

NYISO Management Committee Meeting Minutes

May 23 2008

NYISO – Krey Corporate Center

10:00 a.m. to 12:00 p.m.

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

The Chair of the MC, Mr. Ray Kinney (NYSEG/RG&E) called the meeting to order at 10:05 AM and welcomed the members of the MC. The members of the MC then identified themselves.

Mr. Kinney initiated business by recognizing MC Members and NYISO staff, as well as NYISO Board Member and presiding President, Bob Hiney.

Mr. Kinney welcomed Mr. Silian, a guest from the FERC Division Energy Market Oversight.

2. Approval of Minutes

Mr. Kinney presented for approval MC minutes from the March 5, 2008 and April 23, 2008 meetings. Mr. Alcombright (NYISO) reported no comments were received to-date and asked if members had any comments. No comments or questions were raised. Both sets of minutes were approved.

Motion #1:

Motion to approve the Minutes of the March 5, 2008 and April 23, 2008 Management Committee meetings.

Motion passed unanimously.

3. President's Report

Mr. Hiney prefaced the President's Report with a brief announcement concerning a NYISO Board Member's position with the New York Port Authority and bridges it administers being part of the Demand Response Program. To proactively address any potential conflict of interest concerns, NYISO staff and Board Members consulted with counsel. At this time, no technical conflict appears to exist.

Further, the Board Member in question has agreed to recuse himself from votes addressing demand response-related issues.

NYISO is consulting FERC on the issue of technical conflict and the potential need to revise the tariff.

Multiple Market Participants expressed concerns and/or thoughts regarding this (technical conflict) announcement and the issues that it addresses.

NYISO Counsel further clarified that the Board Member would not only recuse himself from votes involving Demand Response, but would also remove himself from the Board discussions

surrounding such voting items. Counsel noted that safeguards, such as Board Minutes, existed – and were auditable by FERC – to ensure this was the case and to protect Board integrity.

Mr. Mager (Multiple Intervenors) suggested that the NYISO draft a memo clarifying the potential technical conflict(s) addressed in Mr. Hiney’s announcement, as well as the rules for stakeholders to follow in judging such. Mr. Mager also noted that there should be a period allowed for comments from stakeholders.

NYISO agreed to research and respond to Mr. Mager’s request at the next meeting of the Management Committee.

4. Enhancements to SRE Process

Ms. Peluso(NYISO) presented and discussed the posted motion and supporting materials (See posted meeting materials).

Motion #2:

The Management Committee hereby recommends that the Board of Directors approve revisions to the NYISO’s Tariffs to: (A) resolve the apparent inconsistency between Sections 4.1.7 and 4.10 of the Market Services Tariff regarding payment of a Bid Production Cost Guarantee (“BPCG”) to resources that Bid in Self-Committed mode in response to a Supplemental Resource Evaluation or when they are Out-of-Merit Generation for reliability; (B) clarify the circumstances under which resources committed in response to a Supplemental Resource Evaluation or committed or dispatched as Out-of-Merit Generation for reliability will be eligible to receive a BPCG; (C) revise the rules for determining the Start-Up Bid to use when calculating a BPCG for resources that are committed via Supplemental Resource Evaluation or are Out-of-Merit Generation for reliability; (D) revise the Tariffs to permit economically committed hours to be included in the daily BPCG calculation, notwithstanding the fact that a resource Bid using a Self-Committed mode at a time when it was committed via a Supplemental Resource Evaluation or was Out-of-Merit Generation for reliability; and (E) revise the Tariffs to permit economically committed hours to be included in the daily BPCG calculation, notwithstanding the fact that a resource Bid using a Self-Committed mode during eligible start-up / shut-down and/or testing periods, The proposed revisions are in accordance with the proposed market rules discussed at the Market Issues Working Group on December 14, 2007, April 7, 2008 and April 30, 2008 and presented to the Business Issues Committee on May 16, 2008.

Motion passed unanimously with abstentions.

5. Enhancement to Transmission Study Deadlines

Mr. Murphy (Hunton & Williams) presented and discussed the posted motion and supporting materials (See posted meeting materials).

Motion #3

Motion to approve the Tariff Revisions Related to Order No. 890 Transmission Study Deadlines as presented at the May 23, 2008 Management Committee Meeting.

Motion passed unanimously with abstentions.

6. State of the Market Report (David Patton)

Mr. Patton (Potomac) presented and discussed the posted report and supporting materials (See posted meeting materials).

Multiple Market Participants expressed the belief that price convergence as it is related to interregional trading needs to be a high priority for the NYISO moving forward and solicit Mr. Patton's opinion. Mr. Patton discussed using Virtual Real-Time Dispatch (VRD) as one potential means to addressing this issue.

Mr. Mukerji (NYISO) reminded the committee that NYISO has already committed to looking more closely at VRD and suggested using previously drafted VRD white-papers to initiate new discussions.

Mr. Pike (NYISO) indicated the 2009 Potential Projects list presented at last month's MIWG and TPAS meetings has one or more projects that are designed to address these issues. Market Participants and NYISO staff will work together via the Budget and Prioritization Working Group beginning in July 2008 to weigh these issues in regard to formal project inclusion and prioritization.

7. Sector Meetings and Joint Board of Directors/ Management Committee Meeting

Mr. Alcombright reiterated the NYISO's gratitude for the active participation of its stakeholders in the recently concluded Sector Meetings. He also took the opportunity to review the logistics and format for the upcoming Joint Board of Directors/Management Committee Meeting, June 9, 2008 and June 10, 2008.

8. New Business

None.

Meeting adjourned at 12:45 p.m.

NYISO Management Committee Meeting

May 23, 2008

NYISO

MOTIONS FROM THE MEETING

Motion #1:

The Management Committee hereby recommends that the Board of Directors approve revisions to the NYISO's Tariffs to:

- (A) resolve the apparent inconsistency between Sections 4.1.7 and 4.10 of the Market Services Tariff regarding payment of a Bid Production Cost Guarantee ("BPCG") to resources that Bid in Self-Committed mode in response to a Supplemental Resource Evaluation or when they are Out-of-Merit Generation for reliability;
- (B) clarify the circumstances under which resources committed in response to a Supplemental Resource Evaluation or committed or dispatched as Out-of-Merit Generation for reliability will be eligible to receive a BPCG;
- (C) revise the rules for determining the Start-Up Bid to use when calculating a BPCG for resources that are committed via Supplemental Resource Evaluation or are Out-of-Merit Generation for reliability;
- (D) revise the Tariffs to permit economically committed hours to be included in the daily BPCG calculation, notwithstanding the fact that a resource Bid using a Self-Committed mode at a time when it was committed via a Supplemental Resource Evaluation or was Out-of-Merit Generation for reliability; and
- (E) revise the Tariffs to permit economically committed hours to be included in the daily BPCG calculation, notwithstanding the fact that a resource Bid using a Self-Committed mode during eligible start-up / shut-down and/or testing periods,

The proposed revisions are in accordance with the proposed market rules discussed at the Market Issues Working Group on December 14, 2007, April 7, 2008 and April 30, 2008 and presented to the Business Issues Committee on May 16, 2008.

Motion passed unanimously with abstentions.

Motion #2

Motion to approve the Tariff Revisions Related to Order No. 890 Transmission Study Deadlines as presented at the May 23, 2008 Management Committee Meeting.

Motion passed unanimously with abstentions.

New York Independent System Operator - Committee Membership

Management Committee - Attendance May 23, 2008 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth. The City of New York	End Use - Gov. Agency/Aggr. End Use - Gov. Agency/Aggr.	Paul DeCotis Michael Delaney	Karl Michael Gil Quiniones	✓ David Coup Thomas Simpson	Erin Hogan Jonathan Wallach	Christopher Hall Craig Wilson			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Jay Goodman					
Atco Properties & Management Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos						
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Jay Goodman					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Jay Goodman					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Jay Goodman					
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Jay Goodman					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	Catherine Luthin	✓ John Dowling						
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	✓ Christopher Young						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	✓ John Dowling						
Fordham University	End Use - Small Consumer	✓ John Dowling	Catherine Luthin						
Memorial Sloan Kettering Cancer Center	End Use - Small Consumer	✓ John Dowling	Catherine Luthin						
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling						
New York Presbyterian Hospital	End Use - Small Consumer	David Bomke	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner				
New York University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling						
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	Christopher Wentlent	Rick Santoroski	Charles Sjoberg	Dave Evanoski				
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer	Chuck McCall	Lathrop Craig				
Calpine	Generation Owners	Brett Kruse	Kris Zadlo	Brent Hebert					
East Coast Power Linden Holding LLC	Generation Owners	Andy Keleman	Mark Mellana	Kurt Schreder					
Edison Mission Marketing & Trading	Generation Owners	✓ Ray Stalter	Jeff Ellis						
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	✓ Ron Mackowiak					
Horizon Wind Energy	Generation Owners	Patrick Doyle	Gary Davidson						
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	Mark Younger					
Innovative Energy Systems Inc.	Generation Owners	Carol Muessigbrodt	Peter Zelfiff						
KeySpan Ravenswood, LLC	Generation Owners	Rich Hohlman	James Flannery	Joe Vignola	Jim D'Andrea	Madison Milhous	John Vaughn		
Mirant New York, Inc.	Generation Owners	Philip Smith	Doreen Saia					✓ Kevin Lang	
New Athens Generating Co.	Generation Owners	Jack Breen	Chris Bursaw	Dan DeVinney	Rich Felak				
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Liz Grisar	Sidney Change					
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kamppila						
TransCanada Power Marketing	Generation Owners	William Taylor	✓ Dan Congel	Elaine Beaudry					
UPC Wind	Generation Owners	Steve Vavrik	Mike Jacobs						
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez	George Braulke				
BJ Energy	Other Suppliers	Bing Ni	George Lee						
Brookfield Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte	✓ Frank Francis					
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Citi Group Energy	Other Suppliers	Lisa Yoho							
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple						
Conectiv	Other Suppliers	Robert Steele	Tony Gabrieli	Gloria Ogenyi					
Constellation Energy Commodities, Inc.	Other Suppliers	✓ Glen McCartney	Dan Allegretti	Tim Daniels					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine							
Consumer Powerline	Other Suppliers	Janette Dudley	Nick Planson	Mike Gordon	Ray Stirbys				
Coral Power, LLC	Other Suppliers	Matt Picardi	Marc Overdyk	Dave French					
Cross Sound Cable Co.	Other Suppliers	John Miller	Brian Reinhart	Bradley Railing	✓ Jose Rotger				
DC Energy	Other Suppliers	Bruce Bleiweis	Chris Carpenter	Andrew Stevens	Matthew Tate	Sadao Milberg	Dean Wilde		
Dynegy	Other Suppliers	✓ Glenn Haake	Barry Huddleston						
Energy Curtailment Specialists, Inc	Other Suppliers	Glen Smith	Stephen Lynch	Marie Pieniazek	Mike Jaeger				
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
EnerNoc	Other Suppliers	David Brewster	Aaron Breidenbaugh						
Epic Merchant Energy NY, LP	Other Suppliers	Michael Kinsey	Robert Erbrick	Pierre Tournois	✓ Erik Abend	Gordon Scott	Wesley Anderson		
Exelon Generating Co. LLC	Other Suppliers	Denise Foster	Jack Crowley						
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Tom Gesicki	Mark Younger						
FPL Energy	Other Suppliers	✓ David Applebaum	Fernando DaSilva	Ron Scheirer					
Galt Power	Other Suppliers	✓ Rick Mancini	Stephen Fernands	Bill Schofield	✓ Alan Ackerman				
HQ Energy Services	Other Suppliers	✓ Michel Prevost	Paul Norris	Erik Bellavance					
Integrus Energy Services	Other Suppliers	Michael Haugh							
KeySpan Energy Services	Other Suppliers	Terrence Kain	Jim D'Andrea	Edwin Kichline	James Cross	John Vaughn			

New York Independent System Operator - Committee Membership

Management Committee - Attendance May 23, 2008 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Liberty Power Corp.	Other Suppliers	David Hernandez							
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			
NRG Power Marketing	Other Suppliers	✓ Brad Kranz	Lee Davis						
Ontario Power Generation Inc.	Other Suppliers	Colin Anderson	✓ Dave Barr	Ken Lacivita	Richard Gell				
PPM Energy	Other Suppliers	Thresa Allen	T.H. Rawls	Tom Shields					
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	✓ Joseph Langan	Sharon Weber					
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
Reliant Energy Solutions Northeast	Other Suppliers	Richard Barlette	John Rohrbach	Derek Bandera					
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Barry Trayers				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Jason Barker	Jeff Knox	Pamela Melton					
U.S. Power Generating Co.	Other Suppliers	✓ Liam Baker	Mark Sudbey						
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Jim Wittine	Dave Clarke					
New York Power Authority	Public Power - Authorities	✓ William Palazzo	Scott Brown	Kim Byham					
American Lung Association	Public Power - Environmental	✓ Christopher Young	Michael Seilback						
American Wind Energy Association	Public Power - Environmental	✓ Valerie Strauss	Carol Murphy	Rob Gramlich					
Environmental Advocates	Public Power - Environmental	✓ Christopher Young	David Gahl	Robert Moore					
Nat'l Resources Defense Council	Public Power - Environmental	✓ Christopher Young	Ashok Gupta	Dale Bryk					
Pace University	Public Power - Environmental	✓ Christopher Young	Tom Bourgeois	Dan Rosenblum					
Scenic Hudson	Public Power - Environmental	✓ Christopher Young							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Matthew Benesh	✓ Richard Bolbrock	Mark Cordeiro					
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	✓ David Gustafson	David Leathers	Steven Kulig	✓ Tom Rudebusch				
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	✓ Richard Bolbrock	Mark Cordeiro					
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb							
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	William Treacy	✓ Richard Bolbrock	Mark Cordeiro					
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	✓ Richard Bolbrock	Mark Cordeiro					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Richard Bolbrock	Mark Cordeiro					
Village of Freeport	Public Power - Munis & Co-ops	Anthony Fiore			✓ Tom Rudebusch				
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Jim Hamilton	Matthew Benesh	Jim Hamilton	Ken Moore		✓ Tom Rudebusch	
Village of Solway	Public Power - Munis & Co-ops	Anthony Modafferi	✓ Richard Bolbrock	Mark Cordeiro					
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Matthew Benesh	Ken Moore					
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	Stuart Nachmias	✓ Neil Butterklee	Deidre Altobell					
National Grid	Transmission Owners	✓ Terron Hill	Madison Milhous	Bart Franey	Joseph Rossignoli				
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Ace Energy Company, Inc	Non-voting	Marie Pieniasek	Stephen Lynch						
ACENY	Non-voting	Carol Murphy	✓ Valerie Strauss						
Ancona Consulting	Non-voting	Jerry Ancona							
Boundless Energy, L.L.C	Non-voting	John Tompkins	Chuck Gilbert						
Caithness Energy, L.L.C	Non-voting	Ross Ain	Gary Keevill	Mitchell Garber					
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield	✓ Alan Ackerman				
DTE Energy	Non-voting	Gregory Pakela	Raymond Wieszczyk						
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain							
NYS Department of Public Service	Non-voting	Penny Rubin	Rajendra Addepalli						
The Structure Group	Non-voting	Ishita Roy	Phung Nguyen						
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Marie Pieniasek	Stephen Lynch	Glen Smith					
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
Acciona Wind Energy USA, LLC	Non-voting	Dan DuBois	Pete Zedick						
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

✓ Ira Freilicher Hunton & Williams

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✓ Ted Murphy	Hunton & Williams								
✓ Rob Fernandez	NYISO								
✓ Bob Hiney	NYISO								
✓ Nicole Bouchez	NYISO								
✓ Henry Chao	NYISO								
✓ Diane Peluso	NYISO								
✓ Rana Mukerji	NYISO								
✓ Elaine Robinson	NYISO								
✓ Alex Schnell	NYISO								
✓ Robb Pike	NYISO								
✓ Jim Alcombright	NYISO								
✓ Debbie Eckels	NYISO								
✓ Mary McGarvey	NYISO								
✓ Mike Swider	NYISO								
✓ Kate Hockford	NYISO								
✓ Pete Lemme	NYISO								
Sheri Prevratil	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andy Antinori	NYISO								

Key:

✓ = In attendance