
NYISO Business Issues Committee Meeting Minutes
May 19, 2022
10:00 a.m. – 11:30 a.m.

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

Mr. John Marczewski (East Coast Power) 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 March 16, 2022 and April 11, 2022 Meeting Minutes

There were no questions or comments regarding the draft minutes from the March 16, 2022 and April 11, 2022 BIC meetings included as part of the meeting material.

Motion #1:

Motion to approve the March 16, 2022 and April 11, 2022 Meeting Minutes.

Motion passed unanimously.

3. Market Operations Report

Mr. Rana Mukerji (NYISO) reviewed the market operations report included with the meeting material. There were no questions or comments.

4. Comprehensive Mitigation Review Order Discussion

Mr. Mike DeSocio (NYISO) reviewed the presentation included with the meeting material.

Mr. Adam Evans (NYDPS) asked for clarification regarding whether Tier 4 projects are automatically considered to be Excluded Facilities or whether such projects are subject to the requirement to submit a self-certification to demonstrate eligibility to qualify as an Excluded Facility. Mr. DeSocio (NYISO) stated that Tier 4 eligible resources would be required to submit a self-certification to demonstrate that they qualify as an Excluded Facility.

Mr. Kevin Lang (Couch White) and Mr. Howard Fromer (Bayonne Energy Center) asked whether the NYISO plans to contact all Class Year 2021 projects to inform them of this rule change and the deadline for submitting, if applicable, a self-certification to request qualification as an Excluded Facility. Mr. Shaun Johnson (NYISO) stated that the NYISO has contacted Class Year 2021 projects to inform them on this rule change and the deadline for submitting, if applicable, a self-certification to request qualification as an Excluded Facility.

Mr. Mark Younger (Hudson Energy Economics) asked for information regarding the MW quantity of Special Case Resources (SCRs) and other resources previously subject to an offer floor that will no longer be subjected to an offer floor as a result of FERC accepting the comprehensive mitigation review proposal. Mr. Johnson stated that the total MW quantity of affected SCRs is less than 10 MW and MW quantity of other resources affected by this change is less than 100 MW. Mr. Younger asked whether the NYISO plans to publicly post a list of the resources previously subject to an offer floor that are no longer subject to an offer floor as a result of implementing these rule changes. Mr. Johnson stated that the NYISO does plan to provide a posting that identifies the resources no longer subject to an offer floor as a result of the FERC-accepted tariff changes.

Mr. Scott Leuthauser (HQUS) sought confirmation that Tier 4 eligible projects would be required to file a self-certification to demonstrate qualification as an Excluded Facility. Mr. Johnson stated that there is one Tier 4 project in Class Year 2021 and that this project would be required to submit a self-certification in order to pursue qualification as an Excluded Facility.

Mr. Matt Cinadr (E Cubed Company) asked about timing for the NYISO to provide an update to the MW quantity of incremental duration limited resources participating in the capacity market that is considered in determining the duration adjustment factor values applicable to duration limited resources prior to the implementation of the new capacity accreditation factor methodology. Mr. DeSocio stated that the NYISO currently anticipates that a report with the updated quantity of incremental duration limited resources will be provided in July 2022. Mr. DeSocio further noted that the current duration adjustment factor paradigm applicable to duration limited resources will remain in effect through the 2023/2024 Capability Year before being superseded by the new capacity accreditation factor methodology beginning with the 2024/2025 Capability Year.

Mr. John Cordi (NYPA) asked for further information regarding the assumptions that NYISO plans to utilize as part of the Phase 2 capacity accreditation project efforts in conducting sensitivity analyses to assess the potential impacts of possible future system conditions on capacity accreditation factor values. Mr. Cordi also recommended that the NYISO consider leveraging information from the ongoing 2021-2040 System & Resource Outlook study for developing the assumptions about future system conditions. Mr. DeSocio stated that the NYISO has not finalized any assumptions regarding future system conditions to be used in conducting such sensitivity analyses. Mr. DeSocio noted that this will be further discussed in future ICAPWG meetings as part of the ongoing discussions related to Phase 2 of the improving capacity accreditation initiative.

Ms. Doreen Saia (Greenberg Traurig) supported the recommendation to leverage information being developed as part of the 2021-2040 System & Resource Outlook study for developing assumptions about potential future system conditions to be assessed as part of the Phase 2 efforts for the capacity accreditation project.

Mr. Evans asked whether impacts to resource availability resulting from the implementation of the comprehensive mitigation review proposal have been determined for purposes of consideration in the ongoing project prioritization process for 2023. Mr. DeSocio stated that the NYISO plans to assess potential implications of implementing the comprehensive mitigation review proposal as it relates to internal resource availability to support 2023 project efforts.

5. Ancillary Services Manual Updates for Demand Side Ancillary Services Program

Mr. Mitchell Braun (NYISO) reviewed the presentation included with the meeting material.

Mr. Cinadr asked for information regarding the MW quantity of resources enrolled in the Demand Side Ancillary Services Program (DSASP) using direct communications with the NYISO for each Load Zone. Mr. Braun noted that he did not have ready access to this information and would need to further review whether such granular information could be provided without giving rise to concerns regarding the potential disclosure of confidential information due to the limited number of resources currently participating in the DSASP.

Mr. Fromer asked whether the NYISO contemplates that the applicable Transmission Owners will implement a single, uniform method of communicating with DSASP resources utilizing direct communication with the NYISO during periods of interim control operations. Mr. Braun noted that the development of such alternative communications methods during periods of interim control operations is ongoing by the Transmission Owners and has not been finalized at this time.

Mr. Fromer asked for clarification regarding the time period for which resources will continue to be eligible to enroll in the DSASP. Mr. Braun stated that enrollment of new resources into the DSASP will remain open until the implementation of the distributed energy resource (DER) participation model. Mr. Braun further noted that once the DER participation model is implemented, the NYISO will then begin a process to transition current DSASP resources that desire to continue participating in the wholesale market to the DER participation model.

Mr. Fromer asked for confirmation that the primary driver for this proposal is delays that resources have experienced in establishing communications through the applicable Transmission Owner to facilitate participation in the DSASP without use of direct communications with the NYISO. Mr. Braun stated that resources have indicated to the NYISO that they have experienced delays in being able to establish communications through the Transmission Owners to facilitate participation in the wholesale markets. Mr. Braun further indicated that, to date, all resources enrolled in the DSASP

have opted to establish direct communications with the NYISO. Mr. Braun also noted that the NYISO is engaged in ongoing discussions with the Transmission Owners regarding the process and procedures for establishing communications through the Transmission Owners to facilitate the participation of distributed and demand-side resources in the wholesale markets.

Mr. Peter Dotson-Westphalen (CPower) noted appreciation for the NYISO's effort to develop the proposal to help facilitate continued participation of resources in the DSASP until the transition of resources to the DER participation model becomes available.

Motion #2:

The Business Issues Committee (BIC) hereby approves revisions to the Ancillary Services Manual as described in the presentation made to the BIC during the May 19, 2022, BIC meeting.

Motion passed unanimously.

6. Installed Capacity Manual Updates for DMNC/DMGC Test Data Submittal Deadlines

Mr. Dylan Zhang (NYISO) reviewed the presentation included with the meeting material.

Mr. Cinadr asked for clarification regarding whether the proposal includes any changes to the timelines for reporting SCR performance data. Mr. Zhang stated that the proposal does not include any changes to the deadlines for submitting SCR performance data.

Motion #3:

The Business Issues Committee ("BIC") hereby approves revisions to the Installed Capacity Manual as more fully described in the presentation "DMNC Tests – Submittal Deadline Update" made to the BIC on May 19, 2022.

Motion passed unanimously.

7. Working Group Updates

- Billing and Accounting and Credit Working Group: The group has not met since the last BIC meeting.
- Electric System Planning Working Group: The group has met twice since the last BIC meeting. On April 26, 2022, the group met and reviewed: (1) preliminary modeling assumptions and potential scenarios related to the 2022 Reliability Needs Assessment; (2) the results of the short-term assessment of reliability study for Q1 2022; (3) key study assumptions for the short-term assessment of reliability study for Q2 2022; and (4) an update regarding the ongoing 2021-2040 System & Resource Outlook study. The group also met on May 5, 2022 and discussed potential changes to certain assumptions/methodologies utilized in conducting reliability planning analyses.
- Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG four times since the last BIC meeting. On April 19, 2022, the group met and discussed: (1) an overview of preliminary results from an assessment requested by the NYSRC Installed Capacity Subcommittee to evaluate the potential installed reserve margin and locational capacity requirement impacts related to the implementation of the transmission upgrades developed for the AC Transmission Public Policy Transmission Need and generator retirements anticipated in response to the NYSDEC's "peaker rule;" (2) a proposal to revise the deadlines for submitting Dependable Maximum Net Capability (DMNC) and Dependable Maximum Gross Capability (DMGC) test results; and (3) topics related to Phase 2 of the improving capacity accreditation initiative, including considerations related to resource specific derating factors. The group met on April 28, 2022 and reviewed: (1) topics related to Phase 2 of the improving capacity accreditation initiative, including preliminary identification of capacity accreditation resource classes; (2) a presentation by GE Energy Consulting regarding the considerations for conducting effective load carrying capability (ELCC) modeling for purposes of determining the marginal reliability value of capacity resources; and (3) proposed changes to the current rules governing the expiration and transfer of Capacity Resource Interconnection Service. On May 3, 2022, the group met and reviewed potential modeling assumptions for conducting the 2022 study to assess certain matters related to the ongoing transition of New

York's electric grid and certain preliminary results from the study. The group also met on May 11, 2022 and reviewed an update regarding the proposal to develop market participation rules for hybrid storage resources.

- Load Forecasting Task Force: The group met on April 21, 2022 and reviewed load forecast uncertainty modeling assumptions to be used for the 2022 Reliability Needs Assessment and the installed reserve margin study for the 2023/2024 Capability Year.
- Market Issues Working Group: The group has met jointly with ICAPWG and PRLWG four times since the last BIC meeting. The group met on April 19, 2022 and reviewed considerations related to energy market participation of internal controllable transmission facilities. On April 28, 2022, the group met and reviewed proposed changes to the current limit on the quantity of resources utilizing direct communications with the NYISO that can be enrolled in the Demand Side Ancillary Services Program (DSASP). The group met on May 3, 2022 and reviewed: (1) potential enhancements to the current transmission constraint pricing logic to address the pricing of multiple transmission constraints on the same transmission facility; (2) survey results related to the upcoming Autumn 2022 Centralized TCC Auction; and (3) potential modeling assumptions for conducting the 2022 study to assess certain matters related to the ongoing transition of New York's electric grid and certain preliminary results from the study. On May 11, 2022, the group met and reviewed: (1) an update regarding the proposal to develop market participation rules for hybrid storage resources; (2) topics related to the implementation of the DER participation model; and (3) an update regarding the Dynamic Reserves project, including considerations for assessing contingencies related to the potential simultaneous loss of weather-dependent, intermittent generation.
- Price Responsive Load Working Group: The group has met jointly with ICAPWG and MIWG four times since the last BIC meeting (i.e., April 19, 2022, April 28, 2022, May 3, 2022 and May 11, 2022). 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.

8. New Business

There was no new business.

Meeting adjourned at 11:30 a.m.