

DRAFT

NYISO Management Committee Meeting Minutes

February 23, 2022

10:00 a.m. – 11:15 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 – January 26, 2022

The draft meeting minutes from January 26, 2022 were presented for approval.

Motion #1:

Motion to approve the draft January 26, 2022 Management Committee meeting minutes.

The motion passed unanimously.

3. NYISO CEO-COO Report

Mr. Rich Dewey (NYISO) stated that the upcoming April sector meetings will be held in person, but remote participation will also be available. He asked that each of the sectors submit their topics to Mr. Kirk Dixon (NYISO) by February 28.

Mr. Dewey reported that in person meetings will resume the second week in March, in light of the low COVID infection rates. He added that for those stakeholders who prefer to meet remotely, Webex will be available. Visitors must demonstrate proof of vaccination.

Mr. Dewey also reported that Mr. Wes Yeomans (NYISO VP Operations) has announced his intentions to retire in May. Mr. Dewey said he is happy to report the Board has selected Mr. Aaron Markham (NYISO) to assume the role of VP Operations. Mr. Dewey congratulated Mr. Yeomans and Mr. Markham.

Mr. Yeomans provided the Market Performance Highlights and Operations update. Mr. Yeomans pointed out additional charts “Net Wind and Solar Performance - Total Monthly Production and Capacity Factors” and “Net Wind and Solar Performance - Total Daily Production and Capacity Factors,” added at the request of stakeholders. Mr. Mark Younger thanked the NYISO for putting the chart together and congratulated Mr. Yeomans on his retirement.

4. Disposition of Funds Remaining from 2021 Budget Cycle

Ms. Cheryl Hussey (NYISO) provided an update (presentation included with meeting material). Ms. Hussey reported that the NYISO over-collected \$7.9 million on 2021 Rate Schedule 1 revenues and underspent the budget by \$2.8 million. The NYISO is recommending retaining \$5.0M to implement employee salary actions in response to on-going employee retention and recruitment challenges in this highly competitive labor market. This includes immediate 3% salary adjustment for all current employees, further targeted salary adjustment and retention incentives, and funds to respond to potential issues identified during the comprehensive salary benchmarking process planned for Q2 2022. Ms. Hussey noted the importance of NYISO responding to the market in order to be competitive with top talent and retain current employees. Any remaining funds from the 2021 budget cycle will be used to pay down the principal amount of outstanding debt in 2022. Ms. Hussey pointed out that this recommendation has been revised from the

one originally proposed at the February 9 Budget and Priorities Working Group (BPWG) meeting in response to feedback from stakeholders and subsequent discussion with the Board of Directors.

Mr. Kevin Lang (City of NY) provided the following statement.

The City of NY and Multiple Intervenors have pushed very hard for years about using any leftover money to pay down debt and it should not be considered any kind of slush fund or discretionary income and we very much appreciate that the NYISO has adhered to that year in and year out. We think we are in very different times right now, and the situation that Ms. Hussey describes is not unique to the NYISO and is probably affecting a lot of market participants. There are a lot of things the NYISO needs to do which will benefit all sectors. We have all experienced delays and slowdowns in projects that many times were due to resource issues and Ms. Hussey was very forthcoming with the BPWG about the issues the NYISO is facing and we are very sympathetic and sensitive to those issues.

Given these extraordinary circumstances coming out of COVID and the pressures that are there we think this is an appropriate use of these monies. We don't see this setting a precedent for the future and certainly wouldn't want it to, but we already have the 2022 budget in place and don't want to see that changing so to use these funds to provide the relief – this will be an increase in the 2023 budget because this will have to be folded into that budget going forward - but if we want to see the NYISO remain functional, we need to make sure we are retaining the existing employees and bringing on new employees as needed. We think this is the right step, but I defer to Cheryl on whether 5 million is actually enough. The comment we made at the BPWG is we don't want to be penny wise and pound foolish here; we have money to deal with right now and if it takes more to preserve the employees we should be doing that and making the right decision for both the long term and short term. Ms. Hussey and the Board have really thought through this and it's appreciated.

Mr. Howard Fromer (Bayonne Energy Center) stated that the magnitude of 2021 employee departures was rather startling. He asked if the 3% increase was being applied to employees only and not officers. Ms. Hussey said yes.

In response to a question from Mr. Wentlent on if the NYISO has looked into longer term changes or HR related practices that might improve recruitment, Ms. Hussey replied yes, the NYISO is looking at other options in addition to compensation. She explained that obtaining updated benchmarking data will provide important information and help with that process. Mr. Dewey noted that the NYISO is looking at all the different elements, making sure we have the balance of work practices, benefits and salaries that the market is demanding. He stated that if we can make adjustments that make the NYISO a more attractive place to work and still meet all of our objectives and goals, we will certainly look at that. Mr. Dewey explained that, increasingly, it's not always just about the money; it's about the work schedule and degrees of flexibility and options that people have. Mr. Dewey stated that the NYISO is paying very careful close attention to what other companies are offering and trying to make sure that it remains competitive.

Ms. Hussey noted that there was a change in the preliminary spending underrun which is now \$2.8 million rather than \$3.3 million. Ms. Hussey's presentation has been updated and reposted with this change incorporated. This is the revision that is identified in Motion #2.

Ms. Hussey noted that updates will be provided to the BPWG.

Motion #2

The Management Committee hereby recommends that the Board of Directors approve the disposition of funds from the 2021 budget cycle as described in the presentation materials for the February 23, 2022 Management Committee meeting as revised.

The motion passed unanimously.

5. Customer Satisfaction and Assessment of Performance

Dr. Don Levy (Siena) provided the annual review (presentation including with meeting material). He noted that the satisfaction score at 91.1% continues to be impressive, and the assessment of performance of 77% is just below a score of “very good”; with a combined score of 85.5%. Dr. Levy noted that this was the second highest satisfaction and assessment of performance score since new platform began in 2016. Dr. Levy provided details on the assessment of satisfaction by survey channel, and sector – and assessment of performance by sector. Key areas of improvement included: professionalism of NYISO’s personnel, fair handling of all interactions, timeliness in communicating key market issues, reliably operating New York’s bulk electricity grid and administering open and competitive markets. Areas of decline from last year included: explanation of policies and procedures, considerations of individuals’ input, transparent operations, conducting comprehensive long-term planning and advancing technology. Dr. Levy noted that opportunity exists to explain the importance of surveys in order to increase response rate and outreach.

Mr. Wentlent thanked Dr. Levy for an informative update.

6. External Affairs & Corporate Communications Outreach and Engagement - External Affairs

Mr. Kevin Lanahan (NYISO) provided the Q1 update on the outreach and engagement efforts, which included legislative outreach, media engagement and corporate communications (presentation included with meeting material). Communications and outreach efforts in November 2021 included:

- **The Pollution Justice Act of 2021**, the S.4378/A.6251 legislative bill would require peaker plants to be replaced by renewable resources and/or storage facilities within five years of the renewal of a facilities operating permit or their retirement by the end of 2025. Mr. Lanahan explained that the NYISO’s memo explaining “Potential Impacts on Electric System Reliability” contributed to good discussions in both the assembly and senate.
- **The Clean Futures Act**, the S.5939A/A.6761 legislative bill which prohibits the development of any new major electric generating facilities that would be powered in whole or in part by any fossil fuel with exceptions for the existence of a reliability need. Mr. Lanahan described discussions he had with Senate staff on the bill pertaining to amendments drafted by the NYISO.
- **CRP Briefings** at the request of lawmakers state agencies and other interested parties, including NYS Senator, Kevin Parker, Chair of the Energy & Telecommunications Committee; NYS Senate Counsel, Assemblyman Mike Cusick, Chair of the Assembly Energy Committee; PSC, NYSERDA, DEC, Governor’s office of Energy & Environment, Office of Sen. Charles Schumer, Real Estate Board of New York (REBNY), and New York League of Conservation Voters (NYLCV) Board.

Mr. Lanahan highlighted the media coverage on the NYISO’s Comprehensive Reliability Plan (CRP), which was well received. Mr. Lanahan noted that the NYISO’s efforts ensured the CRP is getting proper attention in the press, and by lawmakers and policy makers. The State Senate Energy Committee Chairman, Kevin Parker, has invited Mr. Dewey to address the committee at an upcoming meeting and go over the CRP findings in detail.

Mr. Lanahan reported on the new NYISO State of the Grid video series, and the recent visit by the U.S. Secretary of Energy Jennifer Granholm and Congressman Paul Tonko.

Mr. Lanahan thanked the Communications and External Affairs Team for their work, and said his next update would be in Q2.

Mr. Wentlent thanked Mr. Lanahan for keeping stakeholders up to date on the NYISO’s efforts.

7. New Business

There was no new business. The meeting adjourned at 11:30 a.m.