
NYISO Business Issues Committee Meeting Minutes
October 10, 2018
10:00 a.m. – 11:00 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. Approval of BIC Minutes

There were no questions or comments regarding the draft minutes for the August 13, 2018 or September, 2018 BIC meetings that were included with the meeting material.

Motion #1:

Motion to approve the meeting minutes from August 13, 2018 and September, 2018 BIC meetings.

Motion passed unanimously.

3. Market Operations Report and Broader Regional Markets Report

Mr. Rana Mukerji (NYISO) reviewed the Market Operations report posted with the meeting material. There were no questions or comments regarding the Market Operations report.

Mr. Mukerji reviewed the Broader Regional Markets report included with the meeting material.

Mr. Howard Fromer (PSEG) asked whether there was any update regarding the expected to return to service date for the B and C lines beyond the information provided in the NYISO's outage reports. Mr. Mukerji (NYISO) stated that the information provided in the outage reports reflects the most current information that has been provided to the NYISO and that the outage reports will be revised as updated information is received by the NYISO from facility owners.

Ms. Patti Caletka (NYSEG) asked for a status update regarding discussions with PJM related to cost allocation of the Ramapo PARs. Mr. Mukerji (NYISO) stated that the NYISO would need to review the status of these efforts and provide an update at a later date.

Ms. Doreen Saia (Greenburg Traurig) asked whether the NYISO has plans to present at an upcoming MIWG/ICAPWG meeting regarding implementation of the alternative Locational Minimum Installed Capacity Requirement (LCR) methodology for the 2019-2020 Capability Year and any preliminary data that may be available about potential 2019-2020 Capability Year LCR values based on the alternative methodology. Ms. Debbie Eckels (NYISO) stated that the NYISO plans to present at an upcoming MIWG/ICAPWG meeting regarding the implementation of alternative LCR methodology recently approved by FERC and will provide stakeholders a link to information that was recently presented by the NYISO to the NYSRC's Installed Capacity Subcommittee (ICS) regarding the alternative methodology.

4. Public Website Redesign

Mr. Dave O'Brien (NYISO) provided an update regarding the status of the ongoing website redesign initiative. Mr. O'Brien stated that the NYISO will provide an update regarding the deployment schedule for the website redesign initiative at November 2018 BIC meeting and either confirm that the project remains on schedule for deployment by the end of December 2018 or provide a revised deployment schedule. Mr. O'Brien also noted that a stakeholder focus group meeting to review the redesign of the public website will be held on November 16, 2018.

5. Planning Process Improvements

Ms. Yachi Lin (NYISO) reviewed the presentation included with the meeting material.

Mr. Mike Mager (Couch White) asked for a status update regarding the development of a proposal to address cost containment. Ms. Lin noted that the NYISO is currently anticipating to present an initial cost containment proposal for stakeholder consideration between the end of October 2018 and early November 2018. Ms. Lin further clarified that cost containment will be addressed as a separate initiative apart from the proposed short-term process improvements.

Ms. Saia asked for confirmation that the NYISO is currently contemplating a timeline for addressing cost containment that would facilitate the ability to apply any approved proposal to the cycle of the Public Policy Transmission Planning Process (PPTPP) that recently commenced. Ms. Lin stated that the NYISO is currently seeking to develop a cost containment proposal on a timeframe that would facilitate applying it to the PPTPP that recently commenced.

Ms. Kathleen Carrigan (NY Transco) asked whether any cost containment proposal would be intended to apply only to the PPTPP or more broadly to the other planning processes. Mr. Zach G. Smith (NYISO) stated that the short-term focus is to develop a cost containment proposal to be applicable to the PPTPP, he further noted that consideration of extending any such proposal to the reliability and economic planning processes would need to be explored with stakeholders.

Ms. Saia asked for clarification that the proposed developer technical conference prior to issuing a solicitation for projects in response to an identified Public Policy Transmission Need (PPTN) is intended to be in addition to, and not in lieu of, the current stakeholder collaboration undertaken through ESPWG prior to issuance of such a solicitation. Ms. Lin stated that the developer technical conference has been performed by the NYISO for the two identified PPTNs to date and confirmed that the developer technical conference is in addition to the broader discussions with stakeholders through ESPWG prior to the issuance of a project solicitation related to an identified PPTN. Ms. Saia recommended that in any filing with FERC related to the proposed short-term process improvements, the NYISO clarify that the proposed developer technical conference is a supplemental measure that does not replace the broader stakeholder collaborations undertaken through ESPWG prior to the issuance of a project solicitation for an identified PPTN.

Mr. John Cordi (NYPA) asked for clarification regarding the proposal addressing the requirement for submitting interconnection requests by projects submitted in response to an identified PPTN. Mr. Zach G. Smith stated that the proposed tariff revisions merely clarify that the project submitted in response to the PPTN and the project submitted in the interconnection process must be the same project.

Mr. Fromer asked for clarification regarding the proposed changes to the tariff provisions describing the study charge for projects submitted in response to an identified PPTN. Mr. Carl Patka (NYISO) stated that the proposed revisions merely serve to clarify the scope of activities undertaken by the NYISO that are covered by the study charge to developers submitting projects in response to an identified PPTN.

Mr. Mager asked for clarification regarding the expected timeline for the completion of the PPTPP from start to finish after accounting for the proposed process improvements. Ms. Lin stated that it is difficult to predict the timeline for completing each cycle of the PPTPP, but the overall objective of the proposed process improvements is to allow the process to be undertaken in a more efficient and timely manner.

Mr. Cordi noted appreciation for the NYISO's responsiveness to stakeholder feedback in the development of the proposed short-term enhancements. Mr. Cordi further stated that the proposed changes should serve to improve the overall efficiency of the PPTPP.

Ms. Carrigan noted overall support for the proposed improvements and appreciation for the responsiveness shown to stakeholder feedback in the development of the proposal.

Mr. Mager stated that cost containment is critically important to both Multiple Intervenors and the City of New York and the absence of a cost containment proposal as part of the proposed short-term improvements results in a proposal that both entities are unable to support.

Mr. Marc Montalvo (NY UIU) noted that the UIU will support the proposed changes as a manner of seeking to improve the efficiency of the PPTPP, but noted that UIU remains strongly interested in the development of an appropriate cost containment proposal as expeditiously as possible.

Mr. Stephen Gibelli (NextEra) noted support for the proposed process improvements, but reiterated NextEra's strong support for proceeding with the development of a cost containment proposal as expeditiously as practicable.

Mr. Breidenbaugh asked for clarification regarding the rationale for not including cost containment within the scope of the proposed short-term process improvements. Mr. Patka stated that the development of a cost containment proposal is a complex endeavor that will require additional time to work through with stakeholders and the NYISO did not feel it would be appropriate to hold back on proceeding with other short-term enhancements to improve the overall efficiency of the process.

Motion #2:

The Business Committee (BIC) hereby recommends that the Management Committee approve the revisions to Sections 31.1, 31.4, 31.11 and 31.12 of the Open Access Transmission Tariff (OATT), as more fully described in the presentation entitled "Short Term Improvements to Planning Processes" as presented and discussed at the October 10, 2018 BIC meeting.

Motion passed by majority.

6. Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on September 21, 2018 and reviewed the standard accounting/settlement reports.
- Electric System Planning Working Group: The group has met twice since the last BIC meeting. The group met on September 25, 2018 and reviewed proposed short-term improvements to the Comprehensive System Planning Process ("CSPP"), and proposed solutions received by the NYISO in response to the Generator Deactivation Reliability Needs identified as a result of the Generator Deactivation Notice for the Pilgrim GT1 and GT2 units. On October 1, 2018, the group met and reviewed proposed short-term improvements to the CSPP, and the NYISO's proposal for complying with FERC Order No. 845.
- Installed Capacity Working Group: The group has met four times since the last BIC meeting. On September 20, 2018, the group met jointly with MIWG and reviewed initial considerations for a proposal to develop a repowering exemption as part of the buyer-side mitigation rules, a market analysis related to the potential for developing a repowering exemption as part of the buyer-side mitigation rules, a proposal to add a competitive entry exemption from the buyer-side mitigation rules for additional Capacity Resource Interconnection Service requests, and proposed revisions to the User's Guide addressing the expectations of resource operations during a natural gas restriction or interruption event. The group also met jointly with MIWG on September 21, 2018 and reviewed proposed rules for the participation of energy storage resources ("ESRs") in the capacity market. The group met jointly with MIWG and PRLWG on October 2, 2018 and reviewed an update to the consumer impact assessment related to ESRs participating in the wholesale markets, and proposed revisions to the Installed Capacity Manual related to the automation of the capacity import rights process. On October 9, 2018, the group met jointly with MIWG and PRLWG and reviewed a presentation by GE Energy Consulting regarding results from its assessment of the capacity value of resources with energy limitations, a proposal regarding changes to capacity market rules related to the results from GE Energy Consulting's assessment of the capacity value of resources with energy limitations, and a proposal regarding dual participation of distributed energy resources ("DER") in the wholesale markets and retail or other non-wholesale market programs/obligations.
- Electric Gas Coordination Working Group: The group has not met since the last BIC meeting.
- Load Forecasting Task Force: The group has met twice since the last BIC meeting. On September 13, 2018, the group met and reviewed the preliminary weather normalized peak load data for 2018, and the timeline for developing the 2019-2020 Capability Year capacity market load forecast. The group also met on September 28, 2018 and reviewed the preliminary coincident peak load forecast for the 2019-2020 Capability Year to be used as part of the NYCA Installed Reserve Margin study.

- Market Issues Working Group: The group has met four times since the last BIC meeting. On September 20, 2018, the group met jointly with ICAPWG and reviewed proposed revisions to various energy market mitigation provisions, potential enhancements to the current mechanisms to incent resources to follow NYISO real-time dispatch instructions during periods of negative prices, and proposed revisions to the User's Guide addressing the expectations of resource operations during a natural gas restriction or interruption event. The group also met jointly with ICAPWG on September 21, 2018 and reviewed the proposed rules for ESRs to participate in the energy and ancillary services markets, and proposed mitigation rules related to the participation of ESRs in the energy and ancillary services markets. The group met jointly with ICAPWG and PRLWG on October 2, 2018 and reviewed the draft study report addressing potential enhancements to the current transmission constraint pricing logic, proposed revisions to the Day-Ahead Demand Response Program ("DADRP") Manual related to the implementation of changes resulting from the NYISO's proposal for complying with FERC Order No. 745, an overview of the scarcity pricing outcomes from the three Emergency Demand Response Program ("EDRP") and Special Case Resource ("SCR") program activations that occurred during July 2018 and August 2018, and an update to the consumer impact assessment related to ESRs participating in the wholesale markets. The group also met jointly with ICAPWG and PRLWG on October 9, 2018 and reviewed a proposal regarding dual participation of DER in the wholesale markets and retail or other non-wholesale market programs/obligations.
- Price Responsive Load Working Group: The group has met twice since the last BIC meeting. On October 2, 2018, the group met jointly with MIWG and ICAPWG and reviewed proposed revisions to the DADRP Manual related to the implementation of changes resulting from the NYISO's proposal for complying with FERC Order No. 745, and the scarcity pricing outcomes from the three EDRP/SCR activations that occurred during July 2018 and August 2018. The group also met jointly with MIWG and ICAPWG on October 9, 2018 and reviewed a presentation by GE Energy Consulting regarding results from its assessment of the capacity value of resources with energy limitations, a proposal regarding changes to capacity market rules related to the results from GE Energy Consulting's assessment of the capacity value of resources with energy limitations, and a proposal regarding dual participation of DER in the wholesale markets and retail or other non-wholesale market programs/obligations.

7. New Business

Mr. Mager asked for an update on the status of the NYISO Board of Directors' review of the AC Transmission PPTN report and project selection recommendations. Mr. Zach G. Smith stated that the Board is continuing to review the additional information being provided to it by NYISO staff in response to the Board's requests for such supplemental data and information.

Ms. Saia asked whether the NYISO has provided the Board all of the additional information that has been requested. Mr. Zach G. Smith stated that the ongoing process with the Board is dynamic in that as NYISO staff provides additional information, and the Board provides requests for further information as needed based on its review of supplemental data and information it is receiving from NYISO staff.

Ms. Saia asked for an update regarding the status of PPTPP that recently commenced with the request for the identification of public policies that may be driving transmission needs. Mr. Zach G. Smith stated that the submissions of potential public policies driving transmission needs have been posted to the NYISO's website and are expected to be filed with the New York State Public Service Commission on October 10, 2018.

The meeting adjourned at 11:00 a.m.