

Operating Committee
April 19, 2024

WebEx
10:00 a.m. – 10:45 a.m.

1. Administrative Matters

Mr. Greg Yozzo (Central Hudson, OC Chair) called the meeting to order. Meeting participants announced themselves and there was a quorum.

2. Updated 2024-2025 LCR Determination for Load Zone J

Mr. Robb Pike (NYISO) reviewed the presentation included with the meeting material.

At the start of the discussion, Mr. Pike noted that, based on stakeholder feedback, the NYISO has revised its initial position on Capacity Accreditation Factor (CAFs) and other downstream impacts. The NYISO will continue to assess these matters with stakeholders to provide additional information and evaluate potential next steps.

Mr. Mike Mager (Couch White on behalf of Multiple Intervenors) said Multiple Intervenors does not yet have a position in terms of whether the CAFs should be updated, but wanted to highlight a number of considerations for the NYISO. He said the NYISO published CAFs last month that were intended as the final values for the 2024-2025 Capability Year, and now it appears that the NYISO is evaluating the potential to revise the CAFs due to a modest error, and it was important for the NYISO to be as clear as possible about what it may or may not be doing. For example, if the NYISO pursues updating the CAFs, it must update all of the CAFs and not only update a subset of the values.

In addition, since CAFs are being used in the ICAP Markets for the first time, any corrective action, for example updating the CAFs as part of correcting the error, would be considered as a precedent should a future error be discovered after CAFs are finalized. Mr. Mager opined that setting precedent on treatment of CAFs should be an important consideration in the upcoming discussion. He also expressed concern with how potential revisions to CAFs could impact Special Case Resources (SCRs) and potentially cause SCRs to choose not to participate if its revised CAF value is lower than what the resource expected based on the previously finalized values.

Mr. Mark Younger (Hudson Energy Economics) noted that SCRs can enter and leave the market on a monthly basis. Mr. Mager said SCRs could leave at the end of a month, but he did not believe they should be required to perform under a different CAF than when the SCR committed to participate.

In response to a question, Mr. Pike said the NYISO could not update the CAFs for the May 2024 spot auction due to many processes and validations that must occur for the CAFs to be updated, noting that the May 2024 spot auction effectively closes on Monday (4/22/2024).

In response to a question, Mr. Pike said the NYISO committed to producing updated values for all of the CAFs previously posted as the final values for the 2024-2025 Capability Year and returning to stakeholders to have the conversations on how best

to proceed with respect to the CAFs and the associated downstream processes. In response to a question, Mr. Pike said the timing of the providing additional information is dependent on the issue and noted that the NYISO is already working on producing the updated CAFs and attempting to validate them. He expected the NYISO would return to stakeholders in approximately three weeks with updated CAF values. In response to a question, Mr. Pike said he did not think updated CAFs, as well as other downstream processes, would be capable of being implemented for the June 2024 spot auction.

Ms. Amanda Trinsey (Couch White on behalf of the City of New York) said the City of New York supports the NYISO returning to stakeholders expeditiously with its analysis on the impact of the new LCRs on CAFs. The City of New York feels strongly that using correct and reliable data across the board is important. The City of New York recommended that the NYISO return to stakeholders sooner than three weeks so that every effort is made to update the CAF values in time for the June 2024 spot auction.

Mr. Younger supported correcting the error in total and as promptly as possible, but noted that the NYISO will also need to correct the translation factors used to adjust from ICAP to UCAP. Mr. Pike agreed and noted that the translation factors are part of the downstream processes as NYISO referred to in earlier discussion.

Mr. Howard Fromer (Bayonne) thanked the NYISO for providing preliminary information that he requested on potential CAF impacts for 4-hour energy duration limited resources. Mr. Pike noted that the NYISO was still performing its verification process with respect to such preliminary data, but would return to stakeholders to have a full conversation once the set of updated CAFs have been produced and verified.

Mr. Younger supported the NYISO putting in whatever protections to prevent an error from recurring in the future. He opined that the NYISO should use at least two significant digits for the derating factors used in the transmission security limit floor value calculations.

In response to a question, Mr. Pike reiterated the NYISO was in a different position than what it initially presented on April 15, 2024 with respect to consideration of potential future updates to CAFs and other downstream processes. He stated that the NYISO would recalculate all of the CAFs and will bring them to stakeholders for discussion. Ms. Doreen Saia (Greenberg Traurig) suggested that the NYISO revise its OC presentation to better clarify the NYISO's intent to produce updated values for all the CAFs.

In response to a question, Mr. Pike said the NYISO would be revising the Load Zone J UCAP demand curve for the May 2024 spot auction and posting updated information later today. He said the NYISO Stakeholder Services could notify the marketplace when that updated information becomes available.

In response to a question, Mr. Pike said the NYISO would, as part of its procedures for potential Market Problems, assess the market impacts and scope for computing the impacts. The NYISO will coordinate with the Market Monitoring Unit as part of developing such assessment.

In response to a question, Mr. Pike said the NYISO would not go back and retroactively change any past market outcomes. Any changes pursued would be performed on a prospective basis. Mr. Younger supported the NYISO's statement and encouraged the NYISO to be as clear as possible about that.

Ms. Trinsey said that the City of New York supports the motion to revise the LCR for Load Zone J. The City of New York is a strong proponent of running a market accurately that uses correct data. Failing to correct the LCR would cause customers to pay too much and result in unjust and unreasonable rates. If the reverse were to occur, and the LCR needed to be increased, the City of New York would likewise support such a change as well because the City of New York believes in the principle of using correct information and preserving system reliability.

Motion:

The Operating Committee (OC) hereby approves a revised Locational Minimum Installed Capacity Requirement for Load Zone J of 80.4% for the 2024-2025 Capability Year as presented and discussed at the April 19, 2024 OC meeting. The Locational Minimum Installed Capacity Requirements for the G-J Locality (i.e., 81.0%) and Load Zone K (i.e., 105.3%) previously approved at the January 18, 2024 OC meeting for the 2024-2025 Capability Year remain unchanged.

The motion passed unanimously by show of hands with abstentions from Indeck, Alpha Generation, and Helix Ravenswood.

3. New Business

None

The meeting adjourned at 10:40 a.m.

The next meeting is on Thursday, May 16, 2024.