

NYISO Business Issues Committee

September 13, 2006

Holiday Inn, Albany

MOTIONS FROM THE MEETING

Motion #1:

The Business Issues Committee recognizes that timely and accurate settlements form a key lynch pin in a properly functioning wholesale electricity market. Shorter settlement cycles reduce financial uncertainty and risk, allow for timely accounting of revenues and expenses, and limit the magnitude of potential default exposures. Accurate and timely settlements increase confidence in the markets and generally make sound business sense.

The Business Issues Committee approves a shortening of the NYISO Settlement Cycle, subject to NYISO and Market Participant commitments, as described herein. The NYISO and its Market Participants have committed not to implement market changes without associated billing system upgrades. In the event the NYISO has to correct charges outside of this billing schedule the NYISO will assess such charges in a manner consistent with a true-up rather than socializing through a manual adjustment. The NYISO and Market Participants will develop /design a comprehensive plan to upgrade the Web Based Reconciliation tool to incorporate the changes necessary to implement the loading/echo functions previously committed to in 2003. The Business Issues Committee recommends that the Management Committee develop tariff language to submit to FERC for approval so that the NYISO can implement such provisions effective with the settlement of the charges for January 2007. The elements and timeline for the shortened settlement cycle are as follows:

Settlement Cycle:

- Initial Invoice posted on, or about, the fifth business day following the close of the billing month
- NYISO posts Meter Authorities submitted generator and tie-line metering readings throughout the billing month, which are subject to Meter Authority correction up to the issuance of the initial invoice. A sixty-day review period for generator and tie-line metering data begins, commensurate with the issuance of the initial invoice. When a Market Participant identifies meter errors during a review period, the Market Participant, Meter Authority, and the NYISO will work cooperatively to resolve such errors during the respective review period.
- Review period for generator and tie-line metering ends on, or about, day sixty following the close of the billing month. Generator and tie-line metering data is finalized and not subject to further revision by any party including the NYISO.
- NYISO calculates and posts finalized sub-zonal loads for all sub-zones on, or about, day sixty one following the close of the billing month

- Meter Authorities submit hourly Load Serving Entity (LSE) bus metering data by day seventy five following the close of the billing month
- NYISO posts hourly LSE bus metering data for Market Participant review at approximately day seventy six following the close of the billing month
- NYISO posts advisory four-month true-up daily, hourly, and dispatch-interval settlement support to the Decision Support System at approximately day ninety five following the close of the billing month
- NYISO issues four-month true-up invoice on, or about, day one hundred twenty five following the close of the billing month
- Meter Authorities submit final hourly LSE bus metering data by day one hundred thirty five following the close of the billing month, for inclusion in the six-month true-up invoice
- NYISO posts hourly LSE bus metering data for Market Participant review on, or about, day one hundred thirty six following the close of the billing month
- Review period for LSE load data ends on, or about, day one hundred fifty following the close of the billing month. LSE load data is finalized and not subject to further revision.
- NYISO posts advisory six-month true-up daily, hourly, and dispatch-interval settlement support to the Decision Support System at approximately day one hundred fifty five following the close of the billing month
- NYISO issues the six-month final bill on, or about, day one hundred eighty five following the close on the billing month
- A Market Participant thirty-day challenge period commences immediately following issuance of the six-month final invoice
- As presented at the August 29, 2006 BPCTF, the NYISO will provide a response to supported bill challenges submitted to the NYISO Critar System within 20 business days. In all cases the NYISO shall provide a definitive, substantive response to a supported bill challenge prior to the end of the 2 month NYISO correction period
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- The Market Participant challenge period closes on, or about, day two hundred fifteen following the close of the billing month. Challenges raised during the thirty-day challenge period will exclude challenges to meter and load data.
- As provided for under current tariff provisions, NYISO shall review and resolve challenges over a two month period directly following the close of the Market Participant challenge period. This review period could expand to a six-month period in the event of "extraordinary circumstances."
- Also as provided for under current tariff provisions, NYISO shall post advisory bill close-out settlement invoices for a Market Participant twenty-five-day review period on, or about, day two hundred seventy five following the close of the billing month,

absent extraordinary circumstances, as described above.

- NYISO shall issue the final bill close-out invoice on, or about, day three hundred following the close of the billing month.
- The Business Issues Committee recognizes that the issuance of final bills does not affect the NYISO's authority or responsibility to impose ICAP/UCAP or other penalties in accordance with its Tariffs or a regulatory mandate.

Implementation Requirements:

Implementation of the shortened billing cycle shall not begin until completion of the following items:

- The NYISO must have in place procedures and controls that provide assurance the metering data for Generator and Sub-Zonal Ties will be finalized and not subject to further revision at day sixty following the close of the billing month by any party including the NYISO and that LSE load data will be finalized and not subject to further revision at day one hundred fifty following the close of the billing month.
- NYISO must implement near-term performance enhancements to web-based metering reconciliation. Enhancements must include procedures and processes for data modification and finalization, data change notification, and data feasibility checks.

The NYISO will report progress on completing these items at the Billing & Accounting Working Group (BAWG). The BAWG will advise the Business Issues Committee on readiness for implementation.

Motion passed unanimously by show of hands with abstentions.

Motion #2:

Motion to approve the Minutes of the July 12, 2006 and August 9, 2006 BIC meetings.

Motion passed unanimously by show of hands.

Motion #3:

The Business Issues Committee (BIC) hereby recommends that the Management Committee (MC) approve revisions to the NYISO's Market Services Tariff, as discussed at the Market Structures Working Group meeting on September 6, 2006, and presented to the BIC on September 13, 2006. The proposed tariff modifications would exempt any generator during a prescribed Testing Period from under-generation penalties, and would increase by 500 MW the capacity of Intermittent Power Resources entitled to special market settlement rules and exemptions from persistent under-generation penalties and Operating Reserves bidding obligations.

Motion passed unanimously by show of hands with abstentions.

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance September 13, 2006 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth.	End Use - Gov. Agency/Aggr.	Paul DeCotis	Karl Michael	✓ David Coup	Erin Hogan	Christopher Hall			
The City of New York	End Use - Gov. Agency/Aggr.	Michael Delaney	Gil Quiniones	Thomas Simpson	Jonathan Wallach	Tim Daniels			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Helmley-Spear Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos	Edward Strauss	Herb Rose				
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Morgan Parke					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	Larry DeWitt					✓ Valerie Strauss	
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Building and Realty Institute	End Use - Small Consumer	Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi				
Columbia University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Presbyterian Hospital	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner	Jennifer Kearney					
AES NY	Generation Owners	Doug Roll	Charles Sjoberg	Christopher Wentlent					
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer	Chuck McCall					
Calpine	Generation Owners	Brett Kruse	Kris Zadlo	Steve Remillard					
East Coast Power Linden Holding LLC	Generation Owners	✓ Roy Shanker	Thomas Hoatson	Robert Licato	Kathy Benini				
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Jeffrey Ellis	Peter Brown	✓ Rich Mooney				
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	✓ Ron Mackowiak					
Horizon Wind Energy	Generation Owners	Anntonette Alberti	✓ Patrick Doyle	P.J. Salterman	Charlie Turlinski	Scott Alexander	Greg Kemmis		
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	Rich Hohlman	Joe Vignola	✓ Jim D'Andrea	Madison Milhous	Edwin Kichline			
Mirant New York, Inc.	Generation Owners	Vicki Lynch	James Mayhew	✓ Doreen Saia					
New Athens Generating Co.	Generation Owners	Jack Breen	Chris Bursaw	Dan DeVinney	Rich Felak				
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Liz Grisaru						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Bittig	Steve Kampplia						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Amerada Hess Corporation	Other Suppliers	Kevin LaGuardia	Blas Hernandez	George Braulke					
Brookfield Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Con Edison Energy	Other Suppliers	Stephen Wemple	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Stephen Wemple	Rich Staines						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						
Constellation Energy Commodities, Inc.	Other Suppliers	✓ Glen McCartney	Dan Allegretti	Sara O'Neil					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine	Sara O'Neill						
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shen				
Coral Power, LLC	Other Suppliers	Matt Picardi	Dave French						
DC Energy	Other Suppliers	✓ Bruce Bleiweis	Andrew Stevens	Matthew Tate	Sadao Milberg	Chris Carpenter	Matthew Tate		
Dynegy	Other Suppliers	✓ Barry Huddleston	Jason Cox	Kevin White					
ECONergy	Other Suppliers	Saul Horowitz	Tom Halleran						
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
EnerNoc	Other Suppliers	David Brewster	Aaron Breidenbaugh						
Epic Merchant Energy	Other Suppliers	Robert Erbrick	✓ Erik Abend	Wade Sullivan					
Exelon Generation - Power Team	Other Suppliers	Scott Silverstein	Joe Klimaszewski	Jim Verna					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers		Roger Kelley	✓ Mark Younger	Glenn Haake				
FPL Energy	Other Suppliers	✓ David Applebaum	Fernando DaSilva	Ron Scheirer					
Galt Power	Other Suppliers	✓ Rick Mancini	Stephen Fernands						
HQ Energy Services	Other Suppliers	✓ Michel Prevost	✓ Paul Norris	Erik Bellavance					
KeySpan Energy Services	Other Suppliers	Terrence Kain	✓ Jim D'Andrea	Edwin Kichline	James Cross	John Vaughn			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson				
NRG Power Marketing	Other Suppliers	Tim Foxen	Jim Mayhew	Lee Davis					
NU / Select Energy	Other Suppliers	✓ Jim Scheiderich	Gunnar Jorgensen						

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance September 13, 2006 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Ontario Power Generation Inc.	Other Suppliers	✓ Scott McArthur	Dave Barr	Ken Lacivita	Erica Cheung	✓ Scott McArthur	✓ Glenn Haake		
Orion Power New York	Other Suppliers		John Meyer						
PPM Energy	Other Suppliers	✓ Thresa Allen	T.H. Rawls	Tom Shields					
PP&L Energy Plus	Other Suppliers	✓ Joseph Langan	Tom Hyzinski	Roland Moor	David Yannarell	Sharon Weber			
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce	Bob Logan	Dennis Sobieski				
Sempre 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					
TransEnergie U.S. Ltd.	Other Suppliers	Michael Jacobs	Raymond Cox						
U.S. Power Generating Co.	Other Suppliers	✓ Liam Baker	Mark Sudbey						
Williams Power Company	Other Suppliers	David Singer	Mark Lassman	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Dave Clarke						
New York Power Authority	Public Power - Authorities	William Palazzo	Bob Deasy	✓ Bob Gow	Paul Rougeaux	✓ Kevin Kipers			
American Wind Energy Association	Public Power - Environmental	✓ Valerie Strauss	Larry DeWitt	Douglas Ward	Mike Jacobs	Carol Murphy			
Environmental Advocates	Public Power - Environmental	Anne Reynolds	Larry DeWitt					✓ Valerie Strauss	
Nat'l Resources Defense Council	Public Power - Environmental	Dale Bryk	Larry DeWitt					✓ Valerie Strauss	
Pace University	Public Power - Environmental	Edward Smeloff	Larry DeWitt					✓ Valerie Strauss	
Scenic Hudson	Public Power - Environmental	Larry DeWitt						✓ Valerie Strauss	
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Ken Moore	Tim Bush	Matthew Benesh	Jim Hamilton	Jack Brown		✓ Mike Mager	
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	David Gustafson	Wally Haase	John Oelbracht	Steven Kulig	✓ Tom Rudebusch		✓ Mike Mager	
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	Tim Bush					✓ Mike Mager	
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb	Tim Bush					✓ Mike Mager	
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	Tim Bush	Ken Moore				✓ Mike Mager	
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	Tim Bush					✓ Mike Mager	
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	Tim Bush	Paul Pallas				✓ Mike Mager	
Village of Freeport	Public Power - Munis & Co-ops	Anthony Fiore	Ted Kimlingen	✓ Tom Rudebusch					
Village of Rockville Centre	Public Power - Munis & Co-ops	Tom Cardie	Ken Moore	Matthew Benesh	Jim Hamilton	Paul Pallas	Jack Brown	✓ Tom Rudebusch	
Village of Solvay	Public Power - Munis & Co-ops	Anthony Modafferi	Tim Bush					✓ Mike Mager	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Tim Bush	Ken Moore	Matthew Benesh	Jack Brown		✓ Mike Mager	
Central Hudson Gas & Electric	Transmission Owners	✓ James Valleau	Thomas Canino	Jeff May	Rick Greener				✓ Bruce Marley
Consolidated Edison	Transmission Owners	Stuart Nachmias	Gerry Dunbar	Neil Butterklee				✓ Deirdre Facendola	✓ John McAvoy
National Grid	Transmission Owners	✓ Bart Franey	Wesley Yeomans	Jerry Ancona	Janet Gail Besser	Terron Hill			
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	✓ Steve Jeremko	Hank Masti				✓ Dave Hall
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	✓ Steve Jeremko	Hank Masti				
Ace Energy Company, Inc	Non-voting	Marie Pieniazek	Stephen Lynch						
ACENY	Non-voting	Carol Murphy	✓ Valerie Strauss						
Boundless Energy, L.L.C	Non-voting	Brian Chernack	Chuck Gilbert	Mark Mainetti					
Caithness Energy, L.L.C	Non-voting	Ross Ain	Gary Keevill	Mitchell Garber					
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield					
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth	Gerald Strassner						
Energy Curtailment Specialists, Inc	Non-voting	Marie Pieniazek	Stephen Lynch						
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	Mario Boucher						
NYS Department of Public Service	Non-voting	✓ Bill Heinrich	David Drexler						
Stealth Energy	Non-voting	Gad Cohen							
The Structure Group	Non-voting	Bob Furry							
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Marie Pieniazek	Stephen Lynch						
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting	None Assigned							

New York Independent System Operator - Committee Membership

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Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYISO and Hunton & Williams Members in Attendance:									
Ira Freilicher	Hunton & Williams								
Kevin Jones	Hunton & Williams								
James Schmidt	Hunton & Williams								
Rob Fernandez	NYISO								
Mark Lynch	NYISO								
John Buechler	NYISO								
Mike Calimano	NYISO								
Andy Ragogna	NYISO								
✓ Elaine Robinson	NYISO								
✓ Jacquie Ponds	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
Dave Lawrence	NYISO								
	NYISO								
Brad Kranz	NYISO								
	NYISO								
	NYISO								
John Cutting	NYISO								
	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								

Key:

✓ = In attendance