

NYISO Business Issues Committee Meeting Minutes
November 16, 2022
10:00 a.m. – 11:45 a.m.

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

The chair of the Business Issues Committee (BIC), Mr. John Marczewski (East Coast Power) called the meeting to order at 10:00 a.m. by welcoming the members of the BIC. A quorum was determined.

Mr. Marczewski noted that Mr. John Cordi (NYPA) has provided notice of his intent to resign as BIC Chair for the 2022-2023 term due to work-related obligations that will prevent him from being able to serve as the BIC Chair. As a result, the Vice Chair elected for the 2022-2023 term will replace Mr. Cordi and the NYISO will conduct a subsequent, special election to select a new Vice Chair to fill the open position.

2. Draft October 12, 2022, Meeting Minutes

There were no questions or comments regarding the draft minutes from the October 12, 2022 BIC meeting included as part of the meeting material.

Motion #1:

Motion to approve the minutes from the October 12, 2022, BIC meeting.

Motion passed unanimously.

3. Market Operations Report

Dr. Nicole Bouchez (NYISO) reviewed the Market Operations Report included with the meeting materials. There were no questions or comments.

4. BIC Vice Chair Election for 2022-2023

Scott Leuthauser (HQUS) was elected to serve as the BIC Vice Chair for the 2022-2023 term.

5. Proposed Credit Requirement Enhancements for Virtual and External Transactions

Mr. John Jucha (NYISO) reviewed the presentation included with the meeting material.

Mr. Mark Younger (Hudson Energy Economics) suggested that NYISO consider including a summary of the proposed changes as part of the presentation to Management Committee on this proposal.

Mr. Howard Fromer (Bayonne Energy Center) suggested that the NYISO consider providing further information at the Management Committee to assist with understanding the expected magnitude of the impact the proposed changes would have on the amount of credit security provided to the NYISO.

Motion #2:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled “Virtual and External Transactions – Proposed Changes” made at the November 16, 2022, BIC meeting.

Motion passed unanimously with an abstention.

6. Internal Controllable Lines

Ms. Amanda Myott (NYISO) reviewed the presentation included with the meeting material.

Mr. Fromer asked whether the proposed revisions are intended to apply for the upcoming Class Year 2023 study. Ms. Sara Keegan (NYISO) stated that the intent is to apply the revisions for the upcoming Class Year 2023 study.

Mr. Fromer noted a preference for addressing the proposed tariff revisions for internal controllable lines as a single, comprehensive package but acknowledged the potential implications of the upcoming Class Year 2023 study that could require the need to proceed separately on this set of changes.

Motion #3:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve revisions to the Open Access Transmission Tariff, as more fully described in the presentation entitled “ICL Deliverability and UCDF Tariff Updates” made to the BIC on November 16, 2022.

Motion passed unanimously.

7. Load Forecasting Manual Updates

Mr. Chuck Alonge (NYISO) reviewed the presentation included with the meeting material. There were no questions or comments.

Motion #4:

WHEREAS, the Load Forecasting Task Force (“LFTF”) reviewed, during its October 21, 2022, meeting, revisions to the Load Forecasting Manual regarding the reporting and forecasting of Large Load Facilities within the New York Control Area;

WHEREAS, the Installed Capacity Working Group (“ICAPWG”) reviewed, during its October 27, 2022, meeting, revisions to the Load Forecasting Manual; and

WHEREAS, NYISO staff posted a draft Load Forecasting Manual for review on the NYISO’s website and for discussion and action at the November 16, 2022 Business Issues Committee (“BIC”) meeting;

THEREFORE, the BIC hereby approves the Load Forecasting Manual revisions regarding reporting and forecasting of Large Load Facilities as presented and discussed at the BIC meeting held on November 16, 2022.

Motion passed unanimously.

8. Applying the TO ROFR to Network Upgrade Facility “Upgrades” Proposed Tariff Amendments Under FPA Section 205

Mr. Stu Caplan (Troutman Pepper for the NYTOs) reviewed the presentation included with the meeting material.

Mr. Fromer asked whether the NYISO supports the revisions proposed by the NYTOs. Mr. Brian Hodgdon (NYISO) stated that the proposal overall seeks to align the funding mechanisms for Network Upgrade Facilities associated with Public Policy Transmission Projects with the mechanisms applicable to other facility upgrades associated with such projects. Mr. Hodgdon further indicated that the NYISO staff would defer to the decision of its stakeholders as it relates to whether to adopt the NYTOs’ proposal.

Mr. Fromer asked for clarification regarding why Network Upgrade Facilities were not addressed as part of the revisions previously proposed by the NYISO. Mr. Hodgdon stated that the NYISO’s prior proposal was designed

to support the initial establishment of a process that was otherwise non-existent to address the implementation of the Federal Right of First Refusal for upgrades included as part Public Policy Transmission Projects, while recognizing that the initial proposal may not fully address all potential aspects of addressing the matter and related considerations within the NYISO's planning processes.

Motion #5:

The Business Issues Committee (“BIC”) hereby approves changes to the Open Access Transmission Tariff as more fully described in the presentation titled “[Applying the TO ROFR to Network Upgrade Facility ‘Upgrades,’ Proposed Tariff Amendments Under FPA Section 205]” presented to and discussed with the BIC on November 16, 2022 and recommends that the Management Committee and the NYISO Board of Directors authorize the NYISO staff to file such revisions under Section 205 of the Federal Power Act.

Motion passed unanimously with abstentions.

9. 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 three times since the last BIC meeting. The group met on October 17, 2022 and reviewed: (1) the final report for the Class Year 2021 study; and (2) a presentation by the New York Transmission Owners regarding a proposal to apply a federal right of first refusal to Network Upgrade Facilities identified as part of the Public Policy Transmission Planning Process. On October 24, 2022, the group met and reviewed: (1) key assumptions and considerations to be used in evaluating project proposals submitted in response to the Long Island Offshore Wind Export Public Policy Transmission Need (PPTN); and (2) presentations by LS Power Grid New York, NextEra Energy Transmission New York, and New York Power Authority and New York Transco regarding their respective project proposals submitted in response to the Long Island Offshore Wind Export PPTN. The group also met on October 25, 2022 and reviewed: (1) key study assumptions for the short-term assessment of reliability study for Q4 2022; and (2) a presentation by the New York Transmission Owners regarding a proposal to apply a federal right of first refusal to Network Upgrade Facilities identified as part of the Public Policy Transmission Planning Process.
- Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG six times since the last BIC meeting. On October 19, 2022, the group met and reviewed: (1) topics related to Phase 2 of the improving capacity accreditation initiative, including updated preliminary capacity accreditation factor results, resource specific derating factors, translation factors for various studies, and a draft plan of resource adequacy and capacity market modeling initiatives over the coming five years; (2) results of the consumer impact analysis for Phase 2 of the improving capacity accreditation initiative; and (3) proposed rules for capacity market participation of internal controllable transmission facilities. The group met on October 20, 2022 and reviewed: (1) a presentation by the Market Monitoring Unit regarding its assessment of gas availability for power generation in eastern New York during peak winter periods; and (2) proposed rules for capacity market participation of hybrid storage resources. The group met on October 27, 2022 and reviewed: (1) proposed revisions to the Load Forecasting Manual to address reporting and forecasting for large load facilities; (2) topics related to Phase 2 of the improving capacity accreditation initiative, including the proposed modeling technique for calculating capacity accreditation factors, and proposed ICAP Manual and supplemental tariff revisions; and (3) a presentation by GE Energy Consulting regarding updated preliminary marginal reliability value sensitivity assessments using the preliminary base case from the 2022 installed reserve margin study and 2022 RNA model. On November 3, 2022, the group met and reviewed: (1) proposed rules for capacity market participation of internal controllable transmission facilities; and (2) proposed rules for capacity market participation of hybrid storage resources. The group met on November 8, 2022 and reviewed topics related to Phase 2 of the improving capacity accreditation initiative, including proposed ICAP Manual revisions, and supplemental results for the consumer impact analysis for Phase 2 of the improving capacity accreditation initiative. The group also met on November 14, 2022 and reviewed: (1) results of the

annual update to establish the ICAP Demand Curves for the 2023/2024 Capability Year; (2) the draft report for the 2022 study to assess certain matters related to the ongoing transition of New York's electric grid; (3) preliminary locational capacity requirement values for the 2023/2024 Capability Year; and (4) proposed rules for capacity market participation of hybrid storage resources.

- **Load Forecasting Task Force**: The group has met twice since the last BIC meeting. On October 21, 2022, the group held its annual Fall Economic Conference reviewing national and New York economic outlook reports by Moody's Analytics. At the October 21, 2022 meeting, the group also reviewed: (1) a presentation by Con Edison regarding the long range plan for its steam system; and (2) proposed revisions to the Load Forecasting Manual to address reporting and forecasting for large load facilities. The group also met on November 4, 2022 and reviewed: (1) preliminary 2022 weather normalized peak loads for use in developing the peak load forecast to be used as part of the administration of the capacity market for the 2023/2024 Capability Year; and (2) proposed revisions to the Load Forecasting Manual to support the implementation of the distributed energy resource (DER) participation model.
- **Market Issues Working Group**: The group has met jointly with ICAPWG and PRLWG six times since the last BIC meeting. The group met on October 19, 2022 and reviewed: (1) proposed rules for energy and ancillary services market participation of internal controllable transmission facilities; and (2) an update regarding the Dynamic Reserves project, including a proposal to account for intermittent resource contingencies, interactions with scarcity reserve requirements in real-time during demand response activations, and the interaction of dynamic reserves with future market design initiatives. The group met on October 20, 2022 and reviewed: (1) proposed rules for energy and ancillary services market participation of hybrid storage resources; and (2) the NYISO's planned compliance filing in response to FERC's order addressing the NYISO's proposal for implementing the requirements of Order No. 2222. On October 27, 2022, the group met and reviewed proposed revisions to the Load Forecasting Manual to address reporting and forecasting for large load facilities. The group met on November 3, 2022 and reviewed: (1) the NYISO's planned compliance filing in response to FERC's order addressing the NYISO's proposal for implementing the requirements of Order No. 2222; (2) proposed rules for energy and ancillary services market participation of internal controllable transmission facilities; and (3) proposed rules for energy and ancillary services market participation of hybrid storage resources. On November 8, 2022, the group met and reviewed: (1) an update regarding the Dynamic Reserves project, including considerations to account for differences between forecasted and bid load; (2) proposed supplemental tariff revisions related to the implementation of the DER participation model; (3) considerations regarding the coordination between the NYISO and retail distribution system operators related to the implementation of the DER participation model; and (4) a presentation by the investor-owned utilities regarding data coordination and resource operating considerations related to the implementation of the DER participation model. The group also met on November 14, 2022 and reviewed: (1) the draft report for the 2022 study to assess certain matters related to the ongoing transition of New York's electric grid; and (2) proposed rules for energy and ancillary services market participation of hybrid storage resources.
- **Price Responsive Load Working Group**: The group has met jointly with ICAPWG and MIWG six times since the last BIC meeting (i.e., October 19, 2022, October 20, 2022, October 27, 2022, November 3, 2022, November 8, 2022, and November 14, 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.

New Business

There was no new business.

Meeting adjourned at 11:45 a.m.