
NYISO Business Issues Committee Meeting Minutes
November 6, 2019
10:00 a.m. – 12:10 p.m.

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

Mr. Chris Wentlent (MEUA) called the meeting to order at 10:00 a.m.

2. Market Operations Report and Broader Regional Markets Report

Mr. Rana Mukerji (NYISO) stated that due to the early timing of the meeting within the month, the Market Performance Highlights were not yet available for review. It was further noted that the Market Operations Report would be posted as part of the meeting material once available.

Mr. Mukerji reviewed the Broader Regional Markets report included with the meeting material. There were no questions or comments regarding the Broader Regional Markets report.

3. BIC Vice Chair Election for 2019-2020

Mr. Matthew Schwall (IPPNY) was elected to serve as the BIC Vice Chair for the 2019-2020 term.

4. More Granular Operating Reserves

Ms. Ashley Ferrer (NYISO) reviewed the presentation included with the meeting material.

Mr. Howard Fromer (PSEG) asked whether the proposed load pocket reserve requirements are seeking to provide a more targeted distribution of the locations within which to hold 800 MW of the total 1,000 MW 30-minute reserve requirement for Load Zone J. Ms. Ferrer confirmed that the proposed load pocket reserve requirements are intended to provide price signals regarding more targeted locations for holding a portion of the 30-minute reserve requirement applicable to Load Zone J.

Mr. Fromer requested further information regarding the set of resources the NYISO is proposing to audit as part of the enhancements to its reserve provider audit process. Ms. Ferrer (NYISO) stated that, going forward, the NYISO will seek to audit all resources qualified to provide 10-minute or 30-minute reserves at least once per year.

Mr. Michael Cadwalader (Atlantic Economics) stated that assessing performance of reserve providers solely based on performance during audits is insufficient. Mr. Cadwalader further stated that it is necessary to supplement the assessment of audit performance with an analysis of actual performance of reserve providers during reserve pickup events. Ms. Ferrer stated that the NYISO is currently analyzing reserve pickup event performance and working to distill this information into a format to facilitate the review thereof with stakeholders. She also noted that a preliminary review of the reserve pickup performance from the Summer 2019 Capability Period demonstrated that resources activated during reserve pickup events provided approximately 98% of the expected MW capability. Mr. Cadwalader replied that the NYISO should refrain from drawing conclusions about the need for potential changes to the current reserve payment structure until data addressing reserve provider performance during reserve pickup events has been reviewed with stakeholders.

Mr. Fromer asked for confirmation that project plan for 2020 does not currently anticipate implementation of the proposed load pocket reserve requirements in 2020. Ms. Ferrer stated that, currently, the 2020 project plan does not include implementation of the load pocket reserves during 2020. Ms. Ferrer further noted that the NYISO is continuing to evaluate the potential timeframe that would be practicable for seeking to implement the proposed load pocket reserve requirements.

Ms. Amanda Trinsey (Couch White) stated that the market design for the load pocket reserves should not be considered finalized/complete prior to conducting a consumer impact analysis for the proposal. Mr. Michael DeSocio (NYISO) stated

that the NYISO is committed to conducting a consumer impact analysis of the proposed load pocket reserve requirements prior to seeking stakeholder approval thereof.

Mr. Cadwalader requested that the consumer impact analysis for the proposed load pocket reserves include an assessment of how often the proposed load pocket reserve requirements could result in the commitment of MW in excess of the needs to meet the Local Reliability Requirements (LRRs), as well as the extent to which the proposed load pocket reserve requirements could result in insufficient MW commitments to satisfy the LRRs.

5. Class Year and Interconnection Process Enhancements

Mr. Thanh Nguyen (NYISO) reviewed the presentation included with the meeting material.

Mr. Mark Younger (Hudson Energy Economics) asked for further information regarding the timeline for the NYISO to provide information to stakeholders regarding the finalized set of projects included in Class Year 2019. Mr. Nguyen stated that the NYISO is currently targeting to finalize membership in Class Year 2019 by the end of November 2019.

Mr. David Clarke (LIPA) asked whether the proposed clarification to the Capacity Resource Interconnection Service (CRIS) expiration rules mandate that load modifiers become ICAP Suppliers directly participating in the wholesale capacity market. Mr. Nguyen stated that the proposed rules clarify the procedures for determining when CRIS rights expire, but do not include any mandate that load modifiers become ICAP Suppliers directly participating in the NYISO-administered capacity market.

Mr. Clarke asked for clarification regarding the time period that a project that obtains CRIS has to become operational before their CRIS rights expire. Mr. Nguyen stated that new resources would generally be required to begin operation within 4 years of obtaining CRIS or such previously awarded CRIS rights would be extinguished. In response, Mr. Clarke provided the following statement for the minutes:

One of the big picture issues [LIPA is] foreseeing as we move to achieve the goals of the CL&CPA is the ability to distinguish viable projects that have paid for upgrades versus projects that are not viable that have paid, as the cost of additional upgrades beyond those identified may be prohibitive and non-viable projects may be able to create a barrier for viable or required projects.

Mr. Mark Reeder (ACE-NY) sought confirmation that proposed rules addressing the timing for various studies does not prohibit a project from requesting a Facilities Study Agreement earlier than the timeframe mandated by the tariff. Mr. Nguyen confirmed that projects have the right to request tendering of the Facilities Study Agreement prior to the mandated timeframe. Mr. Nguyen further noted that the proposed revisions to the tariff expressly address a project's right to request early tendering of the Facilities Study Agreement.

Mr. Clarke asked for clarification regarding the proposed changes to the regulatory milestone requirement for offshore wind projects. Mr. Nguyen stated that the proposal would expand the list of qualifying actions/activities that an offshore wind project could utilize satisfy its regulatory milestone requirement.

Mr. Matt Schwall commended the NYISO's efforts in collaborating with stakeholders to develop the proposed enhancements to the Class Year and interconnection processes.

Motion #1:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve changes to the NYISO's Open Access Transmission Tariff and Market Administration and Control Area Services Tariff with regard to the Class Year and Interconnection Queue Redesign as presented to the BIC on November 6, 2019.

Motion passed unanimously with one abstention.

6. Proposed Revisions to the Competitive Entry Exemption of the Buyer Side Mitigation Rules

Mr. Jonathan Newton (NYISO) reviewed the presentation included with the meeting material.

Ms. Doreen Saia (Greenberg Traurig) asked for clarification that the application of the proposed changes to Class Year 2019 only applies to projects that are already members of Class Year 2019. Mr. Newton (NYISO) confirmed that the proposed application of the changes to Class Year 2019 would apply only to projects that were already members of Class Year 2019 at the time of FERC approval of the proposed changes.

Ms. Saia noted appreciation for the collaborative efforts of the NYISO and stakeholders to develop the proposed alternative to the prior repowering exemption proposal as part of the proposed revisions to the Competitive Entry Exemption.

Mr. Fromer stated that the proposed changes provide a reasonable approach to addressing a potential unintended barrier to pursuing repowering in light of common commodity hedging practices in the marketplace.

Motion #2:

The Business Issues Committee (BIC) hereby recommends that the Management Committee approve changes to the NYISO's Market Administration and Control Area Services Tariff with regard to the Competitive Entry Exemption proposals as presented to the BIC on November 6, 2019.

Motion passed unanimously.

7. Working Group Updates

- Billing and Accounting and Credit Working Group: The group met on October 25, 2019 and reviewed the standard accounting/settlement reports, as well as the proposed enhancements to certain credit-related reporting requirements.
- Electric System Planning Working Group: The group has met five times since the last BIC meeting, including joint meetings with ICAPWG, MIWG, and/or PRLWG. The group met on October 22, 2019 and reviewed proposed enhancements to the Class Year Study and interconnection processes. On October 23, 2019, the group met and reviewed presentations from LIPA and Central Hudson regarding their respective local transmission plans, proposed revisions to the Reliability Planning Process Manual, load forecast assumptions to be used in the scenarios conducted as part of the 2019 Congestion Assessment and Resource Integration Study (CARIS) Phase 1 analysis, assumptions for the 70x30 scenario to be conducted as part of the 2019 CARIS Phase 1 analysis, and the proposal to develop a short-term reliability planning process. The group met on October 28, 2019 and reviewed proposed enhancements to the Class Year Study and interconnection processes. On November 1, 2019, the group met and reviewed an overview of the phase 2 analysis to be conducted as part of the ongoing climate change impact and resilience study project, proposed enhancements to the Class Year Study and interconnection processes, and the proposal to develop a short-term reliability planning process. The group also met on November 4, 2019 and reviewed proposed revisions to the Reliability Planning Process Manual, preliminary results for the generic solutions addressing the identified constraints being assessed as part of the 2019 CARIS Phase 1 analysis, and the proposal to develop a short-term reliability planning process.
- Installed Capacity Working Group: The group has met five times since the last BIC meeting, including joint meetings with MIWG, ESPWG and/or PRLWG. On October 18, 2019, the group met and reviewed a presentation by Consolidated Edison regarding a proposal to increase the MW threshold for current bidding and scheduling exemptions applicable to certain generators serving the NYC steam system, proposed revisions to the Load Forecasting Manual related to treatment of Behind-the-Meter Net Generation Resources, and potential revisions to the availability calculation methodologies for capacity supply resources. The group met on October 22, 2019 and reviewed a presentation by Analysis Group regarding the results of its supplemental analysis of the potential impacts of the proposed carbon pricing initiative, and proposed enhancements to the Class Year Study and interconnection processes. The group met on October 28, 2019 and reviewed stakeholder proposed changes to the ICAP Demand Curve reset process, a proposal to add a competitive entry exemption to the buyer-side mitigation rules for additional Capacity Resource Interconnection Service (CRIS) requests, proposed revisions to the types of permissible contracts allowed as part of the competitive entry exemption from the buyer-side mitigation rules, and proposed

enhancements to the Class Year Study and interconnection processes. On November 1, 2019, the group met and reviewed proposed enhancements to the Class Year Study and interconnection processes. The group also met on November 5, 2019 and reviewed the results of the annual update process for determining the ICAP Demand Curves effective for the 2020-2021 Capability Year.

- Load Forecasting Task Force: The group met on October 25, 2019 and held its annual Fall Economic Conference reviewing national and New York economic outlook reports by Moody's Analytics. The group also reviewed scenario assumption for the ongoing 2019 climate change impact and resilience study project, and an overview of the New York State Mesonet.
- Market Issues Working Group: The group has met four times since the last BIC meeting, including joint meetings with ICAPWG, ESPWG and/or PRLWG. The group met on October 18, 2019 and reviewed a presentation by Consolidated Edison regarding a proposal to increase the MW threshold for the current bidding and scheduling exemptions applicable to certain generators serving the NYC steam system, the Consumer Impact Analysis related to the NYISO's compliance filing proposal related to FERC's directed revisions to the pricing rules for fast-start resources, and an update regarding data analysis being conducted as part of the ongoing assessment of the current shortage pricing values for Ancillary Services. On October 22, 2019, the group met and reviewed a presentation by Analysis Group regarding the results of its supplemental analysis of the potential impacts of the proposed carbon pricing initiative. The group met on October 28, 2019 and reviewed the NYISO's compliance filing proposal in response to FERC's directed changes to the pricing rules for fast-start resources, a proposal for procuring quantities of reserves in excess of the minimum requirements needed to satisfy reliability requirements, the ongoing review of alternative data communication methods for distributed energy resources (DER) participating in the wholesale markets, a proposal to develop reserve requirements for certain load pockets within New York City, and additional data regarding the assessment of performance by reserve providers and potential enhancements to the reserve provider audit process. The group also met on November 5, 2019 and reviewed a presentation by the Market Monitoring Unit regarding performance of reserve providers, and proposed enhancements to the current transmission constraint pricing logic.
- Price Responsive Load Working Group: The group met jointly with ICAPWG, MIWG and ESPWG on October 22, 2019 and October 28, 2019 and reviewed the agenda topics for each meeting related to DER, energy storage resources and/or the NYISO-administered demand response programs.

8. New Business

There was no new business.

The meeting adjourned at 12:10 p.m.