less congested regions and therefore consumers would get more revenues coming in to them from higher TCC sales? Mr. LeeVanSchaick said it's anticipated that if people expect higher levels of congestion they will pay more for TCCs, and TCC revenue would be collected. Potomac Economics expects that to benefit consumers through lower transmission service charges. Mr. LeeVanSchaick stated it is his view that if you have factors that increase RT price levels and congestion there will be incentives for market participants to bid up prices in the DA.

Mr. Adam Evans (PSC) asked how Potomac Economics would value the inflexible long start up resources differently in terms of capacity accreditation. Mr. LeeVanSchaick referred him to the appendices to the report, which provide more detail. He added that later in the summer Potomac Economics will be putting out additional information about what it has in mind and how it would fit with existing capacity framework.

6. New Business

There was no new business. The meeting adjourned at 12:00 p.m.