
NYISO Business Issues Committee Meeting Minutes
September 12, 2018
10:00 a.m. – 11:30 a.m.

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

Mr. Aaron Breidenbaugh (Consumer Power Advocates) called the meeting to order at 10:00 a.m. by welcoming the members of the BIC. The members of the BIC identified themselves and attendance was recorded. A quorum was determined.

2. Market Operations Report and Broader Regional Markets Report

Mr. Rana Mukerji (NYISO) reviewed the Market Operations report posted with the meeting material. Mr. Dan Mahoney (NYPA) asked whether the peak load to date occurred in July 2018 or August 2018. Mr. Mukerji stated that current peak load from the Summer 2018 Capability Period occurred in August 2018.

Mr. Mukerji reviewed the Broader Regional Markets report included with the meeting material. Mr. Breindenbaugh (CPA) asked for clarification regarding the next steps related to the ongoing dispute between PSEG and Con Edison related to the B and C lines given FERC's recent order dismissing PSEG's complaint. Mr. Mukerji (NYISO) noted that FERC's order essentially defers the resolution of the dispute to the ongoing proceedings in federal court.

3. Securing 100+ kV Facilities in the Market Model

Mr. Shaun Johnson (NYISO) reviewed the presentation included with the meeting material.

Mr. Kevin Lang (Couch White) asked whether the facilities listed for inclusion in the market models by the end of this year is the end state, or if NYISO anticipates the potential for additional 115 kV facilities to be modeled in the future. Mr. Dave Edelson (NYISO) noted that the initial list is not necessarily the end state and that NYISO continually reviews operating outcomes to identify potential opportunities for modeling additional facilities.

Mr. Andy Peebles (Saracen) asked whether the Niagara modeling enhancements could be implemented before the 115 kV facilities that are contingent on these enhancements are added to the market model. Mr. Edelson noted that the Niagara modeling enhancements are likely will be deployed before the 115 kV facilities contingent on the deployment of these enhancements are added to the market model.

Mr. Mark Younger (Hudson Energy Economics) asked whether the NYISO plans to provide advanced notice of the deployment of Niagara modeling enhancements and the addition of 115 kV facilities to the market model. Mr. Edelson stated that it is anticipated that notice of expected deployment dates for the Niagara modeling enhancements and the addition of the 115 kV facilities to the market model will likely be provided to the stakeholders.

Ms. Patti Caletka (NYSEG) asked for clarification regarding whether notice to the market place will be provided in the future if additional 115 kV facilities are added to the market models. Mr. Edelson and Mr. Johnson noted that the procedures developed for inclusion of additional 115 kV facilities to the market model include a requirement to update information in Attachment A of the Outage Scheduling Manual to indicate when new facilities are added to the market model.

Mr. Younger recommended that the NYISO provide advanced notice to stakeholders in the future if additional facilities are identified for potential inclusion in the market models and report on the determinations of whether any such facilities will in fact be added to the market model, the results of any related market power analysis, and the planned timeline for adding any such facilities to the market model.

Ms. Doreen Saia (Greenburg Traurig) asked whether the NYISO plans to communicate to stakeholders if delays arise with respect to the currently anticipated schedules for the software deployments for implementing the Niagara modeling

enhancements or the modeling changes related to implementing the additional 115 kV facilities. Mr. Johnson replied that it is anticipated that the NYISO would inform the stakeholders if any such delays arise.

4. Unsecured Credit Scoring Model

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

Mr. David Clarke (LIPA) asked for clarification whether the assessment of the "Revenue divided by Market Cap" factor indicated if such factor is currently over predicting the likelihood of default or under predicting such likelihood. Mr. Jucha noted that the analysis indicated that this criterion was not providing accurate predictions without focusing on whether this was more likely to under or over predict the likelihood of default.

Motion #1:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve, and recommend to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled "Proposed Change to Unsecured Credit Scoring Model," made at the September 12, 2018 BIC meeting.

Motion passed unanimously with an abstention.

5. Revisions to OATT Attachment L

Mr. Greg Williams (NYISO) reviewed the presentation included with the meeting material.

Mr. Fromer (PSEG) asked for clarification regarding the types of agreements set forth in Table 1A of Attachment L of the OATT. Mr. Williams noted that these are historic transmission service agreements that predated the NYISO's commencement of operations and formed the basis of Grandfathered Rights and Grandfathered TCCs.

Mr. Fromer asked for confirmation that the extensions proposed with respect to Contract Nos. 189.1 and 190.1 are permitted under the terms of the underlying agreements. Mr. Williams stated that revisions to these agreements are governed by the terms of the underlying agreements and the Accepted Revisions process requires parties proposing revisions to the information in Table 1A of Attachment L of the OATT to provide information to support any requested revision.

Motion #2:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve revisions to Attachment L of the Open Access Transmission Tariff, as more fully described in the presentation entitled "Revisions to OATT Attachment L" made to the BIC on September 12, 2018.

Motion passed unanimously.

6. Updating and Extending the 2017 CARIS Database for Specific Project Evaluation

Mr. Chen Yang (NYISO) reviewed the presentation included with the meeting material.

Mr. Lang noted that stakeholders raised concerns during discussions at the Electric System Planning Working Group ("ESPWG") regarding the modeling assumptions being utilized in Congestion Assessment and Resource Integration Study ("CARIS") Phase 2 database and whether this provides an accurate assessment of future system conditions. Mr. Tim Duffy (NYISO) stated that the NYISO acknowledges that stakeholders raised concerns during ESPWG discussions regarding the assumptions required by the NYISO's inclusion rules. Mr. Lang clarified that there is no indication that the NYISO did not comply with its current tariff requirements, but rather that concerns have been raised whether these requirements provide for an appropriate representation of future system conditions for the purposes of economic planning. Mr. Duffy noted that the concerns raised regarding modeling assumption for CARIS will be considered as part of the ongoing review of potential enhancements to the comprehensive system planning process.

Ms. Jane Quin (Con Edison) noted that Con Edison raised concerns regarding the carbon price assumptions included in the 2018 CARIS Phase 2 database. Mr. Duffy stated that in the event that a specific project proposal is brought forward, the NYISO has committed that it would include sensitivity analysis to assess various carbon pricing assumptions.

Ms. Dana Lazarus (Con Edison) stated that Con Edison continues to question the carbon price assumptions developed by the NYISO for the 2018 CARIS Phase 2 database and recommends that further assessment of the appropriateness of those assumptions be undertaken by the NYISO.

7. Working Group Updates

- **Billing and Accounting and Credit Working Group:** The group met on August 24, 2018 and reviewed the standard accounting/settlement reports, a presentation by KPMG regarding the 2018 System and Organizational Controls ("SOC 1") audit report, proposed enhancements to the NYISO's unsecured credit scoring model, and a presentation regarding the credit policy for the TCC market.
- **Electric System Planning Working Group:** The group has met twice since the last BIC meeting. The group met on August 22, 2018 and reviewed the 2018 Reliability Needs Assessment ("RNA") draft report, and input assumptions for the 2018 CARIS Phase 2 database. On September 6, 2018, the group met and reviewed the NYISO's proposal for complying with FERC Order No. 845, input assumptions for the 2018 CARIS Phase 2 database, and proposed short-term enhancements to the comprehensive system planning process.
- **Installed Capacity Working Group:** The group has met four times since the last BIC meeting. On August 14, 2018, the group met jointly with MIWG and PRLWG and reviewed proposed rules for the participation of distributed energy resources ("DER") and energy storage resources ("ESRs") in the capacity market. On August 23, 2018, the group met jointly with MIWG and PRLWG and reviewed proposed capacity market participation rules for DER and ESRs. The group met jointly with MIWG on August 30, 2018 and reviewed the consumer impact assessment related to ESRs participating in the wholesale markets, and the Market Monitoring Unit's market report for the second calendar quarter of 2018. On September 11, 2018, the group met jointly with MIWG and PRLWG and reviewed a proposed meter data services construct for DER participating in the wholesale markets.
- **Electric Gas Coordination Working Group:** The group has not met since the last BIC meeting.
- **Load Forecasting Task Force:** The group met on August 24, 2018 and reviewed the proposed weather adjustment of the capacity market load forecast to account for Behind-the-Meter: Net-Generation resources.
- **Market Issues Working Group:** The group has met five times since the last BIC meeting. On August 14, 2018, the group met jointly with ICAPWG and PRLWG and reviewed proposed Day-Ahead Margin Assurance Payment rules for ESRs. The group met jointly with ICAPWG and PRLWG on August 23, 2018 and reviewed the NYISO's proposal for compliance with FERC Order No. 844. On August 29, 2018, the group met jointly with PRLWG and reviewed an update regarding the Securing 100+ kV Transmission Facilities in the Market Model initiative, and the proposed rules for transmission node identification related to DER participation in the energy and ancillary services markets. The group met jointly with ICAPWG on August 30, 2018 and reviewed the consumer impact assessment related to ESRs participating in the wholesale markets, the Market Monitoring Unit's market report for the second calendar quarter of 2018, and proposed scheduling rules related to ESRs participating in the energy and ancillary services markets. On September 11, 2018, the group met jointly with ICAPWG and PRLWG and reviewed a proposed meter data services construct for DER participating in the wholesale markets.
- **Price Responsive Load Working Group:** The group has met four times since the last BIC meeting. The group met jointly with MIWG and/or ICAPWG on August 14, 2018, August 23, 2018, August 29, 2018 and September 11, 2018 and reviewed the DER-related agenda topics for each meeting.

8. New Business

There was no new business.

The meeting adjourned at 11:30 a.m.

Business Issues Committee Meeting

September 12, 2018

Final Motions

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Motion passed unanimously with an abstention.

Motion #2:

The Business Issues Committee (“BIC”) hereby recommends that the Management Committee approve revisions to Attachment L of the Open Access Transmission Tariff, as more fully described in the presentation entitled “Revisions to OATT Attachment L” made to the BIC on September 12, 2018.

Motion passed unanimously.

| Organization | Sector | Representative | Alternate1 | Alternate2 | Alternate3 | Alternate4 | Alternate5 | Alternate6 | Alternate7 | Proxy | Guest |
|---|------------|-----------------------|----------------------|-------------------|---------------------|------------|------------|------------|------------|-------|-------|
| Ecesis LLC | Non Voting | Wu , Brian | | | | | | | | | |
| Energya VM | Non Voting | Garcia , Francisco | Maeso , Manual | Lopez , Ana | Corvillo , Cristina | | | | | | |
| Fluent Energy | Non Voting | Acampora , Peter | Doll , Ed | | | | | | | | |
| GI Energy | Non Voting | Falcier , Peter | Robinson , James | | | | | | | | |
| Hudson River Energy Group | Non Voting | Radigan, Frank | Canfield, Richard | | | | | | | | |
| Hydro-Quebec TransEnergie | Non Voting | Prevost , Michel | | | | | | | | | |
| ITC Mid-Atlantic Development LLC | Non Voting | Wrenbeck , Tom | Benedict , Nathan | | | | | | | | |
| Institute for Policy Integrity at NYU School of Law | Non Voting | Unel , Burcin | Noll , Bethany | | | | | | | | |
| Key Capture Energy | Non Voting | Fitzgerald , Dan | Bishop , Jeff | | | | | | | | |
| MAG Energy Solutions, Inc. | Non Voting | Pelletier , Simon | VeZina, Alexandre | | | | | | | | |
| NRG Curtailment Solutions, Inc. | Non Voting | Popova , Julia | Ainspan , Malcolm | Pieniasek , Marie | | | | | | | |
| NY-BEST Consortium | Non Voting | Acker , William | Sheehan , Denise | | | | | | | | |
| NYS Department of Public Service | Non Voting | ✓ Paynter , Thomas | Evans , Adam | | | | | | | | |
| National Fuel Gas Distribution Corporation | Non Voting | Novak , Michael | Eck , Robert | | | | | | | | |
| New Athens Generating Co. LLC | Non Voting | Tripp , Hank | | | | | | | | | |
| North America Transmission, LLC | Non Voting | ✓ Willick , Lawrence | York , Joshua | | | | | | | | |
| Northeast Clean Heat & Power Initiative | Non Voting | Venkataraman , Sree | Brown, Ruben | Cinadr , Matt | Dwyer , Herb | | | | | | |
| Northline Utilities LLC | Non Voting | McKinney , Jeff | Danskin , Susan | | | | | | | | |
| NuEnergen | Non Voting | Hamilton , Sandy | Korczykowski , Ryan | | | | | | | | |
| Power Supply Services LLC | Non Voting | Phillips , Gabriel | ✓ Abend , Erik | | | | | | | | |
| RBC Energy Services, LP | Non Voting | Burnham , Steve | Fraiture , Christian | Doolittle , Robin | | | | | | | |
| RENEW Northeast | Non Voting | Pullaro , Francis | Krich , Abigail | | | | | | | | |
| RES Americas, Inc. | Non Voting | Fernandes , John | Boyd , Dan | | | | | | | | |
| Red Wolf Energy Trading, LLC | Non Voting | Christian , Adam | | | | | | | | | |
| Richard P. Felak | Non Voting | Felak, Rich | | | | | | | | | |
| STEM, Inc. | Non Voting | Ko , Ted | | | | | | | | | |
| Saracen Energy East LP | Non Voting | ✓ Peebles , Andy | | | | | | | | | |
| Siemens Energy, Inc. | Non Voting | Feltes , James | | | | | | | | | |
| Stephentown Spindle, LLC | Non Voting | Hebert , Chris | | | | | | | | | |
| Taylor Biomass Energy, LLC | Non Voting | Taylor , Jim | Page , Allan | | | | | | | | |
| Teichos Energy, LLC | Non Voting | Maclearnsberry , Kirk | VanCoeving , Darrel | | | | | | | | |
| Tesla Motors, Inc. | Non Voting | Burson , Kate | Van Cleve , Sarah | Watson , Betty | | | | | | | |
| TransAlta Energy Marketing (U.S.) Inc. | Non Voting | Nivolianitis , Ted | ✓ Abend , Erik | | | | | | | | |
| Transmission Developers Inc. | Non Voting | Jessome , Donald | Helmer , William | Harrison , Bob | | | | | | | |
| Transource New York, LLC | Non Voting | Burkholder , Joshua | | | | | | | | | |
| William P. Short | Non Voting | Short, William | Schaefer, Marc | | Savage, Paul | Verna, Jim | | | | | |

NYISO Employees

Duffy, Timothy

Prevratil, Sheri

Williams, Gregory

Bissell, Garrett

Johnson, Shaun

Mukerji, Rana

Eckels, Debbie

Dixon, Kirk

RTO Insider, Michael Kuser