

NYISO Management Committee Meeting Minutes**October 30, 2019****10:00 a.m. – 12:00 p.m.**

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

The chair of the Management Committee (MC), Mr. Chris LaRoe (Brookfield), 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.

2. Approval of the Draft September 25, 2019 Meeting Minutes**Motion #1:**

Motion to approve the draft September 25, 2019 Management Committee meeting minutes.

The motion passed by show of hands

3. President/COO Report

Mr. Richard Dewey provided an update on the Energy Management System (EMS) project and noted that an email was also sent out as a reminder of the update last week. Mr. Dewey stated that after evaluation of the current project status, the NYISO had determined that it would not be proceeding with go-live of the EMS/BMS Upgrade project as originally scheduled. Due to several unresolved issues that affected the functionality and performance of the system which could not be solved in time to satisfy end of year auditing requirements, a decision was made to delay deployment and regroup and focus on making sure NYISO maintains a stable productive system. Mr. Dewey stated that the new target will be to deploy as soon as possible in the New Year. The NYISO will be evaluating next steps over the coming days and will brief stakeholders as more information becomes available.

Several members thanked Mr. Dewey for the update. Mr. Aaron Breidenbaugh (Luthin Associates) noted the importance of getting the project right, and asked that NYISO, in a future update, to include impacts on other project deadlines.

Mr. Rick Gonzales (NYISO) reviewed the market operations and operations performance reports for the month of August 2019.

4. 2020 Vice-Chair Election

Mr. Aaron Breidenbaugh was elected 2020 Management Committee Vice-Chair.

5. Customer Satisfaction and Assessment of Performance

Dr. Don Levy (Siena) provided an update (presentation include with meeting material). Dr. Levy noted that the customer satisfaction scores were the highest recorded in the four years Siena has been conducting the survey. Dr. Levy reviewed the NYISO's areas of strength which include reliably operating New York's bulk electricity grid and administering both open and competitive wholesale electricity markets. Dr. Levy also reviewed opportunities for improvement which include conducting comprehensive long-term planning for state's electric power system and advancing technological infrastructure.

Mr. Dewey noted that the NYISO takes the survey results very seriously and continually factors this in to the NYISO's planning and consideration of improvement opportunities.

6. NYISO 2020 Budget Overview

Mr. Alan Ackerman (Customized Energy Solutions and BPWG Chair) reviewed the presentation included with the meeting material.

Mr. Mike Mager (Multiple Intervenors) commended the NYISO for its efforts in trying to keep the budget as flat as possible, and noted that Multiple Intervenors will be supporting this budget.

Motion #3

The Management Committee (MC) hereby approves, and recommends to the NYISO Board for filing under Section 205 of the Federal Power Act, revisions to Attachment K of the Market Administration and Control Area Services Tariff as described in the presentation entitled "Proposed Changes to Enhance Credit Reporting Requirements and Remedies," made at the October 30, 2019 MC meeting.

The motion passed by show of hands with an abstention.

7. Proposed Changes to Enhance Credit Reporting Requirements and Remedies

Ms. Sheri Prevratil (NYISO) provided an update (presentation include with meeting material). Mr. Bruce Bleiweis expressed his appreciation for the work that was done to improve the process.

Motion #4

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2020 budget year as described in the presentation materials for the October 30, 2019 Management Committee meeting, subject to the following provisions:

Revenue Requirement – The Revenue Requirement is \$168.0 million.

Rate Schedule #1 – The budgeted Rate Schedule #1 is \$1.089/MWh.

Spending Under-runs – If a spending under-run occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

Volume Over-collections – If an over-collection on Rate Schedule #1 occurs, the related funds should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

The motion passed by show of hands with an abstention.

8. Cost Containment Mechanism for Public Policy Transmission Planning Process

Ms. Yachi Lin (NYISO) provided an update (presentation include with meeting material). Mr. Howard Fromer (PSEG) expressed concern regarding the proposed excluding conditions. Mr. Fromer explained that if a cost increase is due to delay or activity of the connecting Transmission Owner, the developer would not be held accountable, since the Developer has no control over the cost increase. Mr. Fromer noted that a situation could arise in New York where the selected Developer and the Transmission Owner are affiliates, and the Transmission Owners are causing the cost increase. The resulting higher revenue requirement could increase return on investment and benefit the Transmission Owner's Developer affiliate. This outcome seems to violate the intent of carving out excusing conditions. Mr. Carl Patka (NYISO) stated that the principle we are establishing in the tariff is that if there are circumstances beyond the control of the Developer, the

Developer should be excused from cost overrun in the cost recovery, similar to PJM and ISO-NE. Mr. Patka stated that if an affiliate of the selected Developer is the cause of this concern, then when the Developer files its rate at FERC and is seeking to be excused from the cost cap, there will be an opportunity for parties to intervene and raise their concerns in the rate proceeding.

Ms. Amanda Trinsey (City of NY) provided the following statement:

For many years the City has pushed for a cost containment mechanism for a public policy transmission planning process, and the City very much appreciates the NYISO's pursuit of this issue and an establishment of some provisions. However as many of you know, at the BIC meeting last week, the City opposed this proposal because the City continues to have concerns with the soft cap and whether the intended customer benefits will actually materialize the way this presentation enforces. The City is changing its vote today to abstention based solely on the fact that it's our understanding the NYISO is going to police the agreement and tariff revisions to ensure its soft cap is being carried out as it was intended to, and that it will be involved in ensuring that the tariff revisions are doing their job. For those reasons we will not oppose today's vote and instead abstain.

Ms. Jane Quin (Con Edison) noted that Con Edison will be abstaining on the vote, and provided the following statement:

Con Edison and Orange and Rockland support the proposed cost containment options that have been developed, and very much appreciate the effort the NYISO staff has made to consider the input of many stakeholders. Specifically, we appreciate that the NYISO has included the ability for developers to propose a soft cap, with flexibility as to how the cap will be implemented as part of the FERC rate-setting process.

However, Con Edison and Orange and Rockland are abstaining on today's vote because the tariff changes being made not only include the cost containment options that we have worked so hard to develop, but also include changes to the NYISO evaluation process. It is in the changes to the evaluation process that we have a concern because there is no step included should a TO decide to upgrade its own facilities. We believe that to the extent the tariff changes specify changes in the NYISO evaluation steps, that process ought to have a step to allow for the possibility that a TO will choose to upgrade its own facilities. Should the NYISO be willing to make that change to the tariff provisions, we believe we would be able to support the proposed tariff changes.

Mr. Mike Mager (Multiple Intervenors) provided the following statement:

Multiple Intervenors very much appreciate the NYISO's effort in getting us to this point we have long felt that the tariff had a gaping hole without these provisions. While these revisions are not perfect, they do a very good job in meeting the objective and for that reason MI supports this.

Ms. Margaret Janzen (National Grid) provided the following statement:

National Grid appreciates the work done by NYISO over the last few years on the development of this proposal, based on the lessons we have learned from the past solicitations. We support this proposal to improve the evaluation process because we think it should ultimately help customers and protect them. National Grid looks forward to working with stakeholders in good faith to further improve the evaluation process for public policy projects and work to resolve the outstanding local upgrades issue.

Motion #5

The Management Committee (“MC”) hereby recommend that the Board of Directors approve the revisions to Sections 6.10, 31.1, 31.4, and 31.7 of the Open Access Transmission Tariff (“OATT”), as more fully described in the presentation entitled “Cost Containment Mechanism for Public Policy Transmission Planning Process” as presented and discussed at the October 30, 2019 MC meeting.
The motion passed by show of hands with abstentions.

9. New Business

There was no new business

The MC adjourned at 11:50 a.m.