

Operating Committee
April 11, 2024

WebEx
10:00 a.m. – 11:00 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.

Mr. Yozzo reported that he received correspondence from the NYISO about a potential market problem and the NYISO would provide an update at today's meeting.

Mr. Robb Pike (NYISO) provided background information of the potential market problem that was noticed to the market on April 10, 2024. He said the Transmission Security Limit (TSL) floor process is a means to ensure that the Locational Minimum Installed Capacity Requirements (LCRs) are sufficient to meet the transmission security reliability criteria. In this year's outcome, the LCRs for all localities were set by the TSL floors. Part of that process uses the forced outage rates of units in a Locality to calculate how many resources are required to meet the reliability need. Earlier this week, as the NYISO was exploring alternative forced outage calculations over varying time periods and benchmarking those against the results in the TSL process, the NYISO identified a discrepancy impacting the derating factor used in calculating the TSL floor value for Load Zone J for the 2024-2025 Capability Year. The forced outage rate data for the Load Zone J derating factor was pulled from the wrong time period of 2017-2021 when it should have used data from the 2018-2022 period.

It is important to note that the potential market problem impacts the upcoming Capability Year that begins May 1, 2024 and lasts through April 30, 2025. It does not impact the current Capability Year of May 1, 2023 to April 30, 2024.

Since yesterday's notice to stakeholders, the NYISO has determined that the correct forced outage rate for Load Zone J should have been 2.89%, which corresponds to a TSL floor of 80.4% for Load Zone J. The original forced outage rate value was 4.5%, which corresponds to a value of 81.7% for Load Zone J. The NYISO is continuing to investigate and validate whether the forced outage rate for the other Localities were impacted and any other downstream impacts. The NYISO will notify stakeholders of the results of its investigation and return to the appropriate NYISO stakeholder forum(s). The NYISO continues to evaluate what remediations may be necessary and how it can accomplish a modification to the Load Zone J LCR value for the 2024-2025 Capability Year.

The NYISO delayed the close of the bid and offer periods for the May 2024 Monthly Auction by one day to 5:00 p.m. EDT on April 11, 2024.

In response to a question, Mr. Pike said he believed the NYISO used two significant digits in its calculation of the TSL floors but would need to confirm his understanding. Mr. Mark Younger (Hudson Energy Economics) said given that NYC is a subset of the Lower Hudson Valley (LHV) and represents two-thirds of the capacity of the LHV, it was confusing that the NYC value was dropping 1.6% but yet somehow the Load

Zones G-I went the other way enough to perfectly compensate for that. He asked if the NYISO was convinced that the G-J Locality was not impacted at all. Mr. Pike said it was the value that was originally produced using data for the 2018-2022 period but indicated that the NYISO was still validating it.

In response to a question, Mr. Pike said as part of the NYISO's process going forward to potentially revise the Load Zone J LCR value, it would absolutely need to ensure that any revisions to the Load Zone J LCR result in a system that continues to meet the one in ten reliability criteria.

In response to a question, Mr. Pike said the calculation error could potentially impact the Capacity Accreditation Factors (CAFs). Mr. Howard Fromer (Bayonne) emphasized the importance of identifying any potential reliability implications and strongly recommended the NYISO timely review any potential impacts on the previously published final CAF values for the 2024-2025 Capability Year before it concludes its investigation.

In response to a question, Mr. Pike said the NYISO anticipated it could complete its investigation this week and could have a further conversation with stakeholders on its investigation findings and options for remedial action next week. He noted that the time to the May 2024 spot auction is very tight with less than two (2) weeks remaining until such auction, and for changes to be made, those changes would need to occur next week. He discussed the potential of scheduling a special OC meeting next week.

In response to a question, Mr. Pike said if the LCR didn't meet the one in ten reliability criteria, then the NYISO would have to use the LCR optimizer, but did not know how long it would take to obtain values.

Mr. Matt Schwall (Alpha Gen) said the potential market problem was a major mistake with market participants engaging in bilateral auctions based on a Load Zone J TSL floor that parties thought was final over the past few months. The NYSRC set an IRM based on that TSL floor and took the unprecedented step of reducing the IRM base case from 23% to 22% based on that TSL floor, which he contended was a mistake by the NYSRC. His company, and many others, will be reviewing the information going into the upcoming auction and appreciated the NYISO's investigation of the LCRs and any discussions it will have with stakeholders going forward, but Alpha Gen has serious concerns with how this circumstance played out.

2. Operations Report – March 2024

Mr. Aaron Markham (NYISO) reviewed the Operations Report included with the meeting material. In response to a question, Mr. Markham said there was a 60 MW increase of in-front-of-the-meter solar on the system compared to the February 2024 Operations Report.

April 5, 2024 Earthquake

Mr. Markham reported that there were no impacts to the NYS electrical system assets due to the 4.8 magnitude earthquake that occurred in New Jersey.

April 8, 2024 Solar Eclipse

Mr. Markham provided a report on the NYISO's operations during the eclipse. As

projected, the eclipse's greatest impacts occurred during the hours between 14:00-17:00. The NYISO prepared for the eclipse seven days prior to the event and monitored forecast changes. The forecast that went into the day ahead and real time markets accurately predicted the ramps for the eclipse, and the market systems committed sufficient resources to ramp down and ramp back up of the solar resources. Specifically, there was an approximately 2,400 MW reduction of behind-the-meter solar during the eclipse from 14:00 – 15:30 which equated to a max hourly net load increase of about 1,500 MW. As the eclipse passed, the solar ramped up by 600 MW before returning to the normal ramp down. The clouds in western NY mitigated the ramps that were experienced. The load ramp was like a typical morning load pick up of approximately 1,400 MW.

Upcoming Gas System Maintenance

Mr. Markham reported that there will be an upcoming outage on the Con Ed local distribution gas system from April 17-22, 2024, and the NYISO anticipated increased natural gas system constraints during that time, similar to what occurred in October 2023.

3. NYSRC Update

Mr. Markham reported that the next NYSRC-EC meeting is tomorrow. The NYSRC has proposed two reliability rules (PRR 153a and PRR 154a) and comments are due on April 24, 2024.

4. Interconnection Study Reports

Q#1311 Bronx Shores Energy Storage SRIS Report

Mr. Florencio Lupoy (NYISO) reviewed the study report's finding included with the meeting material.

Motion #1a:

The Operating Committee (OC) hereby approves the Q#1311 Bronx Shores Energy Storage Interconnection System Reliability Impact Study report as presented and discussed at the April 11, 2024 OC meeting.

The motion passed unanimously by show of hands.

Q#1321 Dix Hills Storage SRIS Report

Mr. Lupoy reviewed the study report's finding included with the meeting material.

Motion #1b:

The Operating Committee (OC) hereby approves the Q#1321 Dix Hills Storage Interconnection System Reliability Impact Study report as presented and discussed at the April 11, 2024 OC meeting. Q#1321, as proposed, was deemed infeasible, and the Study was completed to the furthest extent it could be completed due to the infeasibility of the proposed project.

The motion passed unanimously by show of hands.

Q#1372 Community OSW Brooklyn CEH 1 SRIS Report

Mr. Lupoy reviewed the study report's finding included with the meeting material.

Motion #1c:

The Operating Committee (OC) hereby approves the Q#1372 Community OSW Brooklyn CEH 1 Interconnection System Reliability Impact Study report as presented and discussed at the April 11, 2024 OC meeting.

The motion passed unanimously by show of hands.

Q#1378 Community OSW Brooklyn CEH 2 SRIS Report

Mr. Lupoy reviewed the study report's findings included with the meeting material.

Motion #1d:

The Operating Committee (OC) hereby approves the Q#1378 Community OSW Brooklyn CEH 2 Interconnection System Reliability Impact Study report as presented and discussed at the April 11, 2024 OC meeting.

The motion passed unanimously by show of hands.

5. Subcommittee and Working Group Updates

- **CDAS** – Mr. Kirk Dixon (NYISO) reported that CDAS met last week. There were no items on the agenda that advanced to the OC.
- **ESPWG** – Ms. Corinne Didomenico (NextEra) reported that ESPWG met three times since the last OC meeting. The NYISO presented updates on the NYC PPTN prior to its solicitation that occurred on April 4, 2024, updates on the System and Resource Outlook, including updates to the policy case, and updates to the electric vehicle forecast and building electrification assumptions
- **IITF** – Ms. Didomenico reported that IITF met once since the last OC and the NYISO reviewed its Order No. 2023 compliance plan and tariff revisions.
- **SOAS** – Mr. Kirk Dixon (NYISO) reported that SOAS met early this month and reviewed the operations report. No items on the agenda advanced to the OC.
- **TPAS** – Mr. Scott Leuthauser (HQ US) reported the TPAS reviewed the study reports that the OC approved today. In addition, the NYISO provided updates to the Class Year Study and Expedited Deliverability Study in progress, reviewed material modification determinations, and gave an overview of the recently issued FERC Order No. 2023-A as it relates to interconnection reform.

6. New Business

None

The meeting adjourned at 11:00 a.m.

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