
NYISO Business Issues Committee Meeting Minutes
June 22, 2022
10:00 a.m. – 10:55 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 May 19, 2022 Meeting Minutes

There were no questions or comments regarding the draft minutes from the May 19, 2022 BIC meeting included as part of the meeting material.

Motion #1:

Motion to approve the May 19, 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. Transmission Constraint Pricing Enhancements: Multiple Active Transmission Constraint Pricing

Ms. Kanchan Upadhyay (NYISO) reviewed the presentation included with the meeting material.

Mr. Howard Fromer (Bayonne Energy Center) asked what would happen if the proposed transmission constraint pricing enhancements were not prioritized for implementation in 2023. Ms. Upadhyay stated that if the project were not prioritized for implementation in 2023, it would need to be considered in future project prioritization processes to determine a revised implementation timeline.

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve changes to Section 17.1.4 of Attachment B to the Market Administration and Control Area Services Tariff, as more fully described in the presentation titled "Constraint Specific Transmission Shortage Pricing: Pricing Proposal for 'Multiple Active Transmission Constraints'" made to the BIC on June 22, 2022.

Motion passed unanimously.

5. Critical Electric System Infrastructure Load

Mr. Francesco Biancardi (NYISO) reviewed the presentation included with the meeting material.

Ms. Julia Popova (NRG) asked whether subsequent manual revisions are anticipated if the proposed tariff revisions are approved by stakeholders. Mr. Biancardi stated that if the proposal is approved by stakeholders, the NYISO does envision that subsequent manual revisions would be developed and discussed with stakeholders.

Mr. Aaron Breidenbaugh (Centrica Business Solutions) asked for clarification regarding the proposed revisions to the definition of "Demand Reduction" to exclude eligibility for Critical Electric System Infrastructure Load and recommended the NYISO further consider the use of the terms "bid" and "purchased" in such definition. Mr. Biancardi stated that the proposed revisions are intended to clarify that load reductions from Critical Electric System Infrastructure Load are not eligible for participation in the NYISO-administered demand response programs. Mr. Greg Campbell (NYISO) clarified that the term "bid" as used within the NYISO tariffs includes offers to sell services and/or products. Mr. Campbell also

stated that the NYISO would further consider the use of the term "purchased" in the definition of "Demand Reduction" and if further revisions to such definition are warranted, any such further revisions would be included as part of the tariff revisions presented for approval at the Management Committee.

Motion #3:

The Business Issues Committee ("BIC") hereby approves the revisions to the Market Services Tariff and Open Access Transmission Tariff regarding Critical Electric System Infrastructure Load ("CESIL") as described in the presentation made to and discussed at the BIC on June 22, 2022.

Motion passed unanimously

6. Methodology for Allocating Bad Debt Losses and Payment Defaults

Mr. Bruce Bleiweis (DC Energy) reviewed the presentation included with the meeting material.

Mr. Fromer asked whether the NYISO supports or has any concerns with DC Energy's proposal. Ms. Sheri Prevratil (NYISO) stated that the NYISO has reviewed DC Energy's proposal and did not identify any specific concerns relating to the proposal or the NYISO's ability to administer the proposed change. Ms. Prevratil further stated that the NYISO staff would defer to the decision of its stakeholders as it relates to whether to adopt DC Energy's proposed change to the current methodology for allocating bad debt losses and payment defaults.

Mr. Fromer asked whether the proposed use of a three-month look back period is appropriate compared to use of a different look back period. Mr. Bleiweis stated that DC Energy would not oppose the use of the longer look back period if preferred by stakeholders but believes that a three-month look back period serves as a reasonable period of time for determining a market participant's average level of market activity.

Mr. Chris Wentlent (MEUA) asked for information regarding the methodologies that are utilized in other ISO/RTO markets for allocating bad debt losses and payment defaults. Mr. Bleiweis stated that PJM currently uses a three-month look back period, and noted that the DC Energy is proposing a similar change in MISO to implement use of a three-month look back period.

Motion #4:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to Attachment U of the Open Access Transmission Tariff as described in the presentation entitled "Payment Default and Bad Debt Loss Allocation Methodology" given by DC Energy at the June 22, 2022 BIC meeting.

Motion passed unanimously.

7. Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on May 27, 2022 and reviewed: (1) the standard accounting/settlement reports; (2) an update regarding enhancements to meter data reporting procedures currently anticipated to be implemented in Q4 2022; (3) proposed revisions to the current credit requirements for virtual and external transactions; and (4) a presentation by DC Energy regarding its proposal for revising the current methodology for allocating payment defaults and bad debt losses.
- Electric System Planning Working Group: The group has met four times since the last BIC meeting. On May 23, 2022, the group met and reviewed: (1) an update regarding the ongoing 2021-2040 System & Resource Outlook study; (2) an overview of proposed updates to system topology assumptions to be included as part of the installed reserve margin study for the 2023/2024 Capability Year; (3) an update regarding key study assumptions for the short-term assessment of reliability study for Q2 2022; (4) modeling assumptions and potential scenarios related to the 2022 Reliability Needs Assessment; (5) proposed enhancements to certain assumptions/methodologies utilized in conducting reliability planning analyses; and (6) proposed revisions to the Reliability Planning Process Manual. The group met on June 2, 2022 and reviewed an update regarding the ongoing 2021-2040 System & Resource Outlook study. On June 8, 2022, the group met and reviewed: (1) the determinations regarding the characterization of facilities as new facilities or upgrades in connection with the

proposals submitted in response to the Public Policy Transmission Need related to facilitating the delivery of power from offshore wind facilities; and (2) an update regarding the ongoing 2021-2040 System & Resource Outlook study. The group also met on June 21, 2022 and reviewed: (1) an overview of the Notice of Proposed Rulemaking issued by FERC on April 21, 2022 addressing certain proposed enhancements to current transmission planning practices; and (2) an initial draft of certain portions of the 2021-2040 System & Resource Outlook study report.

- Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG four times since the last BIC meeting. The group met on May 24, 2022 and reviewed: (1) a presentation by GE Energy Consulting regarding its preliminary results for comparing the use of an effective load carrying capability (ELCC) technique or a marginal reliability improvement (MRI) technique for purposes of determining the marginal reliability value of capacity resources; (2) topics related to Phase 2 of the improving capacity accreditation initiative, including capacity accreditation resource classes, capacity accreditation factors, and resource specific derating factors; (3) an overview of the NYISO's compliance filing in response to FERC's May 10, 2022 order accepting the comprehensive mitigation review proposal; (4) a proposal to address the participation of critical electric system infrastructure load in NYISO-administered demand response programs; and (5) a presentation by the Market Monitoring Unit regarding its 2021 State of the Market report. On May 26, 2022, the group met and reviewed a presentation by the Market Monitoring Unit regarding its 2021 State of the Market report. The group met on June 7, 2022 and reviewed: (1) a presentation by OhmConnect regarding its small customer aggregation proposal for participation in the Special Case Resource program; (2) a proposal to address the participation of critical electric system infrastructure load in NYISO-administered demand response programs; and (3) considerations related to capacity market participation of internal controllable transmission facilities. The group also met on June 16, 2022 and reviewed: (1) topics related to Phase 2 of the improving capacity accreditation initiative, including capacity accreditation factors, resource specific derating factors, and considerations related to sensitivity analysis for future system conditions; (2) proposed changes to the current rules governing the expiration and transfer of Capacity Resource Interconnection Service; (3) a presentation by the Market Monitoring Unit regarding its quarterly market assessment for Q1 2022; and (4) an update regarding the NYISO's ongoing fuel and energy security monitoring efforts.
- Load Forecasting Task Force: The group has met twice since the last BIC meeting. On May 26, 2022, the group met and reviewed: (1) load shape projections for use in developing the long-term energy and peak load forecasts; (2) an update regarding the ongoing study for assessing load forecast uncertainty assumptions to be used in developing energy and peak load forecasts; and (3) an overview of various forecasting tools for use in developing hourly end-use load forecasts. On June 17, 2022, the group held its annual Spring Economic Conference reviewing national and New York economic outlook reports by Moody's Analytics. At the June 17, 2022 meeting, the group also reviewed an overview of various forecasting tools for use in developing hourly end-use load forecasts.
- Market Issues Working Group: The group has met jointly with ICAPWG and PRLWG four times since the last BIC meeting. On May 24, 2022, the group met and reviewed: (1) proposed enhancements to the current transmission constraint pricing logic to address the pricing of redundant constraints on in-series and parallel line segments, as well as multiple constraints on the same facility; (2) a proposal to address the participation of critical electric system infrastructure load in NYISO-administered demand response programs; and (3) a presentation by the Market Monitoring Unit regarding its 2021 State of the Market report. The group met on May 26, 2022 and reviewed a presentation by the Market Monitoring Unit regarding its 2021 State of the Market report. On June 7, 2022, the group met and reviewed: (1) topics related to the implementation of the distributed energy resource (DER) participation model, including the provision of Ancillary Services by DER aggregations; (2) a proposal to address the participation of critical electric system infrastructure load in NYISO-administered demand response programs; and (3) considerations related to energy market participation of internal controllable transmission facilities. The group also met on June 16, 2022 and reviewed: (1) an overview of the NYISO's compliance plan in response to FERC Order No. 881 relating to the use of ambient-adjusted ratings for transmission facilities; (2) a presentation by the Market Monitoring Unit regarding its quarterly market assessment for Q1 2022; (3) an update regarding the Dynamic Reserves project, including potential enhancements to the posting of reserve requirements and reserve clearing prices, considerations related to the modeling of the Long Island reserve region, and the modeling of dynamic reserves during real-time

thunderstorm alert events; and (4) an update regarding the NYISO's ongoing fuel and energy security monitoring efforts.

- Price Responsive Load Working Group: The group has met jointly with ICAPWG and MIWG four times since the last BIC meeting (i.e., May 24, 2022, May 26, 2022, June 7, 2022 and June 16, 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 10:55 a.m.