

DRAFT**NYISO Management Committee Meeting Minutes****October 27, 2021****10:00 a.m. – 11:30 a.m.****1. Introductions, Meeting Objectives, and Chairman's Report**

The chair of the Management Committee (MC), Mr. Chris Wentlent (NYMPA), 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 Meeting Minutes – September 29, 2021

The draft meeting minutes from September 29, 2021 were presented for approval.

Motion #1:

Motion to approve the draft September 29, 2021 Management Committee meeting minutes.

The motion passed unanimously.

3. NYISO CEO-COO Report

Mr. Rich Dewey (NYISO) reminded members that the Customer Satisfaction survey was out in the field; he encouraged all to respond as the feedback is vitally important to NYISO.

Mr. Dewey also reminded members that the Sector confirmation letters are due on November 30. Questions on the confirmation letters can be directed to Kirk Dixon at kdixon@nyiso.com.

Mr. Rich Dewey provided an update on NYISO's return to office plans. On November 1, NYISO employees will return to office under a hybrid work model, followed by in-person meetings for stakeholders starting on November 17. The NYISO will continue to provide remote options for all meetings. Mr. Dewey noted that specific protocols and guidance will be put in place, such as demonstrating proof of vaccinations, and will be circulated to stakeholders in advance of November 17. Mr. Dewey stated he was looking forward to seeing everyone.

Mr. Robb Pike (NYISO) provided the Market Operations Highlights and Operations Report (presentation included with meeting material).

NYISO Draft 2022 Budget Overview

Mr. Alan Ackerman (CES/BPWG Chair) provided an overview (presentation included with meeting material).

Mr. Kevin Lang (CNY) noted his appreciation to NYISO on maintaining a relatively flat budget in 2022, during a challenging period.

Mr. Wentlent thanked Mr. Alan Ackerman and NYISO for conducting numerous meetings to work through the details of the budget and being extremely sensitive to the economic conditions being faced during COVID.

Mr. Dewey noted his appreciation to Mr. Ackerman and stakeholder for their strong involvement in turning the yearly budget into a fully collaborative process.

Motion #2

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2022 budget year as described in the presentation materials for the October 27, 2021 Management Committee meeting, subject to the following provisions:

Revenue Requirement – The Revenue Requirement is \$169.2 million.

Rate Schedule #1 – The budgeted Rate Schedule #1 is \$1.128/MWh.

Spending Under-runs – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

Volume Over-collections – If an over-collection on Rate Schedule #1 occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

The motion passed unanimously.

4. Co-Located Storage Resource (CSR) Tariff Updates

Mr. Zachary Stines (NYISO) provided an update (presentation included with meeting material). There were no questions or comments.

Motion #3

The Management Committee (“MC”) hereby recommends that the Management Committee approve revisions to the Market Administration and Control Area Services Tariff and to the definition of CSR Scheduling Limits in the Open Access Transmission Tariff as more fully described in the presentation titled “CSR Tariff Updates” made to the MC on October 27, 2021.

The motion passed unanimously.

5. Constraint Specific Transmission Shortage Pricing: Market Design Proposal

Ms. Kanchan Upadhyay (NYISO) provided an update (presentation included with meeting material).

In response to a question from Mr. Howard Fromer (Bayonne Energy Center) on the where and when the NYISO will be setting the CRM value for current zero CRM value facilities, Ms. Upadhyay said the number will be indicated in the CRM posting on the website after the project is implemented.

Motion #4

The Management Committee (“MC”) hereby: (i) approves revisions to the Market Administration and Control Area Services Tariff, as more fully described in the presentation titled “Constraint Specific Transmission Shortage Pricing: Market Design Proposal” made to the MC on October 27, 2021; and (ii) recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed unanimously.

6. New Business

Mr. Mark Younger (Hudson Energy Economics) noted that the Analysis Group (AG) is in the process of performing an evaluation for the BSM reform to determine whether the markets will continue to function, and while the results are not final, it’s clear that if the two tier 4 projects end up coming into service that for the markets to remain competitive will require thousands of MWs of steam units in NYC and the lower HV to shut down, with nothing taking their place other than the lines transporting the renewables that are coming in. Mr. Younger asked for assurance that if the lines come in, the NYISO will facilitate an efficient and appropriate exit of these units. The assumption by AG that all these units can go away is critical to the market being competitive, and in order for the markets to be competitive, these units would need to be able to retire.

Mr. Dewey thanked Mr. Younger for raising this topic and stated that the NYISO is committed to and will take all deliberate and meaningful steps to ensure reliability, consistent with its core mission, and to maintaining the efficacy of the market signals. The NYISO believes markets are a very useful powerful and necessary tool to attract and retain the resources need to maintain reliability and cost effectiveness for consumers, and will continue to take steps to make sure we have well-functioning markets.

Mr. Younger said his concern is that if these lines are coming into fruition that if we follow our normal process of a unit identifying that its uneconomic and wants to leave and the NYISO determines the unit can't leave because of a reliability need, that this slow dance that would happen under NYISO's existing rules would effectively result in the NYISO markets not being competitive for a least a period of time. He said that the NYISO needs to be looking at other ways to facilitate this exit, such as a solution similar to the reliability study that the NYISO performed in the face of the peaker rule, so people know ahead whether certain units would likely be able to exit or not.

In response to a question from Mr. Fromer on the NYISO's level of involvement in the review of the critical analysis being conducted by NYSERDA staff for the climate action council regarding the CLCPA goals, Mr. Dewey said the NYISO has had good communication and has been very open and transparent with NYSERDA on a regular basis and will continue to offer to be helpful even if NYISO does not have a formalized role. The NYISO will be reviewing the study when it is ultimately presented to the Climate action council, and to the extent we need to make adjustments or provide feedback we absolutely will do so.

Ms. Emilie Nelson (NYISO) added that there is a statutory obligation for the agencies to produce a draft scoping plan, and there is a year before the final plan should be put forth. Within that period of time, Ms. Nelson expects the NYISO and stakeholders will have an opportunity to provide their insights on what is necessary to reliably achieve the mandates that are set forth. There should be an opportunity for us all to review the analysis and offer suggestions on how we can be successful, so we look forward to that opportunity. Mr. Wentlent said we are getting to an important point where stakeholders will have the opportunity to engage over the course of the rest of this year and next year when different public hearings will be held. He encouraged all to pay attention to the process and determine if involvement makes sense for you and your company.

The meeting adjourned at 10:40.