

DRAFT

NYISO Management Committee Meeting Minutes

January 30, 2019

10:00 a.m. – 1:00 p.m.

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

The chair of the Management Committee (MC), Mr. Chris LaRoe (Brookfield Renewables), called the meeting to order at 10:00 a.m. by welcoming the members of the MC. Members identified themselves and attendance was recorded. A quorum was determined.

Mr. LaRoe noted that the MC would have an executive session for action of BSSC recommendations.

2. Approval of the Draft October 31, 2018 and December 19, 2018 Meeting Minutes

The draft October 31, 2018 and December 19, 2018 meeting minutes were presented for approval.

Motion 1

The Management Committee (MC) approves the October 31, 2018 and December 19, 2018 meeting minutes.

The motion passed unanimously by show of hands

3. President/COO Report

Mr. Rick Gonzales (NYISO) reviewed the Market Performance Highlights and Operations Performance Report (presentation include with meeting material).

Ms. Emilie Nelson (NYISO) provided a cold weather operations report. She reported that there were two noteworthy periods of cold weather across the state and region which occurred on January 19th through January 22nd and the cold weather currently underway. Both of these events included significant storm systems followed by artic cold weather.

Ms. Nelson provided the following preliminary observations.

The January 19-22 cold weather was forecasted in advance of the weekend with particular focus on the winter storm which occurred from Saturday night into Sunday followed by dropping temperatures between Sunday night and Monday.

Regarding the storm itself, although there was substantial snowfall in upstate regions and mixed precipitation downstate, there were no significant transmission or distribution issues caused by the snow and freezing rain. In advance of the weekend, there was good coordination with the Transmission Owners and neighboring ISOs regarding their expected conditions. Some transmission was returned to service in advance of the anticipated weather. Given the holiday weekend, gas was procured on Friday for Saturday through Tuesday. We did see, in advance of the weekend, generators began to switch to oil with escalated gas prices and some gas availability limitations projected in advance of Monday, which was the coldest day. Sufficient oil inventory was available on site based on NYISO fuel surveys. NYISO appreciated the good cooperation with the fuel survey process by the generation fleet.

The actual peak occurred on Monday, the 21st, the Martin Luther King Jr holiday. The weather-adjusted peak was 24,372 MW. The actual peak temperature across NYCA was 8.8 deg F, very close

to forecast. Minimums were -3 in Syracuse, 0 in Albany and 6 degrees in NYC. This was the first time we had the cold extend into the downstate region. There were some forced outages on generation due to fuel related issues (including inability to get fuel) and due to other cold weather issues. Con Edison and National Grid LDCs and the pipelines did issue OFOs in advance. We did see gas prices exceeding liquid fuel for this extreme Monday conditions.

For this week, we are seeing cold weather moving across the state today and that is expected through Friday, warming over the weekend. For today, the 50- 50 forecast is 23,830 MW. The 90th percentile forecast is 24,370 MW. Looking ahead to tomorrow, where we are expecting the highest load, we see 24,570 MW. The 90th percentile forecast is 25,130 MW. The forecast peak temperature index is 11.4 deg F. Daytime high temperatures are in the single digits to near 10 upstate; lower- to mid-teens downstate. Forecast lows are near zero and below upstate; single digits to just above 10 downstate.

Fuel surveys show sufficient inventory. We also see hourly 1/24th OFO in place starting 10AM today for the Grid and Con Ed LDCs, and continuing through the week. At this point, in general taking a macro view, natural gas storage is within the 5-yr range, in the East stocks are at 566 BCF vs. 619 BCF.

From a fuel survey perspective, throughout the season we have seen sufficient inventories on site to meet these cold weather periods.

Ms. Nelson stated that additional details will be provided in the Cold Weather Operations presentation, to be given at a later date.

4. Proposed Change to Fixed Price TCC Credit Requirement

5. Proposed Change to Fixed Price TCC Credit Requirement

Ms. Sheri Prevratil (NYISO) provided an update (presentation included with meeting material).

Mr. Howard Fromer (PSEG) asked if something were to happen to the system during the duration of the TCC, would the marketplace be protected with the credit coverage? Are the market participants covered with what is being proposed to prevent someone running up a high IOU? Ms. Prevratil noted that for these particular TCCs NYISO currently holds collateral based on the fixed price the Market Participant pays for that TCC. The fixed price doesn't necessarily reflect the market clearing price or the risk for that path. Going forward, the new rules will focus on the market clearing price as it relates to that path and yes, NYISO will be covered more appropriately for these TCCs because the market clearing price better aligns the risk of the fixed price TCC.

Mr. Bruce Bleiweis (DC Energy) inquired about NYISO TCC credit policy. Ms. Prevratil said there will be a discussion at a future credit policy working group meeting.

6. Recess and Commencement of Executive Session

Motion 5:

The Management Committee (MC), in accordance with Section 9.2 of the Management Committee By-Laws, hereby recommends for consideration by the NYISO Board of Directors the candidates presented by the Board Selection Subcommittee (BSSC) in Executive Session at the MC meeting on January 31, 2018.

The motion passed by secret ballot vote.

The meeting adjourned at 1:00 pm.