

**NYISO Management Committee Meeting**  
**Special Meeting**

February 13, 2003

Teleconference

**Draft MINUTES OF THE MEETING**

**1. Introduction and Meeting Objectives**

Chairman Garry Brown called the meeting to order at 9:50 AM and welcomed the members of the Management Committee ("MC").

A roll call established a quorum of participants.

Glenn Haake formally contested the right of new members Mirabito Gas & Electric, Inc. and ECONergy to vote at today's meeting citing that they had joined the NYISO after the meeting agenda was posted. The committee members discussed the issue and NYISO counsel was asked for an opinion. NYISO counsel responded that they would research the bylaws and bring back answer later in the meeting.

Ira Freilicher, of Hunton & Williams, representing the NYISO stated that the bylaws don't specifically cover this issue, but do require 7 days notice to designate an alternate. He opined that allowing new members to vote if they applied after the agenda had been posted would be inconsistent with the spirit of the committee process. Mr. Freilicher advised that the new members shouldn't be allowed to apply for membership just to vote on specific issues.

Neil Butterklee, of Consolidated Edison Co. of NY, disagreed with Mr. Freilicher's ruling, stating that the bylaws do not preclude this. He also stated that the seven-day notice to designate an alternate was not relevant. A prior BIC ruling has set precedent.

Dan Duthie, of Strategic Power Management, suggested that the committee vote on agenda item 2 and then discuss Mirabito and ECONergy's voting rights if it turns out to be relevant.

Based on Counsel's advice, Mr. Brown ruled that Mirabito and ECONergy are ineligible to vote if they applied after the agenda had been posted and that consistent with this ruling, Agway and Fortistar may not be eligible to vote either, depending on when they applied. Since the agenda was posted on February 6 and Agway and Fortistar applied for membership on February 7, they too should be excluded from voting at this meeting.

Mr. Butterklee made a motion to adjourn this meeting and reconvene at the regular MC meeting scheduled for February 20. The motion was seconded.

Mr. Brown stated that the voting roll call would be done randomly by sector.

Mr. Freilicher advised that if the vote were suspended, the same people qualified to vote today would be qualified when the meeting is reconvened at a later date. If this meeting is adjourned, application dates will be compared with new agenda posting. In this case, the new members in question would be eligible to vote on Feb 20th.

Mr. Brown stated that if the motion to adjourn passes, this meeting is concluded and the issue will be carried to the agenda of the regularly scheduled meeting on Feb 20th. Everybody will vote on adjournment. A tally will be made with and without new members including Agway and Fortistar.

**Motion #1:**

Motion to adjourn the meeting

***(Motion failed with 40.57 % affirmative votes)***

**2. Proposed ICAP Demand**

Glenn Haake, representing the Independent Power Producers of New York, asked to make a formal statement before his presentation: *“Before I get into the mechanics of the demand curve proposal, I'd like to make a few points for the record, which I'd ask the NYISO to place in the minutes for this meeting. First, I'd like to call attention to information that has come into greater immediacy over the past few days concerning the tight capacity markets in New York, particularly in the City. The NYISO's Locational Installed Capacity Requirements Study, presented at yesterday's Operations Committee meeting, shows that while NYC has an 80% locational requirement, the sum of its installed capacity resources is only 79%. While the NYISO expects it can make up the 67 MW difference with Special Case Resources, reliability is by no means assured. Last year, there were approximately 85 MW of special case resources in the City and the 78 MWs of SCRs expected this year represents a performance-based adjustment (derate) of last year's 85 MW. I would suggest that an expected 11 MW “cushion” beyond the locational requirement may not be sufficient to ensure reliability.*

*Moreover, under the current ICAP market structure, consumers in NYC should expect to experience near deficiency clearing prices because the market is at the very top of the steep supply curve. This is the expected result under the current market design. Unless the Demand Curve is implemented capacity auction clearing prices will approach or reach the deficiency charge, which for this summer will be set at \$477/kW-year.*

*“The situation is much worse when one looks to the summer of 2004. We also discussed at yesterday's OC meeting the facts surrounding Con Ed's pursuit of its Global Fault Duty Mitigation Plan. The long and short of it is that despite the fact that Con Ed has been on notice since at least the first NYISO Power Alert was issued that substantial capacity additions are required as early as this summer, it failed to order necessary series reactors early enough to support in service dates before the end of 2004. Some of these facilities are already constructed and interconnected while others are under construction and nearing*

*completion. Thus, generation being interconnected to the transmission system throughout New York State must develop operating protocols before beginning operations. It is unknown if this will delay any projects. When you add another years' load growth on top of the current situation, it does not take a psychic to see that deficiency charges are almost a certainty for summer 2004.*

*“The Demand Curve would dramatically reduce the cost impact to consumers of going short. Instead of immediately seeing prices approach a deficiency charge set at 3 times the cost of a GT upon a relatively small shortfall or even “excess”, the demand curve would gradually slope to a deficiency cap of 1.5 times a GT cost. The savings to consumers would be very substantial.*

*“Thus, those market participants voting against the demand curve, especially Con Ed, are playing a very high stakes game of poker with retail customers' money. In my opinion, Con Ed has not even taken the necessary steps it is obligated to perform to ensure that retail customers' needs are reliably met, because capacity required for reliability purposes already installed or under construction may not be able to remain interconnected or be able to interconnect in a timely manner. Perhaps Con Ed feels insulated from the potential impacts of its insouciance by virtue of its ability to pass on all of its costs to its customers. But, if this is not outright imprudence, Con Ed certainly can see it from where it is sitting, and I would hope the PSC will keep this in mind if and when Con Ed seeks to pass on to its customers, and possibly retail access customers via the MSC and the MAC, capacity charges that are orders of magnitude higher than they would have been had Con Ed supported the demand curve.*

*“And to those who purport to represent the best interests of the consumer sector in the City, I would hope that before voting against the demand curve they have fully explained the tight capacity condition New York City faces so that those end users are fully informed before assuming this very significant risk. I would argue that those who represent end users will be remiss if they do any less than vote in favor of the demand curve.*

*“Finally, it would be, to borrow MI's words, “wrongheaded” to think that upstate New York is immune from the risks so imminently faced in the City. Plants in upstate, some of them very large, are in jeopardy of shutting down, some for political reasons and others because the currently broken capacity market, combined with mitigated energy markets, does not provide sufficient revenue for them to remain solvent. I'll go out on a limb to say that we aren't going to see the end of bid caps, reference prices and AMPs in this state anytime soon. We couldn't even muster the votes to pass the NYISO proposal, supported by David Patton, to eliminate the cap on 10 minute non synchronized reserves at Tuesday's BIC meeting. So, while other issues continue to be debated and languish in working groups, we must fix the capacity market now. The loss of a single large unit, or a combination of smaller ones, could easily drive the entire state into deficiency. Apart from the reliability implications, voting against a demand curve will, under such circumstances, expose consumers to much higher costs than they would otherwise see.”*

Jim Scheiderich, of Select Energy, stated that there were a lot of “judgment calls” that went into the study conducted by the Reliability Council. He also stated that he resents the implication that Load Serving Entities (“LSEs) are ignoring customers and reliability.

Terry Agriss, of Consolidated Edison, stated that the need to fix capacity now is not in dispute. It is quite clear that the problems in the capacity market need to be fixed, but don't agree that the demand curve is the way to do it.

Mr. Haake responded that the proposal has support from the Consumer Protection Board, the New York State Public Service Commission and several other consumer advocate groups. Likewise, the Generation Sector does not think that it is in anyone's interest to have the market go to exorbitant, 3-times the GT prices for deficiency.

Doreen Saia, representing Mirant, stressed the need for a competitive and efficient capacity market and stated that at this time, the demand curve is the only proposal that will address this.

Ray Kinney, of New York State Electric & Gas, responded that many changes have been proposed and made in the energy market. There has been no study that shows that the effects of these changes won't produce three markets working together that will produce sufficient sums of money to maintain the 118% current requirement. To make such bold assertions, which are not supported by any analysis, is a "big stretch".

~~Stu Kaplan added that he has consistently asked for an analysis to determine if there is sufficient revenue to attract new entry.~~

Stu Caplan added that NYSEG and RG&E have consistently asked for an analysis to determine if there is sufficient revenue to attract new entry after taking into account these market changes. An Energy East representative specifically requested this analysis at the December 17, 2002 Board Liaison Committee meeting.

Mr. Haake presented the demand curve proposal.

Mr. Duthie asked Mr. Haake if he has looked at the financial data of the generators that assert financial duress. Mr. Haake answered no, that is not IPPNY's jurisdiction. Mr. Duthie further questioned what would be the effect of implementing this demand curve in 2005. Mr. Haake responded that implementation needed to be soon because the market needs capacity additions now. The market needs to send price signals immediately to achieve this.

Mark Younger, of Slater Consulting for Indeck, stated that direct subsidies would be bad for the market. The appropriate thing is to have the market rise to the proper price levels to induce new generation.

~~Mr. Kaplan stated that the MC does not have authority to determine a method of amending ISO tariff. Elements of the proposal need to be modified so that NYISO does not breach its contractual obligations that limit the process for modifying the ISO tariff.~~

Mr. Caplan specifically referred to the third bullet of the Demand Curve Presentation, which states, "Once Demand Curves have been approved by FERC, they shall remain binding for the 3-year period until the next Review, absent Exigent Circumstances." Mr. Caplan commented that other alternatives beyond simply the very restrictive "exigent circumstances" must be allowed to assure compliance with the NYISO's contractual obligations. Language was offered to add the clause "or a tariff change otherwise developed in accordance with the ISO tariffs and agreements" to the end of the third bullet referenced above. Mr. Haake and Chairman Garry Brown agreed to this language, and Mr. Freilicher agreed that the tariff would be consistent with this provision.

Mr. Haake stated that the ICAP working group would be included in the tariff review process.

Mr. Butterklee questioned what IT modifications the NYISO needs to do to implement the demand curve for the summer?

Chuck King responded that a demand curve could be implemented without any software modifications.

John Charlton added that the proposal could be implemented by a change of procedure. Mr. Haake stated that the curve should be implemented as soon as possible, following approval by FERC.

Mr. Haake made the motion to approve the Demand Curve Proposal. Ms. Saia seconded the motion.

Dr. David Patton stated that he expects NYC to clear close to the deficiency price this summer, which would exceed \$400 per KW year.

Mr. Younger asked Dr. Patton if he would recommend reducing the deficiency rate

Dr. Patton responded that reducing the deficiency rate was not under consideration. He added that the demand curve would be a better incentive for new investment than price spikes, because it offers better stability. He also stated that the demand curve would not eliminate price spikes caused by scarcity, but would reduce their frequency over time.

Dr. Pechman, suggested that the NYISO conduct an analysis to determine the magnitude of the implications of a demand curve

Mr. Kinney stated that the ISO should restructure the market so that the demand curve is a natural result of interaction between buyers and sellers. As such, the market solution should not require a calculated demand curve.

Dr. Patton stated that Dr. Pechman's cost is overestimated because it doesn't reflect capacity contracts that loads currently have in place. Dr. Patton further stated that the cost estimates are only relevant for first or second year. By the third year, the market should be moving toward a long-term equilibrium. At this point, costs to consumers would likely be higher without the demand curve. Possible short-term benefits to consumers would be to avoid deficiency payments, which is likely in NYC.

Mr. Younger asked Dr. Patton for confirmation that the \$200 million calculation is based on an expected change in price from last year strip auctions and what is expected to happen next year under the demand curve. Dr. Patton confirmed this.

Mr. Younger further clarified with Dr. Patton that this analysis is not a comparison of what may happen with a demand curve next year versus what may happen without a demand curve next year. Dr. Patton confirmed this.

Dr. Pechman discussed his review of the Economic Analysis Of The Demand Curve Proposal.

Mr. Younger asked Dr. Pechman if he had looked at the impact of the Demand curve relative to the possibility of having clearing prices for NYC approaching the deficiency rate.

Dr. Pechman responded that he had used the spreadsheet provided by Dr. Patton to conduct his analysis.

Mr. Rudebusch stated that municipal utilities are opposed to this proposal because it interferes with their ability to provide reliable low cost power to their customers. This is a dramatic market change that will have negative impact on consumers. In particular, they do not like the idea that they have to buy capacity that they don't need at an administratively determined price. He also suggested that this is a mandatory load requirement and a voluntary commitment on the supplier to supply. This is the same concept that they had in California and he doesn't think that is the way we want to go in New York.

Mr. Kinney asked that the minutes reflect that the impact on the proposal will range from 1/2 cent to over 1 cent per kWh. Mr. Kinney also asked to make a formal statement regarding the Demand curve: *“NYSEG & RG&E (collectively “Energy East Companies”) would like the record to reflect that we do not support the Demand Curve as an appropriate solution to alleged ICAP market problems. The Demand Curve proposal substitutes an administrative price determination for the arms length interaction of willing buyers and sellers.*

*“Further, we believe that very important information concerning the need for the Demand Curve and the impacts it will have has not been provided or was not provided in time for meaningful debate of the issues in advance of the Management Committee vote on the Demand Curve proposal.*

*“First, there has been insufficient analysis demonstrating that the current NYISO markets collectively will not provide sufficient revenues to keep existing supply resources in the market to the extent required or provide incentives for the construction of new capacity to maintain required installed reserve margins. Dr. David Patton presented the only analysis suggesting that this is the case in his report entitled “Summer 2002 Review of New York Electricity Market.” In this report he suggests that prices from September 2001 through August 2002 were not sufficient to support new GTs in upstate, although other investments may be economic. Further Dr. Patton indicates that there is significant uncertainty if prices would support new GTs in New York City. Dr. Patton suggests that peak pricing proposals as contained in his report should help address this issue. Since the completion of this report the NYISO committees have voted to put in place peak pricing proposals consistent with Dr. Patton's recommendations. Further, price suppressing market flaws (out-of-merit generator commitments (OOMs), among others) present during Dr. Patton's analytical time frame have been fixed. The impacts of these changes have not been analyzed, leaving the need for the Demand Curve highly speculative at best. Energy East Companies' representative made a request for an analysis that would take into account total market revenues after these and other known forthcoming improvements are taken into account at the December 17, 2002 NYISO Board Liaison Committee meeting.*

*“Second, on January 8, 2003 Energy East requested the underlying assumptions and calculations upon which David Patton based his report on Demand Curve impacts as presented at the January 9, 2003 Management Committee meeting. No response has been received. This request was made again on February 7, 2003 in order to prepare for the February 11, 2003 BIC meeting at 10:00 am, but the*

*requested information was not sent out until 5:14 pm on February 10, 2002, just hours before the BIC meeting and not sufficiently in advance of this Management Committee vote to meaningfully vet the information and assess the underlying analysis.*

*“The failure to produce an updated analysis related to the need for a Demand Curve or to produce information regarding the impact analysis in a timely fashion has precluded a reasoned discussion of these issues. This is particularly disturbing given the drastic financial impacts the demand curve may produce if implemented. The demand curve is simply too radical and costly a change to implement without adequate analysis, vetting and information dissemination.”*

Mr. ~~Kaplan~~Caplan asked if there had been any consideration of a new Market Monitoring protocol that will be necessary to oversee this capacity market.

Jim Savitt responded that the Market Monitoring department has had discussions on what mitigation measures may be needed for ICAP. However, no specific mitigation measure for ICAP has been developed yet.

Bob Loughney stated that ~~he~~ Multiple Intervenors does not support the demand curve but does support the alternative proposal under agenda item #3.

Mr. Brown replied that agenda Item #3 was posted because the agenda had to be prepared before the BIC vote was taken.

Mr. Scheiderich questioned whether or not the ISO had given consideration of what the timeline would be for tariff considerations including the Market Monitoring concerns.

Kathy Robb, of Hunton & Williams, replied that the ISO would get the tariff change proposal completed as soon as possible for presentation to the board for their approval.

Mr. Brown stated that the board would not make a decision on this issue until the ten-day appeal period has expired. Mr. Freilicher agreed.

Mr. Kaplan stated that this proposal is not intended to prevent tariff changes that are otherwise developed in accordance with the ISO tariffs in agreement.

Fernando DaSilva, of FPL Energy, requested a summary of the statement for the minutes that Mr. Kinney will submit to the NYISO in writing.

Mr. Kinney gave a description of what he will be sending to the ISO for the minutes.

Mr. Brown advised that two votes would be taken on Motion #2, one with Mirabito, ECONergy, Agway and Fortistar excluded (Vote #1) and another vote with those entities included (Vote #2).

**Motion #2 – Vote #1:**

Moved that the Management Committee ("MC") hereby  
(1) Approves the Demand Curve Proposal contained in the presentation posted for the February 13, 2003 MC meeting,

(2) Agrees that the NYISO shall direct its Independent Market Advisor to include an evaluation of the demand curve in future annual reviews of the NYISO markets. Prior to filing, tariff language to be reviewed and approved by the Chairs and Vice Chairs of the Management Committee, Business Issues Committee, and ICAP Working Group. The Demand Curve would be implemented as soon as possible following approval by FERC.

***(Motion passed with 59.00 % affirmative votes)***

**When Vote #2 on Motion #2 was taken, the Motion failed with 57.59% affirmative votes. Mr. Brown ruled that Vote #1 was the official vote.**

### **3. New Business**

There was no new business.

### **4. Adjourn**

The meeting adjourned at approximately 12:10PM.



**NYISO Management Committee – *Special Meeting***

February 13, 2003

*Conference Call Meeting*

**MOTIONS FROM THE MEETING**

**Motion #1:**

Motion to adjourn the meeting

***(Motion failed with 40.57 % affirmative votes)***

**Motion #2:**

Moved that the Management Committee ("MC") hereby

- (1) Approves the Demand Curve Proposal contained in the presentation posted for the February 13, 2003 MC meeting,
- (2) Agrees that the NYISO shall direct its Independent Market Advisor to include an evaluation of the demand curve in future annual reviews of the NYISO markets. Prior to filing, tariff language to be reviewed and approved by the Chairs and Vice Chairs of the Management Committee, Business Issues Committee, and ICAP Working Group. The Demand Curve would be implemented as soon as possible following approval by FERC.

***(Motion passed with 59.00 % affirmative votes)***

# New York Independent System Operator Management Committee - February 13, 2003

Motion: Motion #1

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	0.00	8.00	1	0.00	21.50	
Other Suppliers	21.5	✓	✓	21.50	7.00	20.00	0	5.57	15.93	
Transmission Owners	20.0	✓	✓	20.00	1.00	1.00	2	10.00	10.00	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	5.00	0.00	0	9.00	0.00	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	1.00	0	0.00	2.00	
Small Consumer	4.5	✓	✓	4.50	11.00	0.00	0	4.50	0.00	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	0.00	1	0.00	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	1.00	0.00	1	4.50	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	0.00	2.00	0	0.00	8.00	
Munis and Coops	7	✓		7.00	6.00	0.00	0	7.00	0.00	
Environmental	2	✓		2.00	0.00	5.00	0	0.00	2.00	
				5	100.00	31.00	37.00	5	40.57	59.43
					100.00	Normalized to 100% :			40.57	59.43

# New York Independent System Operator

Management Committee - February 13, 2003

## Motion Motion #1

Sector	Organization	Representative	Affiliate	Present	For	Against
Generation Owners	AES NY	Christopher Wentlent		y		1.00
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC	Greg Banhazi		y		
Generation Owners	Calpine	Richard Felak		y		1.00
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y		1.00
Generation Owners	Entergy Nuclear Northeast	Ron Mackowiak		y		1.00
Generation Owners	Indeck Energy Services	Mark Younger		y		1.00
Generation Owners	KeySpan Ravenswood, LLC	James D'Andrea		y		1.00
Generation Owners	Mirant New York, Inc.	Jim King		y		1.00
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating					
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing	Elaine Beaudry		y		1.00
Other Suppliers	1st Rochdale Cooperative NYC	Mike Delaney		y	1.00	
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Agway Energy Services, Inc.	Jim Scheiderich		y		1.00
Other Suppliers	Amerada Hess Corporation	Blas Hernandez		y	1.00	
Other Suppliers	Aquila Energy Marketing Corp.	Peter Brown		y		1.00
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy	Ken Bekman	y	y		
Other Suppliers	Con Edison Solutions	Ken Bekman	y	y		
Other Suppliers	Connectiv	Howard Fromer		y		1.00
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Glen McCartney		y		1.00
Other Suppliers	Coral Power, LLC	Matt Picardi		y		1.00
Other Suppliers	Dominion Energy Marketing, Inc.	Michael Bekker		y		1.00
Other Suppliers	Duke Energy North America, LLC	Glenn Haake		y		1.00
Other Suppliers	Dynegy	Chris Moser		y		1.00
Other Suppliers	ECONnergy	Tom Halleran		y	1.00	
Other Suppliers	El Paso Merchant Energy	Russel Like		y		1.00
Other Suppliers	Exelon Generation - Power Team	Garry Brown		y		1.00
Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Glenn Haake		y		1.00
Other Suppliers	FPL Energy	Fernando DaSilva		y		1.00
Other Suppliers	HQ Energy Services	Michel Prevost		y		1.00
Other Suppliers	KeySpan Energy Services	Ron Lukas	y	y		
Other Suppliers	Mirabito Gas & Electric, Inc.	Jim Scheiderich		y		1.00
Other Suppliers	Morgan Stanley Capital Group	Levon Kazarian		y	1.00	
Other Suppliers	NRG Power Marketing	Frank Rapley		y		1.00
Other Suppliers	NU / Select Energy	Jim Scheiderich		y		1.00
Other Suppliers	Ontario Power Generation Inc.	Barry Green		y		1.00
Other Suppliers	PP&L Energy Plus	David Yannerall		y		1.00
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y		1.00
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y		1.00
Other Suppliers	Sempra Energy Trading	Tom Halleran		y	1.00	
Other Suppliers	Strategic Energy LLC	Michael Swider		y	1.00	
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y	1.00	
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Transmission Owners	Central Hudson Gas & Electric	John Watzka		y		1.00
Transmission Owners	Consolidated Edison	Joe Oates		y	1.00	
Transmission Owners	National Grid	Jerry Ancona		y		
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric		y			
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y		
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y	1.00	
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Robert Loughney		y	1.00	
End Use - Large Consumer	ATCO Management Co.					
End Use - Large Consumer	IBM Corporation	Robert Loughney		y	1.00	
End Use - Large Consumer	Occidental Chemical Corp.	Robert Loughney		y	1.00	
End Use - Large Consumer	Praxair Inc.	Robert Loughney		y	1.00	
End Use - Large Consumer	Xerox Corporation	Robert Loughney		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y		1.00
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		y	1.00	
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y	1.00	
End Use - Small Consumer	Building and Realty Institute	Herb Rose		y	1.00	
End Use - Small Consumer	Citizens Advisory Panel	Larry DeWitt		y	1.00	
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Herb Rose		y	1.00	
End Use - Small Consumer	Columbia University	John Dowling		y	1.00	
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y	1.00	
End Use - Small Consumer	New York Energy Buyers Forum	Herb Rose		y	1.00	
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y	1.00	
End Use - Small Consumer	New York University	John Dowling		y	1.00	
End Use - Small Consumer	Refined Sugars, Inc.	John Dowling		y	1.00	
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		
Public Power - Authorities	Long Island Power Authority	Jim Parmelee		y		1.00
Public Power - Authorities	New York Power Authority	William Palazzo		y		1.00
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y		1.00
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		1.00
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		1.00
Public Power - Environmental	Pace University	Larry DeWitt		y		1.00
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		1.00
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tom Rudebusch		y	1.00	

# New York Independent System Operator Management Committee - February 13, 2003

Motion: Motion #2

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	7.00	0.00	2	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	17.00	7.00	0	15.23	6.27	
Transmission Owners	20.0	✓	✓	20.00	1.00	2.00	1	6.67	13.33	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	0.00	5.00	0	0.00	9.00	
Large Cons. Gov. Agency	2.0	✓		2.00	1.00	0.00	0	2.00	0.00	
Small Consumer	4.5	✓	✓	4.50	0.00	11.00	0	0.00	4.50	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	2.70	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	1.00	1.00	0	0.90	0.90	
Public Power			✓							
State Power Authorities	8	✓		8.00	2.00	0.00	0	8.00	0.00	
Munis and Coops	7	✓		7.00	0.00	6.00	0	0.00	7.00	
Environmental	2	✓		2.00	5.00	0.00	0	2.00	0.00	
				5	100.00	35.00	32.00	3	59.00	41.00
					100.00	Normalized to 100% :			59.00	41.00

# New York Independent System Operator

Management Committee - February 13, 2003

## Motion Motion #2

Sector	Organization	Representative	Affiliate	Present	For	Against
Generation Owners	AES NY	Christopher Wentlent		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC	Greg Banhazi		y		
Generation Owners	Calpine	Richard Felak		y	1.00	
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Ron Mackowiak		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	James D'Andrea		y	1.00	
Generation Owners	Mirant New York, Inc.	Jim King		y	1.00	
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating					
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing	Elaine Beaudry		y		
Other Suppliers	1st Rochdale Cooperative NYC	Mike Delaney		y		1.00
Other Suppliers	Advantage Energy, Inc.					
Non-voting	Agway Energy Services, Inc.	Jim Scheiderich	y	y		
Other Suppliers	Amerada Hess Corporation	Blas Hernandez		y		1.00
Other Suppliers	Aquila Energy Marketing Corp.	Peter Brown		y	1.00	
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy	Ken Bekman	y	y		
Other Suppliers	Con Edison Solutions	Ken Bekman	y	y		
Other Suppliers	Connectiv	Howard Fromer		y	1.00	
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Daniel Allegretti		y	1.00	
Other Suppliers	Coral Power, LLC	Matt Picardi		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.	Michael Bekker		y	1.00	
Other Suppliers	Duke Energy North America, LLC	Glenn Haake		y	1.00	
Other Suppliers	Dynegy	Chris Moser		y	1.00	
Non-voting	ECONnergy	Tom Halleran	y	y		
Other Suppliers	El Paso Merchant Energy	Russel Like		y	1.00	
Other Suppliers	Exelon Generation - Power Team	Garry Brown		y	1.00	
Non-voting	Fortistar/Lockport Energy Associates, L.P.	Glenn Haake	y	y		
Other Suppliers	FPL Energy	Fernando DaSilva		y	1.00	
Other Suppliers	HQ Energy Services	Michel Prevost		y	1.00	
Other Suppliers	KeySpan Energy Services	Ron Lukas	y	y		
Non-voting	Mirabito Gas & Electric, Inc.	Jim Scheiderich	y	y		
Other Suppliers	Morgan Stanley Capital Group	Levon Kazarian		y		1.00
Other Suppliers	NRG Power Marketing	Frank Rapley		y	1.00	
Other Suppliers	NU / Select Energy	Jim Scheiderich		y		1.00
Other Suppliers	Ontario Power Generation Inc.	Barry Green		y	1.00	
Other Suppliers	PP&L Energy Plus	David Yannerall		y	1.00	
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	John Reese		y	1.00	
Other Suppliers	Sempra Energy Trading	Tom Halleran		y		1.00
Other Suppliers	Strategic Energy LLC	Michael Swider		y		1.00
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y		1.00
Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.	Glenn Haake		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	John Watzka		y	1.00	
Transmission Owners	Consolidated Edison	Joe Oates		y		1.00
Transmission Owners	National Grid	Jerry Ancona		y		
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric		y			
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y	1.00	
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y		1.00
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Robert Loughney		y		1.00
End Use - Large Consumer	ATCO Management Co.					
End Use - Large Consumer	IBM Corporation	Robert Loughney		y		1.00
End Use - Large Consumer	Occidental Chemical Corp.	Robert Loughney		y		1.00
End Use - Large Consumer	Praxair Inc.	Robert Loughney		y		1.00
End Use - Large Consumer	Xerox Corporation	Robert Loughney		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority	Jesse Samberg		y	1.00	
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		y		1.00
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y		1.00
End Use - Small Consumer	Building and Realty Institute	Herb Rose		y		1.00
End Use - Small Consumer	Citizens Advisory Panel	Larry DeWitt		y		1.00
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Herb Rose		y		1.00
End Use - Small Consumer	Columbia University	John Dowling		y		1.00
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y		1.00
End Use - Small Consumer	New York Energy Buyers Forum	Herb Rose		y		1.00
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y		1.00
End Use - Small Consumer	New York University	John Dowling		y		1.00
End Use - Small Consumer	Refined Sugars, Inc.	John Dowling		y		1.00
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Public Power - Authorities	Long Island Power Authority	Jim Parmelee		y	1.00	
Public Power - Authorities	New York Power Authority	William Palazzo		y	1.00	
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y	1.00	
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y	1.00	
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y	1.00	
Public Power - Environmental	Pace University	Larry DeWitt		y	1.00	
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y	1.00	
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Westfield	Tom Rudebusch		y		1.00

# New York Independent System Operator

## Management Committee - February 13, 2003

Motion: Motion #2 - UNOFFICIAL RESULT (Includes 4 parties)

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	7.00	0.00	2	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	18.00	10.00	0	13.82	7.68	
Transmission Owners	20.0	✓	✓	20.00	1.00	2.00	1	6.67	13.33	
End Use Consumer			✓							
Large Consumer	9.0	✓		9.00	0.00	5.00	0	0.00	9.00	
Large Cons. Gov. Agency	2.0	✓		2.00	1.00	0.00	0	2.00	0.00	
Small Consumer	4.5	✓	✓	4.50	0.00	11.00	0	0.00	4.50	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	2.70	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	1.00	1.00	0	0.90	0.90	
Public Power			✓							
State Power Authorities	8	✓		8.00	2.00	0.00	0	8.00	0.00	
Munis and Coops	7	✓		7.00	0.00	6.00	0	0.00	7.00	
Environmental	2	✓		2.00	5.00	0.00	0	2.00	0.00	
				5	100.00	36.00	35.00	3	57.59	42.41
					100.00	Normalized to 100% :			57.59	42.41

# New York Independent System Operator

Management Committee - February 13, 2003

## Motion

### Motion #2 - UNOFFICIAL RESULT (Includes 4 parties)

Sector	Organization	Representative	Affiliate	Present	For	Against
Generation Owners	AES NY	Christopher Wentlent		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC	Greg Banhazi		y		
Generation Owners	Calpine	Richard Felak		y	1.00	
Generation Owners	East Coast Power		y			
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Ron Mackowiak		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	James D'Andrea		y	1.00	
Generation Owners	Mirant New York, Inc.	Jim King		y	1.00	
Generation Owners	Orion Power New York	John Reese	y	y		
Generation Owners	PG&E Generating					
Generation Owners	Sithe Energies, Inc.	Garry Brown	y	y		
Generation Owners	TransCanada Power Marketing	Elaine Beaudry		y		
Other Suppliers	1st Rochdale Cooperative NYC	Mike Delaney		y		1.00
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Agway Energy Services, Inc.	Jim Scheiderich		y		1.00
Other Suppliers	Amerada Hess Corporation	Blas Hernandez		y		1.00
Other Suppliers	Aquila Energy Marketing Corp.	Peter Brown		y	1.00	
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy	Ken Bekman	y	y		
Other Suppliers	Con Edison Solutions	Ken Bekman	y	y		
Other Suppliers	Connectiv	Howard Fromer		y	1.00	
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Daniel Allegretti		y	1.00	
Other Suppliers	Coral Power, LLC	Matt Picardi		y	1.00	
Other Suppliers	Dominion Energy Marketing, Inc.	Michael Bekker		y	1.00	
Other Suppliers	Duke Energy North America, LLC	Glenn Haake		y	1.00	
Other Suppliers	Dynegy	Chris Moser		y	1.00	
Other Suppliers	ECONnergy	Tom Halleran		y		1.00
Other Suppliers	El Paso Merchant Energy	Russel Like		y	1.00	
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Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Glenn Haake		y	1.00	
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Other Suppliers	HQ Energy Services	Michel Prevost		y	1.00	
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Other Suppliers	Mirabito Gas & Electric, Inc.	Jim Scheiderich		y		1.00
Other Suppliers	Morgan Stanley Capital Group	Levon Kazarian		y		1.00
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Other Suppliers	Transalta (formerly MEGA)					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.	Glenn Haake		y	1.00	
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Transmission Owners	Consolidated Edison	Joe Oates		y		1.00
Transmission Owners	National Grid	Jerry Ancona		y		
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric		y			
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	Jeffrey Gerber		y	1.00	
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Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Fairport	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y		1.00
Public Power - Munis & Co-ops	Village of Westfield	Tom Rudebusch		y		1.00