

DRAFT**NYISO Management Committee Meeting Minutes
December 21, 2022
10:00 a.m. – 11:30 a.m.**

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

The chair of the Management Committee (MC), Ms. Julia Popova (NRG Power Marketing), called the meeting to order at 10:00 a.m. by welcoming the members of the MC. A quorum was determined.

Motion #1

Motion to approve the October 26, 2022 and November 30, 2022 meeting minutes.

Motion passed unanimously.

Mr. Chris Wentlent (NYMPA) provided an update on the Board Selection Sub Committee (BSSC) process stating that candidate interviews were conducted on December 7 and 8. The selection committee had a follow up conference call to review the final interviews. A special MC meeting is scheduled for January 4 at 2 pm.

In response to a question, Mr. Wentlent said there was one Board position to fill.

2. CEO/COO Report

Mr. Rich Dewey (NYISO) noted that the formalized NYISO management response to David Patton's previously issued 'State of the Market' report is posted with the meeting materials. Mr. Dewey stated he expects the next State of the Market report to be released in the next three months. There were no questions or comments.

Mr. Aaron Markham (NYISO) reviewed the COO Report presentation included with the meeting materials. There were no questions or comments.

3. Market Services Tariff Revisions for Capacity Accreditation

Ms. Maddy Mohrman (NYISO) reviewed the presentation included with the meeting materials.

Mr. Jay Goodman (Couch White) provided the following statement for inclusion in the minutes:

Multiple Intervenors opposes, and will vote against, the proposed (Tariff/ICAP Manual) changes. Multiple Intervenors does not oppose capacity accreditation *per se*. We remain concerned, however, with committing to implement it by May 1, 2024 despite knowing that it will not be applied equivalently and accurately to all capacity providers at that time. We perceive the capacity accreditation process as a work in progress, and contend that numerous outstanding issues should be addressed and resolved prior to this vote taking place.

Our concern that it will not be applied equivalently relates, for example, to the likelihood that capacity accreditation initial would treat all thermal units as a single capacity accreditation resource class, or CARC, despite a diversity of operating characteristics among those resources that are expected to result in multiple, and potentially materially-different, CARCs.

Our concern that it will not be applied accurately relates, for example, to anomalous modeling results observed for storage resources when the penetration of renewable resources and batteries exceeds an unknown threshold.

Multiple Intervenors also remains concerned with the ultimate impact on Special Case Resources, which may become increasingly important in terms of maintaining reliability as the state relies more on intermittent resources.

Finally, Multiple Intervenors is concerned with the potential impacts of capacity accreditation on consumers. Although the NYISO's analysis estimated that capacity accreditation would yield cost savings, it is anticipated that a potentially large amount of those avoided capacity procurement payments will be shifted to the indexed REC contracts paid by retail customers. Estimating the retail market impact was beyond the scope of the NYISO's analysis and thus the net customer cost impact is unknown.

Mr. Adam Evans (NYDPS) asked for clarification on whether the discussion and statement made by Mr. Mike DeSocio (NYISO) at the December BIC meeting on the continuing accreditation work and motion was subsequently changed to recognize the commitment and would be recognized at today's MC meeting. Mr. DeSocio stated that the amended BIC motion was for the manual, specific to the modeling concerns. Mr. DeSocio noted that the motion was not modified at the BIC for the tariff changes that are being voted upon at today's MC. Mr. DeSocio also stated the NYISO remains committed to doing that work and acknowledged the need to complete it.

Mr. Howard Fromer (Bayonne Energy Center) asked whether the NYISO intends to comply with the FERC's ninety-day window requirement of provided a status report on capacity accreditation and implementation. Ms. Mohrman stated that the NYISO will look to provide a full comprehensive report in relation to the FERC filing.

Motion #2

The Management Committee ("MC") hereby: (i) approves the revisions to Section 5.12.7 of the NYISO's Market Administration and Control Area Services Tariff, as more fully described in the presentation entitled "Market Services Tariff Revisions related to Capacity Accreditation" made to the MC on December 21, 2022; and (ii) recommends that the NYISO Board of Directors authorize NYISO staff to file such revisions under Section 205 of the Federal Power Act.

Motion passed unanimously with abstentions.

4. Hybrid Aggregated Storage (HSR) Model Market Design Proposal

Ms. Katherine Zoellmer (NYISO) reviewed the presentation included with the meeting materials.

Mr. Andrew Antinori (NYPA) asked for clarification on the intermittent resources cap that permits intermittent resources that are components of a HSR to provide energy, but not operating reserves. Ms. Zoellmer (NYISO) stated the NYISO is implementing a new bidding parameter (the Operating Reserve Limit) to account for that limitation.

Mr. Antinori (NYPA) asked for clarification on logic on the withholding analysis on the operating reserve proposal in regard from a safe harbor perspective and the five megawatt *de minimis* threshold. Mr. Shaun Johnson (NYISO) stated in that in its analysis the NYISO is looking at it from the perspective of the potential impact to the

marketplace. It is unlikely that withholding 5 MW or less of Operating Reserves could impact the market.

Ms. Popova (NRG Power Marketing) asked for clarification on the target date of Q3 of 2023 for this FERC filing and HSR work being discussed today. Mr. Alex Schnell (NYISO) stated that the NYISO has other projects ahead of that work, for example, internal controllable lines need to get done earlier in the year than HSR. In addition, Mr. Schnell noted that HSR will not be implemented until 2025.

Motion #3

The Management Committee (“MC”) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to the Market Services Tariff and Open Access Transmission Tariff as posted for review and as described in the presentation entitled “Hybrid Aggregated Storage Market Design Proposal” made to the MC on December 21, 2022.

Motion passed unanimously.

5. New Business

Mr. Dewey (NYISO) acknowledged and thanked the NYISO internal team and market participants for the hard work on the two projects that were voted on today. For new business Mr. Dewey announced that our newest NYISO Board member, Gizman Abbas was offered and accepted an appointment to the board of Talen Energy. Mr. Dewey noted that the NYISO determined that the appointment did not constitute a conflict of interest. Mr. Dewey added that Talen Energy has no business affiliations or commercial interest in New York, and are no longer a market participant, although they do own assets. Mr. Dewey added however, it is something that we will continue to watch and monitor in case there is a change or conflict in the future.

Matt Cinadr (Northeast Clean Heat & Power Initiative) asked if a briefing from the NYISO on the Climate Action Council’s (CAC’s) finalized scoping plan can be provided for market participants in the future. Ms. Emilie Nelson (NYISO) said the NYISO is looking through the CAC’s scoping plan very carefully and is very interested in working with all stakeholders and state agencies going forward.

Mr. Mark Younger (Hudson Economics) asked if the NYISO in the future could put together a small presentation on the aspects of scoping plan that impacts the NYISO markets. Ms. Nelson acknowledged and agreed that there are many aspects of the scoping plan that have implications for the NYISO’s markets and for reliability. Ms. Nelson added that the NYISO will consider how to use its stakeholder forum to make sure we have line of sight into the evolution that's necessary within the NYISO processes.

The meeting adjourned at 11:30 am.