
**NYISO Business Issues Committee Meeting
Minutes
February 15, 2023
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. Scott Leuthauser (HQUS), called the meeting to order at 10:00 a.m. The members of BIC identified themselves and attendance was recorded. A quorum was determined.

2. Draft November 16, 2022 and January 18, 2023 Minutes

There were no questions or comments regarding the draft minutes from the November 16, 2022 and January 18, 2023 BIC meetings included as part of the meeting material.

Motion #1:

Motion to approve the minutes from the November 16, 2022 and January 18, 2023 BIC meetings.

Motion passed unanimously.

3. Market Operations Report

Mr. Rana Mukerji (NYISO) reviewed the Market Operations Report included with the meeting materials.

Mr. Adam Evans (NYDPS) asked for clarification regarding the difference between the monthly LBMP values and the monthly cost values identified in the Market Operations report. Mr. Mukerji and Mr. Mike DeSocio (NYISO) clarified that the monthly LBMP values reflect only the average cost of energy, whereas the monthly cost values reflect an average all-in cost that includes various other cost components such as Rate Schedule 1 charges, uplift, and ancillary services.

4. DER 205 Filing

Mr. Harris Eisenhardt (NYISO) reviewed the presentation included with the meeting materials.

Mr. Mukerji acknowledged that the NYISO has received feedback from various market participants regarding the proposed 10 kW minimum threshold for individual resources participating in a distributed energy resources (DER) aggregation. Mr. Mukerji provided the following statement regarding future efforts to assess the proposed minimum size threshold for individual resources participating in DER aggregations:

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. Chris Casey (NRDC) asked for further information regarding why the minimum size threshold for individual resources was not identified earlier in the development of the market participation rules for DER. Mr. Mukerji stated that market participation rules were based on the NYISO's current market software, and the initial design did not contemplate the potential for large numbers of very small resources participating in DER aggregations.

Ms. Amanda Trinsey (Couch White) asked whether the NYISO intends to include language regarding the commitment to further explore the proposed minimum size threshold for individual resources within its filing to FERC, if the proposed revisions are approved by stakeholders and the NYISO Board of Directors. Mr. Mukerji stated that the NYISO would intend to provide language in any filing to FERC related to this proposal acknowledging its commitment to further assess the proposed minimum size threshold for individual resources participating in a DER aggregation.

Mr. Aaron Breidenbaugh (C Power) noted appreciation for the NYISO's commitment to further explore the minimum size threshold for individual resources but indicated a preference for providing greater flexibility in the proposed tariff revisions to accommodate participation of smaller resources in the future or potentially facilitate the near-term implementation of a pilot program design for participation of such smaller resources in a DER aggregation.

Mr. Evans asked whether the NYISO's commitment to further explore the minimum size threshold for individual resources participating in a DER aggregation includes both demand response and supply resources. Mr. Mukerji stated that the NYISO's further exploration of the minimum size threshold for individual resources participating in a DER aggregation is intended to include all resource types that are eligible to participate in a DER aggregation.

Mr. Breidenbaugh recommended that the NYISO consider scheduling a separate discussion focused on small resource participation in DER aggregations as part of its planned kickoff discussions for the "Engaging the Demand Side" initiative. Mr. Mukerji and Mr. DeSocio stated that the planned kickoff discussions for the "Engaging the Demand Side" initiative are intended to include a discussion of small resource participation in DER aggregations.

Mr. Casey asked for clarification regarding whether the NYISO contemplates the potential need for separate market rules to facilitate the participation of smaller individual resources in DER aggregations. Mr. Mukerji stated that the ability to accommodate a large volume of small resources has implications from a software capability perspective which could identify the potential need to consider whether adjustments to market rules to facilitate the participation of such small resources in DER aggregations may be warranted.

Mr. Breidenbaugh asked for clarification regarding the proposed tariff revisions regarding meter data terminology to distinguish between telemetered data and revenue grade metering data. Mr. Eisenhardt stated that the proposed tariff revisions are intended to clarify that telemetered data will be utilized for purposes of calculating the economic customer baseline load (ECBL) for demand response resources participating in a DER aggregation rather than revenue grade meter data.

Mr. Breidenbaugh requested clarification regarding the intent of the revisions proposed by the Joint Utilities related to the scope of services that retail electric utilities provide to DER aggregations. Ms. Bonnie Graziano (Con Edison) noted that the supplemental revisions proposed to Section 24 of the Open Access Transmission Tariff by the Joint Utilities at the February 7, 2023 ICAPWG meeting were intended to clarify that retail electric utilities are not obligated to provide services such as ECBL calculation administration for DER aggregations as part of providing any telemetered and/or revenue grade meter data services.

Mr. Chris Hall (NYSERDA) provided the following statement for inclusion in the minutes:

DERs are critical to achieving New York State's climate change goals under the CLCPA. FERC Order 2222 opened a path for DER to participate in the wholesale

market as part of an aggregation. While NYSERDA will support this filing, and appreciates all the work by NYISO staff, NYSERDA does not support the proposed 10-kW minimum size threshold for an individual resource participating in an aggregation. FERC's primary objective in Order 2222 was to remove barriers for DERs to participate in wholesale markets and a 10-kW minimum size threshold runs counter to this FERC objective. NYSERDA's support of this filing is therefore contingent upon NYISO exploring in good faith a path to removing this minimum threshold. Leaving the 10-kW threshold in place could needlessly shut out a significant number of assets, including a significant number of residential storage assets, from participating.

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee ("MC") approve changes 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 BIC on February 15, 2023.

Motion passed unanimously with abstentions.

5. External ICAP Rights for the 2023/2024 Capability Year & ICAP Manual Updates

Mr. Gabe Centi (NYISO) reviewed the presentation included with the meeting materials.

Mr. Leuthauser asked whether the GE Multi-Area Reliability Simulation (MARS) database reflects calendar year data. Mr. Josh Boles (NYISO) stated that the current GE MARS database is based on calendar year data, but the database appropriately captures the fact that the current risk of loss of load in New York is concentrated in the summer period. As a result, Mr. Boles noted that the use of a calendar year data by GE MARS does not negatively impact the analysis conducted to determine the maximum available external ICAP rights for the 2023/2024 Capability Year.

Mr. Howard Fromer (Bayonne Energy Center) asked whether there are provisions in the tariff requiring the NYISO to present to stakeholders on results of the analysis to determine the external ICAP rights values for each Capability Year. Mr. Boles clarified that, as part of today's vote, the NYISO is not seeking to revise the current requirement to seek approval of revisions to the ICAP Manual to memorialize the results of each annual calculation of the external ICAP rights values but will instead further review this potential change as part of the process for the 2024/2025 Capability Year. Mr. Boles noted that the NYISO would consider as part of such future discussions how best to memorialize a commitment by the NYISO to present on the results of the external ICAP rights analysis consistent with its past practices.

Mr. Marc Montalvo (UIU) asked whether the maximum allowable external ICAP rights values are filed with FERC. Mr. Boles stated that the values are not filed with FERC, but instead are determined based on the execution of the procedures described in the ICAP Manual.

Motion #3:

The Business Issue Committee ("BIC") hereby approves the revisions to the Installed Capacity Manual regarding the updates required to the Import right limits for the 2023-2024 Capability year. The applicable revisions approved by the BIC shall become effective for the 2023 Capability year.

Motion passed unanimously.

6. Working Group Updates

Billing, Accounting, and Credit Working Group: The group met on January 23, 2023 and reviewed: (1) the standard accounting/settlement reports; (2) an update regarding the schedule for conducting market trials

related to the DER participation model software enhancements; and (3) an overview of proposed updates to the procedures for the submission of hourly metering data by injection-only generation resources.

Electric System Planning Working Group: The group has met four times since the last BIC meeting, including a joint meeting with LFTF. On January 24, 2023, the group met and reviewed: (1) key study assumptions for the short-term assessment of reliability study for Q1 2023; (2) an update regarding the schedule for the ongoing study work associated with the Long Island Offshore Wind Export Public Policy Transmission Need (PPTN); and (3) a presentation by Con Edison regarding its "reliable clean city" transmission upgrade projects. The group met on February 2, 2023 and reviewed: (1) a presentation by PSEG Long Island regarding updates to its local transmission planning criteria; (2) a presentation by PSEG Long Island regarding updates to its local transmission plan; and (3) an update regarding the 2023 project to assess potential enhancements to the interconnection process. On February 8, 2023, the group met and reviewed: (1) an overview of ongoing electric industry activity related to inverter-based resources, including the IEEE 2800 standard; and (2) an update regarding the ongoing analysis related to the Long Island Offshore Wind Export PPTN. The group also met on February 14, 2023 and reviewed potential enhancements to the interconnection process.

Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG twice since the last BIC meeting. On January 26, 2023, the group met and reviewed: (1) proposed supplemental tariff revisions related to the implementation of the DER participation model; (2) an overview of the efforts to pursue modeling enhancements related to capacity accreditation; (3) the proposed maximum allowable import capacity values from external areas for the 2023/2024 Capability Year; and (4) proposed revisions to the Load Forecasting Manual to support the implementation of the DER participation model. The group also met on February 7, 2023 and reviewed: (1) an overview of the upcoming 2025-2029 ICAP Demand Curve reset process; (2) an overview of the efforts to assess potential enhancements to the optimization used in the annual determination of locational capacity requirements; (3) the results of the analysis undertaken to determine initial Unforced Capacity derating factors for offshore wind; and (4) an overview of considerations related to the financial data requirements applicable to resources proceeding through the Generator Deactivation process.

Load Forecasting Task Force: The group met jointly with ESPWG on January 24, 2023 and reviewed key study assumptions for the short-term assessment of reliability study for Q1 2023.

Market Issues Working Group: The group has met jointly with ICAPWG and PRLWG twice since the last BIC meeting. The group met on January 26, 2023 and reviewed: (1) proposed supplemental tariff revisions related to the implementation of the DER participation model; and (2) proposed revisions to the Load Forecasting Manual to support the implementation of the DER participation model. The group also met on February 7, 2023 and reviewed: (1) an overview of considerations related to allowing use of a withdrawal-eligible generation resource as the point of withdrawal for a bilateral transaction; and (2) an overview of considerations related to the financial data requirements applicable to resources proceeding through the Generator Deactivation process.

Price Responsive Load Working Group: The group has met jointly with ICAPWG and MIWG twice since the last BIC meeting (i.e., January 26, 2023 and February 7, 2023). 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.

7. New Business

There was no new business.

The meeting adjourned at 11:45 a.m.