

THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
FINAL MINUTES OF BOARD OF DIRECTOR'S MEETING
REGULAR SESSION – NOVEMBER 14, 2017

The Board of Directors of the New York Independent System Operator (NYISO) met at Hunton & Williams in NYC on November 14, 2017. Chairman Bemis chaired the meeting, and all Board members were present (Mr. Kelley participated via conference call). Ms. Egan, Ms. Hussey and Messrs. Dewey, Fernandez, Gonzales, K. Jones, and Lanahan were also present. Mr. Alan Michaels of the Public Service Commission was also in attendance.

I. Approval of Board Meeting Minutes

Upon motion duly made and seconded, the Board approved the September 19, 2017 Board meeting minutes, and deferred approval of the October 17, 2017 Board meeting minutes until the next meeting.

II. Consent Agenda

There were no items on the Consent Agenda for approval this month.

III. Report of the Board Chair

The Board Chair had no items for discussion during Regular Session. Mr. Bemis reported that the Board would not meet in December, and would have a conference call on Tuesday, January 9th.

IV. Committee Reports

A. Audit & Compliance

The Audit & Compliance Committee met on November 13, 2017 and discussed/approved the following:

- 1) Minutes – 10/16/17 A&C Committee Meeting – Approved
- 2) 2017 SOC 1 Update – KPMG provided a 2017 SOC 1 Audit Report summary, and reported that they examined the NYISO's description of its Bid-to-Bill System for bidding, accounting, billing and settlements of energy, regulation, capacity, transmission reserves, and related market services for user entities' transactions, and will issue their report on November 17, 2017. KPMG's examination included procedures to determine, based on criteria described in the NYISO management assertion included in the report that: (1) The description fairly presents the Bid-to-Bill System that was designed and

implemented throughout the period October 1, 2016 to September 30, 2017; (2) the controls related to the control objectives would be achieved if the controls operated effectively throughout the period, and user entities applied the complementary user entity controls assumed in the design of the NYISO's controls throughout the period; and (3) the controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period.

The Audit & Compliance Committee thoroughly reviewed the NYISO's SOC 1 Audit Report, and the auditor's unqualified opinion, and made a motion for Board acceptance of the 2017 SOC 1 Audit Report conducted by KPMG and authorizing NYISO management to release the Audit Report to the market participants. The Board approved the motion.

- 3) Executive Session w/KPMG.
- 4) Cyber & Physical Security Update – Mr. Chapman provided a Cyber & Physical Security Update.
- 5) New Cyber Security Metrics – Mr. Chapman reviewed the new Cyber Security Metrics.
- 6) Annual State of Compliance – Mr. Fernandez provided an overview of the NYISO's Compliance Program and the Company's performance over the past year.
- 7) Met in Executive Session with Ms. Hussey, CFO & VP-Human Resources.

B. Commerce & Compensation

The Commerce & Compensation Committee met on November 13, 2017 and discussed the following:

- 1) NYISO 2018 Budget – Motion for Board approval of the 2018 Budget in the amount of \$155.7M and a Rate Schedule 1 charge of \$0.987/MWh, and motion to utilize any spending under-runs and over-collections to reduce outstanding debt or minimize planned debt borrowings, was approved by the Board.
- 2) 2018 Annual Incentive Goals – Motion for Board approval of the 2018 Annual Incentive Goals, as amended, was approved by the Board.
- 3) 2018 Business Plan – Motion for Board approval of the 2018 Business Plan, was approved by the Board.
- 4) Customer Satisfaction Survey – Update.

C. Governance

The Governance Committee did not meet this month.

D. Reliability & Markets

The Reliability & Markets Committee met on November 13, 2017 and discussed/approved the following:

- 1) Quarterly MMU Briefing w/Dr. Patton in Executive Session.
- 2) Met in Executive Session with Mr. Shaun Johnson, Director of MMA.
- 3) Tariff Revision – Fuel Cost Adjustment Enhancements & Min Oil Burn Compensation Program Requirements – Motion for Board approval of the proposed tariff changes to the NYISO's Market Administration and Control Area Services Tariff and authorize NYISO management to file the changes with FERC, pursuant to Section 205 of the Federal Power Act, was approved.
- 4) 2017-2018 Winter Capacity Assessment.
- 5) Energy Storage Briefing.
- 6) Capacity Zone Creation/Elimination (On-Ramps/Off-Ramps).
- 7) Strategic Plan Rollout – Draft – 2018-2022 Strategic Plan (Public Version).
- 8) 2018 Power Trends Outline.

V. Report of the President & CEO

Mr. Bradley Jones briefed the Board on items outlined in his President's Report included in the Board package.

VI. Chief Operating Officer Report

Mr. Gonzales briefed the Board on items outlined in the COO Report and Operations Performance Metrics Monthly Report, included in the Board package.

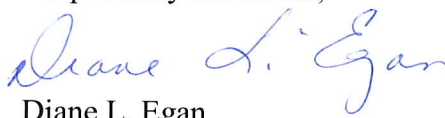
VII. Other Business

There were no other topics for discussion.

VIII. Next Meeting

The next meeting of the Board is being held on January 9, 2018, via conference call.

Respectfully submitted,



Diane L. Egan

Corp. Secretary & Secretary to the Board