

DRAFT**NYISO Management Committee Meeting Minutes****April 24, 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, based on feedback from members at the Business Issues committee, additional discussion on the SRE Penalty Proposal was needed and this item has been deferred to the May MC.

Mr. Scott Leuthauser (HQ) and Mr. Dave Clarke (LIPA) both noted their support for postponing this and having further discussion at the working group. Mr. Clarke stated that he appreciated the efforts the NYISO staff has put in to make the rules work and thinks with more discussion, the group can further improve the rules.

Ms. Doreen Saia (Entergy) expressed concern on timing, noting that the SRE penalty rules are a key change for the summer, and needs to be in place by June. Ms. Karen Gach (NYISO) stated that she understood Entergy's concern. Mr. Fernandez stated that the best efforts will be made to get this done as quickly as possible. Ms. Saia stated she understood the basis for pulling it from the agenda and just wanted to make sure it stays on track.

2. Approval of the Draft January 30/February 27, 2019 Meeting Minutes**Motion #1:**

Motion to approve the draft January 30 and February 27, 2019 Management Committee meeting minutes.
The motion passed by show of hands with an abstention.

3. President/COO Report

Mr. Rob Fernandez (NYISO) provided an update on the June 3-4 Joint Board of Directors and Management Committee meeting and reminded members who have not already secured a room at the Sagamore Hotel that the deadline for the group rate is May 3. Mr. Fernandez noted that the format would be roundtable discussion, which has been well received in the past.

Mr. Fernandez informed members that the Customer Satisfaction Survey is currently being conducted via email and he encouraged all to take the time to fill it out, as the feedback is very valuable to the NYISO.

Mr. Fernandez announced the appointment of the new Board of Director's member, Ms. Teresa Marrinan. Mr. Fernandez noted that Ms. Marrinan has over 35 years of energy experience and has held officer positions with both AES Corporation and Dayton Power and Light. Mr. Fernandez commented that members will have a chance to meet Ms. Marrinan at the June 3-4 Joint Board of Directors and Management Committee meeting.

Mr. Fernandez noted that the annual sector meetings have concluded. He thanked everyone for their participation.

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

4. DER Market Design

Mr. James Pigeon reviewed the presentation (presentation include with meeting material) and thanked members for their valuable feedback and support on the market design over the last 3 years.

With regard to authority on dual participation scheduling, Mr. Pigeon presented revised tariff language that stated “the NYISO has the authority to determine schedules and/or dispatch for these resources” and noted, if there were no objections from members, this would be included in the tariff language.

Mr. Dave Clarke (LIPA) asked Mr. Pigeon to clarify that the Transmission Owner would still be able to request, through the NYISO, to commit the unit out of merit for local transmission issues in the same way it can commit a conventional generator. Mr. Pigeon stated this is correct, the TO would have the option of requesting to the aggregator that they get themselves scheduled or the TO can also call the NYISO and use the SRE or out-of-merit process. Mr. Clarke stated with this inclusion, LIPA does not oppose this. Mr. Younger added that with the clarification, if the TO tries to do that and the NYISO determines that it would be detrimental to NYISO operations that the NYISO has veto power and can deny the SRE or schedule request. Mr. Clarke asked for additional confirmation that NYISO is not asking for any more rights that it has for conventional generation. Mr. Pigeon agreed.

Mr. John Borchert (Central Hudson) stated that Central Hudson does not have an issue with the proposed language, and said he anticipated that this is the way it would operate.

Ms. Doreen Saia (Entergy) stated that she had asked for a statement that when the schedules conflict for dual participation resources, NYISO will have the authority to issue instructions “in accordance with NYISO procedures”. Mr. Fernandez, after asking members if they object, stated that this would be included in the filing. Ms. Saia also asked that the NYISO include a reference to the studies and operations experience in the filing.

Mr. Mark Younger noted that it may be worthwhile in the filing letter to clarify the intended meaning of the term “authority.” Mr. Fernandez responded that the requested clarification would be included. Ms. Saia asked if the NYISO was also going to give a narrative on how they anticipate dual participation will work? Mr. Greg Campbell responded that there would be an explanation in the filing letter.

Mr. Brian Wilke (National Grid) provided the following written statement for the minutes:

National Grid supports the NYISO’s diligent efforts to create a workable and reasonable DER Integration market design, and plan to support it today. We also support the NYISO’s dual participation tariff clarification, and affirm that through its contract with the non-wires alternative resource the Transmission Owner retains the right to determine the extent of individual NWA participation in NYISO’s markets. The extent of participation will be based on the reliability needs of the local TO while formulating the operating plans for its NWAs.

Mr. Stu Caplan (Troutman, Sanders representing the NYTOs) said that NYISO had mentioned that there were no changes to the capacity mitigation rules. He noted that, while generally supportive of achieving this dual participation model, the NYTOs would like to consider working with stakeholders in the future on means of streamlining the BSM process to address the concern that with the current BSM process you don’t end up with your mitigation determination in some instances until the end of the class year cost allocation process which, as we know from the CY 2017 process, can take quite a while. The NYTOs would like to work towards methods to streamline the BSM process so we don’t delay entry of new resources that can satisfy whatever test applies.

Mr. Greg Geller (EnerNOC) stated that he fully supported Mr. Kaplan's proposal and thinks it's really important and otherwise there is a concern that you might have a bunch of resources who choose not to participate in the NYISO market.

Ms. Jane Quin (Con Edison) provided the following written statement for the minutes:

Con Edison and Orange & Rockland appreciate the NYISO's efforts on this project, and close coordination with the joint utilities to coordinate joint distribution-transmission operations to make DER aggregations and dispatch possible. However, with respect to the expanded capacity value proposal, we are relying on the NYISO's assurance that the end proposal meets the reliability needs of the bulk system.

Mr. Wes Yeomans (NYISO) responded that consistent with the March 18 presentation delivered by NYISO Operations to the ICAP working group, NYISO Operations has provided input and review on the critical components of the DER market design proposal. Based on the review, NYISO Operations supports the comprehensive package of the market design changes which positions the NYISO to be able to meet reliability.

Ms. Amanda Trinsey (Multiple Intervenors) thanked the NYISO for working so hard with stakeholders over the last 3 years. She explained that while there are good aspects of the proposal, the market design is not perfect. Multiple Intervenors has identified concerns in working group meetings and has criticized different aspects of the market design. The City of NY and MI do not 100% agree with the proposal. Specifically, they are concerned with mitigating DERs, especially DER 2 MWs and under. The City has never been supportive of the BSM structure here, and during the working group meetings, NYISO staff committed to stakeholders that we would work on some of the Class Year process and Interconnection process issues for smaller DERs so we don't get hung up in the Class Year process and delay project development. The City and MI looks forward to seeing those changes in the coming months so that we can have projects get online expeditiously. With respect to the capacity value changes included in the proposal, the City and MI were not supportive of the SCR program having a diminished capacity value and we don't necessarily agree with the percentage values once the 100 MW trigger for ratcheting down the value goes into effect. MI and the City recognize that the NYISO did make design changes in response to some of our requests and we appreciate that. Lastly today we heard that the NYISO plans in their filing letter to clarify some of the language surrounding how the restudy will occur every 4 years and the refiling. That was a concern for us and we look forward to seeing clarification in the filing letter. Notwithstanding these points, this is a package and a result of a lot of compromises and work over the past 3 years, and MI and the City are going to move forward and support this today.

Mr. Peter Dodson-Westphalen (CPower) echoed many of Ms. Trinsey's comments and thanked the NYISO for the work they have done; he stated that he looks forward to continuing to work with the NYISO to remove any of the barriers to demand side resources and their transition from the SCR program to the DER participation model.

Mr. Howard Fromer (PSEG) suggested that the NYISO provide a slide that lays out the timeline for DER.

Mr. Greg Geller (echoed City of NY, MI and C-Powers comments, also noting his appreciation for the work done by the NYISO. He added that he has a lot of same concern that Ms. Trinsey raised. EnerNOC thinks it is really important as we go forward and develop manuals and implementation that we really keep customers in mind and create a model that will attract resources and balance all the reliability needs. Mr. Geller said he is eager for this to be a success, looking forward to collaborating with NYISO, and will be voting in favor of the proposal. He added that that he is hoping to work towards reducing barriers.

Mr. Miles Farmer (NRDC) echoed the statements of NYC, MI and CPower, noting that the one additional clarification on the value determination, we would disagree with both the initial percentages and those at 1000 MWs. Mr. Farmer stated that they appreciate all the hard work from NYISO and think it's definitely an improvement over the status quo and NRDC will be voting in favor.

Mr. Jim D'Andrea (LS Power) stated that Ravenswood is not against DERs or energy limited resources participating in the market; LS Power has a fairly large battery development project that is currently going through the interconnection process. However, LS Power has some serious concerns related to the market signals that are currently being provide to resources for their reliability attributes and the market signals that will be sent by this proposal for purported reliability attributes. We heard some of the concerns related to dual participation. Today when a resource is a NYISO capacity resource yet also has obligations to a TO, looking at the goals the state is trying to accomplish in reducing output from carbon omitting resources, our sense is that storage resources should be shifting excess renewable power to periods where there isn't renewable power so it can displace carbon omitting resources. That's not necessarily an attribute of a reliability resource. You are going to restrict a storage resource's output if you are using it as a reliability resource. Ravenswood is against this proposal and will vote against it. We are actually hoping there will be better signals to reliability attributes in the future than what we think is being sent now. We are not convinced the NYISO's response is sufficient to retain reliability if current resources are displaced by these resources.

Motion:

The Management Committee ("MC") hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to the Open Access Transmission Tariff and Market Administration and Control Area Services Tariff as described in the presentation entitled "DER Energy & Capacity Market Design" made **and as modified** at the April 24, 2019 MC meeting.

The motion passed by show of hands with abstentions and one vote against.

5. New Business

There was no business. The meeting adjourned at 12:45 pm.