

DRAFT**NYISO Management Committee Meeting Minutes****July 31, 2019****10:00 a.m. – 1:00 p.m.**

1. Introductions, Meeting Objectives, and Chairman's Report**2. Review of Meeting Minutes**

The draft meeting minutes from the April 26, 2019 and June 04, 2019 Management Committee meeting were presented for approval.

Motion 1

Motion to approve the draft April 26, 2019 and June 04, 2019 Management Committee meeting minutes.
The motion passed unanimously by show of hands.

3. CEO-COO Report

Mr. Rich Dewey (NYISO President and CEO) provided a status report on the carbon pricing proposal. Mr. Dewey indicated that there would be a slight delay in finalizing the proposal which had been targeted to be finished and available by the end of July. He explained that the preliminary results had been reviewed by the Board, however in light of the new climate legislation recently signed by the Governor, additional analysis would need to be done. Mr. Dewey noted that the updated report will be available for NYISO to review with stakeholders in the upcoming weeks.

Mr. Dewey reported on the fuel security study. He stated that preliminary results from the study were posted for review on Friday and he encouraged everyone to take a look at it.

Mr. Dewey also reported that the NYISO had recently issued the annual executive outreach survey, an important component of the overall customer satisfaction survey. Mr. Dewey asked members to check with their executive management to ensure they take a few moments to respond to the survey. In response to a question from Ms. Jane Quin (Con Edison) on if the survey is anonymous, Mr. Dewey stated that the specific responses are confidential and not posted; but are known to NYISO management, to allow for follow-up on any concerns raised in a survey response.

Mr. Chris Wentlent (MEUA) noted that the Resources for the Futures (RFF) had recently released their report on NY carbon pricing and asked if the NYISO had plans to bring that report to a stakeholder group for discussion. Mr. Dewey stated that was not something that was currently being planned; the RFF had presented their independent preliminary study to stakeholders last year, and the Analysis Group had reviewed that study, however, if there was stakeholders interest, he would look into bringing RFF back to a NYISO stakeholders meeting.

Mr. Mark Younger (Hudson Energy Economics) noting the impact that carbon pricing has on the budget and projects for 2020, questioned the deadline on when NYISO would proceed with either including nor not including carbon in the project plan. Mr. Dewey stated that the carbon pricing proposal is the most effective, efficient means to accomplish the states goals and the NYISO stands by that. Mr. Dewey added that the proposal would not be brought forward without agreement and collaboration from the State. Mr. Dewey said that at this point, there isn't a deadline, and if it takes longer to do analysis to understand the impact of

new legislation and to make everyone comfortable, then we will wait. The only deadline we have is with respect to the budget and which projects are included in next year's work plan and which aren't.

Mr. John Cordi (NYPA) commented that if the full report wasn't quite ready, there would be great value in releasing what NYISO can as soon as possible. Mr. Dewey reiterated that he understood that there is an intense interest in the report and it's in the NYISO's interest to provide stakeholders with the report as soon as it's available.

Mr. Rick Gonzales (NYISO) recapped the market performance highlights (presentation included with meeting material).

Mr. Wes Yeomans (NYISO) provided a verbal update on recent warm weather operating conditions. Mr. Younger noted that on July 19 and possibly 18, there were numerous out of market commitments for upstate units, due to issues on lower voltage lines, and asked if the NYISO was planning to review whether the issues that caused those out of merit commitments warranted additional lines being secured. Mr. Yeomans said he would take a look and see if they were due to post contingency voltage or if there is another opportunity for efficiency on the thermal securing of those lines.

Mr. John Cordi (NYPA) asked Mr. Yeomans if he thought securing those new lower voltage facilities has made this a better summer. Mr. Yeomans stated yes, pricing of the additional transmission elements has reduced the number of out of merits in New York.

4. Rate Schedule 1 – Allocation of NYISO Budget

Mr. Chris Russell (NYISO) provided an overview (presentation included with meeting material). Mr. Russell explained that the language included in OATT Rate Schedule 1 requires a vote by the Management Committee in Q3 2019 to determine whether a new cost of service study should be conducted to evaluate the Rate Schedule 1 allocation between withdrawals and injections.

Mr. Russell stated that the NYISO recommends that a new cost of service study be conducted in order to consider the RS1 impact of the most significant market design changes to be implemented since 2005 such as integration of renewable resources, distributed energy resource roadmap, and energy storage integration and optimization.

In response to a question from Mr. Marc Montalvo (UIU) on how the study would be done, Mr. Russell stated that if the study is approved to be conducted, the NYISO would work with stakeholders regarding the scope. Mr. Russell added that the NYISO would also have discussions with stakeholders before putting out an RFP and hiring a consultant.

Mr. Mike Mager (MI/CNY) stated that both Multiple Intervenors and the City of NY don't have an objection to doing a study in a couple years' time when more of the changes Mr. Russell identified have been implemented, but neither party sees any compelling need to do one at this time. Mr. Mager added that the potential market design changes that could impact RS1 cost did not include carbon pricing, and asked if this was intentional. Mr. Mager also noted that carbon pricing would be a large market change if implemented requiring quite a bit of work; and seems like another reason why waiting another year or two makes sense.

Mr. Russell stated that the main focus was the known changes, it wasn't specifically calling out any one change as the driver.

Mr. Dewey stated that the carbon pricing proposal is just a pricing change to a lot of our existing markets that don't have a direct impact on the cost that the NYISO might incur, other than the development of the rules or cost of the software, to provide the services. The items listed rep the possibility of a lot of new market

entrants, additional services and direct impacts on manpower and software provision, and were provided as examples and not the limiting factors.

Motion #2:

The Management Committee hereby determines that a new Cost of Service study should NOT be conducted during late 2019 and 2020 to inform a decision on whether a modification of the 72%/28% cost allocation between Withdrawal Billing Units and Injection Billing Units is warranted, pursuant to OATT Section 6.1.2.3.

In Favor = No Study

Opposed=Study will be conducted

The motion passed by show of hands with opposition by UIU and MEUA (Village of Solvay, Village of Fairport, Village of Westfield, Village of Arcade, Plattsburgh Municipal Lighting Dept., Municipal Commission of Boonville, Lake Placid Village, Bath Electric, Gas & Water Systems, NYS Department of State) and an abstention by Galt Power.

5. Revisions to OATT Attachment L

Mr. Greg Williams (NYISO) provided an overview of the accepted revisions process and updates to table 1A in Attachment K of the OATT (presentation included with meeting material).

Motion #3:

The Management Committee ("MC") hereby: (i) approves revisions to Attachment L of the Open Access Transmission Tariff, as more fully described in the presentation entitled "Revisions to OATT Attachment L" made to the MC on July 31, 2019; and (ii) recommends that the NYISO Board of Directors authorize the NYISO staff to file such revisions under Section 205 of the Federal Power Act.

The motion passed by show of hands with an abstention.

6. New Business

There was no new business.

The meeting adjourned at 12:15.