

DRAFT**NYISO Management Committee Meeting Minutes****February 22, 2023****10:00 a.m. – 11:30 a.m.**

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

The chair of the Management Committee (MC) Ms. Dana Lazarus (Consolidated Edison), 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 February 22, 2023 meeting minutes.

Motion passed unanimously.

2. CEO/COO Report

Mr. Rich Dewey (NYISO) kicked off his annual State of the Grid remarks by stating that 2023 will be an exciting and challenging year as we work to achieve New York State policies. The NYISO will support the transition of the New York electric system with rigorous studies and expansive communication strategy to ensure policy makers understand the challenges and opportunities. We need to be mindful that it needs to be an orderly transition, where the replacement supply resources must be carefully synchronized with planned retirements and the resultant supply mix must have the right performance attributes. Stakeholder participation in these discussions will be incredibly important. Mr. Dewey added on infrastructure side the NYISO is in final stages of assessing the projects that will meet the Long Island Public Policy Transmission Need (LI PPTN), and is striving to complete that process. He added the NYISO will continue to look long and hard at its interconnection process while maintaining the critical role of reliability. With respect to markets, the NYISO continues to look at developing market rules that will enable the transition of capacity markets away from a regime that required buyer side mitigation. The NYISO will also continue to work on capacity accreditation. Work on the Demand Curve Reset, which is critical to functioning capacity markets, has begun. We will also fine tune the DER rules, launch the DER software and allow DER Aggregations to begin participating in the markets later this year. The NYISO will continue its efforts to develop critical market rules such as Dynamic Reserves and Internal Controllable Lines. Finally, Mr. Dewey stated the NYISO will maintain and continue to recruit outstanding staff to achieve these goals.

Mr. Scott Leuthauser (HQUS) asked how the NYISO will incorporate the 62 Public Policy projects recently approved by the PSC. Mr. Dewey replied the approved projects appear to be compatible with upgrades the NYISO has been calling for on the bulk transmission system. The projects are important upgrades to achieve the CLCPA.

Mr. Chris Wentlent (MEUA) asked about NY's proposed cap and invest program for CO₂, and whether the ISO expects to be involved in that process. Mr. Dewey stated there have been initial conversations with leadership at NYSERDA and DEC. The NYISO offered its full support, analytical capabilities, participation and advice to help make the program successful. The cap and invest rules must continue to prioritize maintaining electric system reliability. The solution that is implemented also must be cognizant of cost.

Mr. Mark Younger (Hudson Energy Economics) stated that if there is an auction that puts a price on carbon, I assume the ISO would find it easy to implement and harmonize with its markets. Mr. Dewey replied it's uncertain what the outcome will look like, but the markets have worked well with the RGGI system, and the NYISO has already developed a proposed software design for incorporating carbon pricing. Mr. Younger added he would like to see the NYISO address leakage. Mr. Wentlent encouraged a working group discussion to

address reliability issues.

Mr. Chris Casey (NRDC) asked whether the NYISO anticipates a cap and invest program would have a substantial impact on entry/exit over the next couple of decades. Mr. Dewey explained it's important to accelerate the entry process and incentivize new projects, the economic drivers should help with that, but New York must be careful not to accelerate the retirement of emitting resources to outpace the entry of needed replacement resources. If retirements outpace the addition of necessary replacements, it will result in reliability concerns.

Mr. Casey also asked for an update NYISO staffing issues. Mr. Dewey explained the vacancy rate has been reduced from about 10% to 5%, which is the NYISO's historic norm. The NYISO has attracted top talent in Planning, IT and engineering.

Mr. Howard Fromer (Bayonne Energy Center) asked if there is a sense that political leaders have an appreciation for the challenge of needing resources that do not currently exist to meet the zero emissions goal by 2040. Mr. Dewey stated he believes they do, and that electric system reliability is always a concern.

Mr. Rick Gonzales (NYISO) reviewed the COO Report. Mr. Mike Mager (Couch White) asked if the NYISO is surprised by the results from tracking day-ahead Capacity that is unavailable in real time. Mr. Gonzales replied he's not surprised, but by tracking resource unavailability the NYISO will be able to make better informed operational decisions and the information will also assist future market design efforts.

Mr. Aaron Markham (NYISO) addressed the February cold weather event. He explained the low temperatures were the coldest experienced since 2016. The peak load was 23,369 MWs or 98% of the winter baseline forecast. From a generation perspective the fleet performed well, the NYISO observed very little gas only generation running on Friday and Saturday. Mr. Markham added a more detailed review will be presented at the March Operating and Management Committees.

3. DER 205 Filing

Mr. Mike DeSocio read the following statement for the minutes:

As part of its 2023 Engaging the Demand Side Project, the NYISO commits to evaluating the ability of small facilities to provide wholesale market services as part of an Aggregation. The NYISO looks forward to collaborating with its stakeholder community to learn about specific use cases for facilities smaller than 10kW and the abilities of Aggregators to efficiently facilitate their wholesale market participation. These discussions will provide both NYISO and its stakeholders with a useful framework to consider how best to accommodate small facilities and, where appropriate, identify modifications to the NYISO's Aggregation rules. The ultimate goal of these efforts is to propose a set of market rules for small facilities that enhance grid reliability and resilience, reduce consumer costs, and lower barriers to entry for small DER.

Mr. DeSocio noted that, as agreed to at the BIC, a version of the above statement will be included with the FERC filing letter.

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

Motion #2:

The Management Committee ("MC") hereby (i) approves the revisions to Sections 2, 4.1, 4.5, 5.12, 7.2, 13, 18, 23.3, and 25 of the NYISO's Market Administration and Control Area Services Tariff, and Sections 2.7 and 24 of the Open Access Transmission Tariff, as more fully described in the presentation "DER 205 Filing" made to the MC on February 22, 2023; 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.

4. New Business

There was no new business.

The meeting adjourned at 11:30 am.