

**NYISO Business Issues Committee Meeting  
Minutes  
May 24, 2023  
10:00 a.m. – 11:55 a.m.**

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**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. Market Operations Report**

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

**3. Revenue Metering Requirements Manual (RM2) & Meter Services Entity Manual (MSE) Changes**

Ms. Michelle McLaughlin (NYISO) reviewed the presentation included with the meeting material.

Ms. Dana Lazarus (Con Edison) stated that Con Edison identified certain concerns with the metering diagrams set forth in the Revenue Metering Requirements Manual. Ms. Lazarus indicated that Con Edison would seek to further discuss their concerns as part of a future update to the manual. As a result, Ms. Lazarus noted that Con Edison plans to abstain on the vote to approve the proposed manual revisions.

Ms. Julia Popova (NRG) requested additional information regarding the nature of the concerns identified by Con Edison with respect to the metering diagrams included in the Revenue Metering Requirements Manual. Ms. Lazarus stated that Con Edison identified instances in which the metering diagrams may not accurately reflect the specifics for metering configurations of distributed energy resources (DER) interconnected to Con Edison's system. Mr. Chris Russell (NYISO) noted that the meter configuration diagrams are for illustrative purposes only and are not intended to reflect every possible DER metering configuration that may apply.

Motion #1:

The Business Issues Committee (“BIC”) hereby approves the revisions to the Revenue Metering Requirements Manual and the Meter Services Entity Manual, as described in the presentation made to the BIC on May 24, 2023. The revisions will become effective on the effective date of the tariff revisions accepted by the Federal Energy Regulatory Commission in Docket No. ER19-2276-000, et al.

*Motion passed unanimously with abstentions.*

**4. Accounting & Billing Manual Changes**

Mr. Mark Buffaline (NYISO) reviewed the presentation included with the meeting material.

Mr. Aaron Breidenbaugh (CPower) asked whether the manual revisions are proposed to become effective simultaneous with the effective date of the tariff provisions to implement the DER participation model. Mr. Buffaline confirmed that the manual revisions are proposed to become effective on the same date as the tariff provisions to implement the DER participation model.

Motion #2:

The Business Issues Committee (“BIC”) hereby approves the revisions to the Accounting & Billing Manual as more fully described in the presentation titled “Accounting & Billing Manual Changes” made to the BIC on

May 24, 2023. The revisions will become effective on the effective date of the tariff revisions accepted by the Federal Energy Regulatory Commission in Docket No. ER19-2276-000, et al.

*Motion passed unanimously.*

#### **5. Evolving Financial Transaction Capabilities: Market Design Proposal**

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

Mr. Breidenbaugh asked for further information regarding the proposed clarification that the point identifier (PTID) associated with an aggregation consisting of demand response resources may not serve as the sink for a bilateral transaction. Ms. Myott and Mr. Russell stated that the clarification was in response to feedback from certain stakeholders and designed to retain the intended scope of this particular initiative, which was to address only the expansion of the existing bilateral transaction capability to permit the use of a PTID associated with an energy storage resource as the point of withdrawal for a bilateral transaction.

Mr. Breidenbaugh noted opposition to the aspect of proposal that prohibits use of a PTID associated with an aggregation that includes demand response resources as an eligible point of withdrawal for a bilateral transaction. Mr. Nate Gilbraith (NYISO) noted that the NYISO intends for this proposal to be an initial expansion of the bilateral transaction capability. Mr. Gilbraith indicated that the NYISO would be willing to discuss with stakeholders the potential for further expansion of the financial transaction capability as part of a separate future effort after more experience is gained with the initial proposed expansion of such transaction capability.

#### Motion #3:

The Business Issues Committee ("BIC") hereby recommends that the Management Committee approve revisions to the Market Services Tariff and Open Access Transmission Tariff, as more fully described in the presentation entitled "Evolving Financial Transaction Capabilities" made to the BIC on May 24, 2023.

*Motion passed unanimously with abstentions.*

#### **6. Long Island Offshore Wind Export Public Policy Transmission Planning Report**

Mr. Ross Altman (NYISO) reviewed the presentation included with the meeting material.

Mr. Leuthauser asked whether the databases used by the NYISO for analyzing the project proposals were shared with the developers submitting such project proposals. Mr. Altman stated that the databases utilized by the NYISO in assessing the projects were shared with the developers.

Mr. Jay Brew (Nucor) asked whether the cost estimates developed by the NYISO's consultant accounted for potential risks and incremental costs related to the construction of underground cables in densely populated areas. Mr. Altman confirmed that the cost estimates qualitatively and quantitatively accounted for the potential costs and risks associated with the requirement for constructing underground facilities in densely populated areas.

Mr. Mike Mager (Couch White) asked whether the NYISO has identified any specific lessons learned for future public policy planning cycles given the disparities that were identified for the cost estimates developed by the NYISO's consultant compared to the cost estimates submitted by developers. Mr. Altman stated that following the completion of the process for the Long Island Offshore Wind Export Public Policy Transmission Need (PPTN), a lessons learned assessment will be undertaken and discussed with stakeholders to identify potential enhancements that may be warranted for consideration in future cycles of the Public Policy Transmission Planning Process.

Mr. Matt Cinadr (E Cubed Company) asked for further information regarding the sink location of the exports considered as part of the NYISO's assessment. Mr. Altman stated that the "exports" considered refer to production by offshore wind and the capability to deliver such generation to Long Island and distribute such generation from Long Island to the rest of the New York Control Area.

Mr. Marc Montalvo (UIU) asked whether the NYISO assumed any capability of inverter-based resources to provide synthetic inertia. Mr. Altman stated that, for the purposes of the NYISO's assessment, the NYISO did not assume any capability of inverter-based resources to provide synthetic inertia.

Mr. Cinadr asked whether the proposed alternating current upgrades included as part of the project proposals provide incremental inertia to the system. Mr. Altman clarified that the proposed alternating current facilities included as part of project proposals provide for improved interconnectivity of the system which helps to improve the overall strength of the system and capability to respond to various disturbances and contingencies that can arise in real-time operations.

Mr. Leuthauser asked for clarification regarding how any applicable constraint reliability margin will be accounted for when the ambient adjusted rating requirements of FERC Order No. 881 are implemented. Mr. Aaron Markham (NYISO) stated that any applicable constraint reliability margin would be applied to the applicable facility rating determined based on the requirements of FERC Order No. 881 following implementation of such requirements. Mr. Markham noted that this is consistent with the NYISO's current practice of applying any applicable constraint reliability margin to the applicable rating assigned to each transmission facility.

Mr. Montalvo asked whether the NYISO has considered the recommendations of the Market Monitoring Unit (MMU) that are set forth in the MMU's evaluation of the NYISO's assessment. Mr. Zach G. Smith (NYISO) stated that the MMU's evaluation will be presented and discussed with stakeholders at the Management Committee (MC) meeting on May 31, 2023 and recommended that any detailed discussion of such evaluation should occur at the MC meeting. Mr. Zach G. Smith further noted that the NYISO has considered the MMU's evaluation and remains confident in the results of its assessment.

Mr. Andy Antinori (NYPA) asked for clarification regarding the nature of the advisory vote by the Business Issues Committee (BIC). Mr. Brian Hodgdon (NYISO) stated that the advisory vote is intended to provide an informational datapoint for consideration by the NYISO Board of Directors that reflects the opinion of the members of the BIC on the sufficiency of the NYISO's analysis and the project proposal recommended by NYISO staff as a result of the assessment.

Ms. Doreen Saia (Greenberg Traurig) asked for confirmation that the tariff requires advisory votes at BIC and MC. Mr. Hodgdon confirmed that tariff specifically requires the conduct of advisory votes at BIC and MC.

Ms. Saia asked whether the NYISO could provide any opinion regarding the need to proceed at this time with the potential selection of a project to address the identified Long Island Offshore Wind Export PPTN in light of the May 2030 in-service date identified for the recommended project proposal. Mr. Altman stated that the need to proceed, at this time, is reflected in the New York State Public Service Commission's order establishing the Long Island Offshore Wind Export PPTN, together with consideration of the anticipated timeline for permitting and construction of major transmission upgrades in New York, as well as ensuring that the transmission upgrades are developed and available in a timely manner to serve the planned expansion of offshore wind in response to the requirements of the Climate Leadership and Community Protection Act.

Mr. Brew asked for clarification regarding the effect of an advisory vote. Mr. Hodgdon stated that the results of the advisory vote provide an informational datapoint for consideration by the NYISO Board of

Directors in considering how best to proceed with respect to the Long Island Offshore Wind Export PPTN and any project selection relating thereto.

Mr. Dave Clarke (LIPA) provided the following statement for inclusion in meeting minutes:

LIPA supports (and when appropriate will second the motion for) approval of the NYISO recommendation for the Propel NY, Project T051 as the developer for the Long Island PPTN. In addition to supporting the selection of Propel NY, we appreciate the NYISO's diligent efforts in reviewing the project proposals and reaching its recommended selection in a timely manner. We note that this selection recommendation is just the beginning of implementing the LI PPTN. As part of the project implementation, there will be many project-specific matters to resolve. For example, LIPA continues to have some concerns about committing to the stated in-service date before the Facilities Study is completed. Also, LIPA and other transmission owners have raised issues with the NYISO's designation of upgrades versus new facilities for Project T051 and other proposals. While LIPA reserves its rights with respect to these and other implementation matters, they do not diminish our support for the selection of Propel NY, Project T051. We have a lot of work to do. LIPA endorses NYISO's selection and looks forward to working with the NYISO and Propel NY on implementation of this important project.

Motion #4:

The Business Issues Committee ("BIC"), by way of an advisory vote, recommends that the Management Committee recommend that the NYISO Board of Directors approve the draft Long Island Offshore Wind Export Public Policy Transmission Planning Report, including Appendices, as presented and discussed at the May 24, 2023 BIC meeting.

*Motion passed unanimously with abstentions.*

**7. Working Group Updates**

Billing, Accounting, and Credit Working Group: The group met on May 19, 2023 and reviewed: (1) the standard accounting/settlement reports; and (2) updates to certain billing codes in connection with the implementation of the DER participation model.

Electric System Planning Working Group: The group has met five times since the last BIC meeting, including a joint meeting with LFTF. On April 12, 2023, the group met and reviewed: (1) the results of the NYISO's analysis regarding avoided cost impacts, operability considerations, and voluntary cost cap proposals associated with the project proposals submitted in response to the Long Island Offshore Wind Export PPTN. The group met on April 25, 2023 and reviewed: (1) potential enhancements to the modeling assumptions related to load forecast uncertainty; (2) key study assumptions for the short-term assessment of reliability study for Q2 2023; (3) an overview of considerations for the 2023-2032 Comprehensive Reliability Plan; and (4) a draft of the report addressing the evaluation of project proposals submitted in response to the Long Island Offshore Wind Export PPTN. On May 5, 2023, the group met and reviewed: (1) an update to the NYISO's analysis regarding voluntary cost cap proposals associated with the project proposals submitted in response to the Long Island Offshore Wind Export PPTN; (2) a draft of the report addressing the evaluation of project proposals submitted in response to the Long Island Offshore Wind Export PPTN; (3) an update regarding the status of various Class Year-related studies; and (4) potential enhancements to the interconnection process. The group met on May 11, 2023 and reviewed: (1) a draft of the report addressing the evaluation of project proposals submitted in response to the Long Island Offshore Wind Export PPTN; and (2) NYISO staff's recommended ranking of project proposals submitted in response to the Long Island Offshore Wind Export PPTN. The group also met on May 16, 2023 and reviewed: (1) a presentation by

National Grid regarding updates to its local transmission planning criteria; and (2) a draft of the report addressing the evaluation of project proposals submitted in response to the Long Island Offshore Wind Export PPTN.

Installed Capacity Working Group: The group has met jointly with MIWG and PRLWG five times since the last BIC meeting. On April 21, 2023, the group met and reviewed: (1) a presentation by Analysis Group providing an overview of the scope and methodology for the 2023 fuel and energy security study; and (2) proposed revisions to the Aggregation Manual related to the implementation of the DER participation model. The group met on April 27, 2023 and reviewed: (1) proposed revisions to manuals (Aggregation Manual and Installed Capacity Manual) related to the implementation of the DER participation model; (2) proposed enhancements to the methodology for calculating the reference point price values of the ICAP Demand Curves; (3) potential enhancements to the modeling of start-up time requirements of various resources as part of determining capacity accreditation factors; (4) potential enhancements to the modeling of Special Case Resources as part of determining capacity accreditation factors; (5) potential enhancements to the modeling of natural gas system constraints as part of determining capacity accreditation factors; and (6) potential enhancements to the optimization used in the annual determination of locational capacity requirements. On May 8, 2023, the group met and reviewed: (1) an overview of considerations related to the treatment of Existing Transmission Capacity for Native Load rights; (2) a presentation by Analysis Group regarding key study assumptions and data sources for the 2023 fuel and energy security study; (3) potential enhancements to the modeling of correlated resource derating events as part of determining capacity accreditation factors; and (4) proposed revisions to the Reference Level Manual. The group met on May 17, 2023 and reviewed proposed revisions to manuals (Load Forecasting Manual and Aggregation Manual) related to the implementation of the DER participation model. The group also met on May 23, 2023 and reviewed: (1) proposed clarifying revisions to Technical Bulletin No. 185 addressing the generator deactivation process; (2) an overview of feedback received from the initial outreach discussions to commence the Engaging the Demand Side project efforts for 2023; (3) proposed revisions to the Installed Capacity Manual related to the implementation of the DER participation model; and (4) a presentation by the Joint Utilities regarding their development of day-ahead operating plans related to DER participation in both wholesale and retail markets/programs.

Load Forecasting Task Force: The group met jointly with ESPWG on April 25, 2023 and reviewed potential enhancements to the modeling assumptions related to load forecast uncertainty.

Market Issues Working Group: The group has met six times since the last BIC meeting, including joint meetings with ICAPWG and PRLWG. The group met on April 17, 2023 and reviewed: (1) proposed methodologies for reporting average and implied marginal carbon dioxide emission rates related to wholesale energy production; and (2) proposed updates to regulation capacity requirements. On April 21, 2023, the group met and reviewed: (1) a presentation by Analysis Group providing an overview of the scope and methodology for the 2023 fuel and energy security study; and (2) proposed revisions to the Aggregation Manual related to the implementation of the DER participation model. The group met on April 27, 2023 and reviewed proposed revisions to the Aggregation Manual related to the implementation of the DER participation model. On May 8, 2023, the group met and reviewed: (1) an overview of considerations related to the treatment of Existing Transmission Capacity for Native Load rights; (2) a presentation by Analysis Group regarding key study assumptions and data sources for the 2023 fuel and energy security study; (3) a proposal for allowing use of a withdrawal-eligible generation resource as the point of withdrawal for a bilateral transaction; and (4) proposed revisions to the Reference Level Manual. The group met on May 17, 2023 and reviewed proposed revisions to manuals (Load Forecasting Manual and Aggregation Manual) related to the implementation of the DER participation model. The group also met on May 23, 2023 and reviewed: (1) proposed clarifying revisions to Technical Bulletin No. 185 addressing the generator deactivation process; (2) an overview of feedback received from the initial outreach discussions to commence the Engaging the Demand Side project efforts for 2023; and (3) a presentation by the Joint

Utilities regarding their development of day-ahead operating plans related to DER participation in both wholesale and retail markets/programs.

Price Responsive Load Working Group: The group has met jointly with ICAPWG and MIWG five times since the last BIC meeting (i.e., April 21, 2023, April 27, 2023, May 8, 2023, May 17, 2023, and May 23, 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.

**8. New Business**

There was no new business.

The meeting adjourned at 11:55 a.m.