

## Management Committee Meeting

January 27, 2009

Comfort Inn

### SUMMARY OF MOTIONS

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#### **Motion #1:**

The Management Committee (MC) hereby recommends that the NYISO Board of Directors authorize the NYISO to file with the Federal Energy Regulatory Commission, pursuant to Section 205 of the Federal Power Act, tariff revisions to the Open Access Transmission Tariff and the Market Administration and Control Area Services Tariff to improve and clarify the billing and payment provisions of the NYISO tariffs, as approved by the Business Issues Committee on December 17, 2008, and as is more fully described in the presentation made to the MC meeting on January 27, 2009.

*Motion passed unanimously by show of hands.*

#### **Motion #2:**

WHEREAS, on June 4, 2004, the Management Committee approved the allocation among Market Participants of the portion of the NYISO's Rate Schedule 1 charges related to NYISO's operating budget and FERC fees (hereinafter "Rate Schedule 1 Charges") as 80% to withdrawal billing units and 20% to injection billing units;

WHEREAS, in that same action, the Management Committee approved the new allocation to be effective for a minimum of five years, commencing on January 1, 2005, and to be reviewed during the fourth quarter of 2008 to determine if significant market changes occurred to merit adjustment of the 80%/20% allocation;

WHEREAS, those changes were approved by NYISO's Board of Directors and FERC, and became effective in both the NYISO's Open Access Transmission Tariff and NYISO's Services Tariff as of January 1, 2005;

WHEREAS, in compliance with those tariff provisions, the NYISO has reviewed whether significant market changes have occurred that would merit changing the 80%/20% allocation as detailed in its December 3, 2008 Management Committee Presentation; and WHEREAS, in accordance with the tariff provisions NYISO Staff has found that no significant market changes occurred to merit revision of the allocation methodology at that time.

NOW THEREFORE, based upon the analyses performed by the NYISO Staff, as included in its December 3, 2008 Management Committee Presentation, the Management Committee hereby agrees with, and approves the following provisions for going forward to be set forth in the NYISO's tariffs and requests tht the NYISO Board approves same and direct NYISO staff to submit a filing to the FERC under FPA 205 filing to effectuate these changes:

- The current percentage allocation between loads and supply shall be extended without change through at least December 31, 2011 (a minimum two-year extension).

- In Q3, 2010, a vote will be taken on whether a new study should be conducted during late-2010 and 2011 to allow a new percentage allocation, if warranted by the results of the study, to be implemented by January 1, 2012. A positive vote of 58% will

be needed to go forward with the study, but there will no longer be a “material change” standard applied to the determination.

◦ If the Q3 2010 vote results in a determination that a study should not be conducted, the current percentage allocation between loads and supply shall be extended through at least December 31, 2012. In Q3 2011, a vote will be taken on whether a new study should be conducted during late-2011 and 2012 to allow a new percentage allocation, if warranted by the results of the study, to be implemented by January 1, 2013. Unless a vote of 58% is registered in favor of declining to go forward with the study, the study will be conducted.

◦ If the Q3 2011 vote results in a determination that a study should not be conducted, the current percentage allocation remains unchanged until such point a study is held and the results of the study warrant making a change to it. If the Q3 2011 vote results in a determination that study should not be conducted, the issue of whether a study should be conducted will be revisited annually in the third quarter using the same voting standard as was applied in the Q3 2011 vote.

◦ If and when a study is conducted, it shall be completed and its results shared with Market Participants before the end of Q2 of the year prior to the date on which a possible change to the current allocation may become effective.

◦ As occurs in the demand curve reset process, a draft study scope will be presented to Market Participants for consideration and comment before the NYISO issues the scope as part of its RFP process to retain a consultant to perform the study. A meeting will be held to discuss the components that should be included in the draft study scope before the draft is issued by the NYISO (e.g., categories of costs considered, allocation of benefits, unbundling, etc.).

◦ Consistent with the terms of the RS 1 motion passed at the December 2008 MC meeting, the NYISO will continue its work to analyze applying RS 1 charges to those entities that are not currently assessed these fees. Any approach that is adopted as a result of that effort will be incorporated into, and superimposed on, the results of any study that is conducted.

*Motion passed by majority with abstentions.*

Opposed:

DC Energy  
City of Jamestown Board of Pub. Util.  
Village of Freeport  
Village of Rockville Centre

Abstained:

Galt Power  
Con Ed  
NYSEG  
Cross Sound Cable

**Motion #3:**

The Management Committee ("MC") hereby agrees with the changes suggested by NYISO Staff to conform the NYISO's Market Administration and Control Area Services Tariff ("Services Tariff") with the NYISO's current practice in developing the statewide load forecast as it relates to utilizing Load Serving Entities load forecasts, all as more fully described in the presentation made to the MC on January 27, 2009, and approves the attached tariff language to implement such changes.

The MC further requests that the NYISO's Board of Directors approve these determinations and direct NYISO Staff to submit a tariff filing with these changes to the Federal Energy Regulatory Commission under Section 205 of the Federal Power Act.

*Motion passed unanimously.*

**Motion # 4:**

The Management Committee hereby approves changes to the NYISO's Tariff's with regard to wind resource management as more fully described in the presentations made to the BIC on January 14, 2009 and the MC on January 27, 2009; provided, however, the NYISO previously has provided information demonstrating that the penalty provisions set forth in the NYISO's tariff have acted as a sufficient deterrent to over-generation as they currently have been applied to suppliers.

Given that a new application of these rules is being proposed with these tariff changes, the Management Committee further requests that: (i) the NYISO provide reports on a quarterly basis for the first year that this rule is in place detailing whether this new rule has worked as intended; and (ii) after the first year, the NYISO work together with Dr. David Patton and request that he incorporate within his annual State of the Markets Reports an analysis of whether the penalty mechanisms continue to operate as intended as applied to all suppliers.

*Motion passed unanimously with abstentions.*

**Motion #5:**

The Management Committee hereby approves changes to the NYISO's Tariff's with regard to limited energy storage market design as more fully described in the presentation made to the MC on January 27, 2009.

*Motion passed unanimously with abstentions.*

**Motion #6:**

The Management Committee hereby approves revisions to the amendments the Management Committee approved November 10, 2008 to Attachment H of the Market Services tariff to clarify categories of conduct that may warrant mitigation for failure to follow basepoint instructions, consistent with the tariff provisions presented to the Management Committee this date, and recommends to the Board that it authorize a Section 205 filing.

*Motion passed unanimously with abstentions.*

**Motion #7:**

The Management Committee hereby recommends that the NYISO Board of Directors authorize the NYISO to file with the Federal Energy Regulatory Commission, pursuant to Section 205 of the Federal Power Act, tariff revisions to the NYISO Open Access Transmission Tariff and the Market Administration and Control Area Services Tariff to adopt procedures in the NYISO tariffs for the assignment and collection of the costs of penalties levied against the NYISO by NERC and other regulatory authorities, pursuant to the presentation made at the Management Committee meeting held on January 27, 2009. The final copy of the Tariffs will be presented to the Chairs and Vice Chairs of the MC, BIC & OC for review and approval and copies distributed to the members of the Management Committee.

*Motion passed unanimously with abstentions.*

**Motion #8:**

The Management Committee hereby recommends that the Board of Directors authorize the NYISO to file with the Federal Energy Regulatory Commission, pursuant to Section 205 of the Federal Power Act, the proposed changes to the Market Services Tariff as presented to the Management Committee January 27, 2009 including those to impose 75-day reporting requirements for the Emergency Demand Response Program and for Special Case Resources.

*Motion passed by majority.*

## New York Independent System Operator - Committee Membership

### Management Committee - Attendance January 27, 2008 - 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.	John Williams	Karl Michael	David Coup	Erin Hogan	Christopher Hall			
The City of New York	End Use - Gov. Agency/Aggr.	✓ Michael Delaney	Janel Guerrero	Thomas Simpson					
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Atco Properties & Management Inc.	End Use - Large Consumer	David Bornke	George Diamantopoulos						
IBM Corporation	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Praxair Inc.	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	Quinton George	✓ John Dowling	Catherine Luthin					
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	Jamie Van Nostrand						
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 Bornke	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	Seth Berend	Seth Berend	✓ John Flumerfelt	Max Garcia			
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	Generation Owners	Carol Muessigbrodt	Peter Zelfiff					
Mirant New York, Inc.	Generation Owners	Philip Smith	✓ Doreen Saia						
New Athens Generating Co.	Generation Owners	Jack Breen	Chris Bursaw	Dan DeVinney	Rich Felak	✓ Kenneth Dell Orto			
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Liz Grisar	Sidney Chang					
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kamppila						
TC Ravenswood	Generation Owners	William Taylor	Jim D'Andrea	✓ Dan Congel	Susannah Pierce				
UPC Wind	Generation Owners	Steve Vavrik	Mike Jacobs						
BJ Energy	Other Suppliers	Bing Ni	George Lee						
Brookfield Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte	✓ Frank Francis					
Bruce Power	Other Suppliers	Chris Loughrens							
Citi Group Energy	Other Suppliers	Lisa Yoho							
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple						
Connectiv	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							
Coral Power, LLC	Other Suppliers	Matt Picardi	Marc Overdyk	Dave French					
CPower	Other Suppliers	✓ Marie Pieniasek	Janette Dudley	Nick Planson	Ray Stirbys				
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		
DTE Energy	Other Suppliers	Gregory Pakela	Raymond Wieszczyk	Paul Norris					
Dynegy	Other Suppliers	✓ Glenn Haake	Barry Huddleston	Dean Ellis					
Energy Curtailment Specialists, Inc	Other Suppliers	Glen Smith	Stephen Lynch		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	Arshad Khan		
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				
Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia						
HQ Energy Services	Other Suppliers	Michel Prevost		Erik Bellavance					
Integrys Energy Services	Other Suppliers	Michael Haugh							

# New York Independent System Operator - Committee Membership

## Management Committee - Attendance January 27, 2008 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
KeySpan Energy Services	Other Suppliers	Terrence Kain	Jim D'Andrea	Edwin Kichline	James Cross	John Vaughn			
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 LLC	Other Suppliers	✓ Brad Kranz	Lee Davis	Jon Sepich					
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	Brad Weghorst				
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
Reliant Energy Solutions Northeast	Other Suppliers	Neal Fitch	John Rohrback	Derek Bandera					
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovina	Scott Englander	Barry Trayers	Harry Singh			
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Jason Barker	Jeff Knox	Pamela Melton					
TransCanada Power Marketing	Other Suppliers	William Taylor	✓ Dan Congel	Elaine Beaudry					
U.S. Power Generating Co.	Other Suppliers	Liam Baker	Mark Sudbey					✓ Kathy Logan	
Long Island Power Authority	Public Power - Authorities	Kevin Jones	Jim Wittine	Dave Clarke					
New York Power Authority	Public Power - Authorities	✓ William Palazzo	✓ Scott Brown	Maryam Sharif					
American Lung Association	Public Power - Environmental	Jamie Van Nostrand	Michael Seilback						
American Wind Energy Association	Public Power - Environmental	✓ Valerie Strauss	Carol Murphy	Rob Gramlich					
Environmental Advocates	Public Power - Environmental	Jamie Van Nostrand	Robert Moore	David Gahl	Jackson Morris				
Nat'l Resources Defense Council	Public Power - Environmental	Jamie Van Nostrand	Donna Decostanzo	Dale Bryk					
Pace University	Public Power - Environmental	Jamie Van Nostrand	Dan Rosenblum	Tom Bourgeois					
Scenic Hudson	Public Power - Environmental	Jamie Van Nostrand	Warren Reiss						
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	Roger Ehrler	✓ Tom Rudebusch					
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Thomas Cardile	✓ Tom Rudebusch					
Village of Solvay	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	David Dittmann					
Consolidated Edison	Transmission Owners	✓ Stuart Nachmias	✓ Richard Miller	✓ Neil Butterklee	Deirdre Altobelli				
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	Steve Jeremko		
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Acciona Wind Energy USA, LLC	Non-voting	Dan DuBois	Pete Zedick						
Ace Energy Company, Inc	Non-voting	Stephen Lynch							
ACENY	Non-voting	Carol Murphy	✓ Valerie Strauss						
Boundless Energy, L.L.C	Non-voting	John Tompkins	Chuck Gilbert						
Caithness Energy, L.L.C	Non-voting	Dan DuBois	Gary Keevill	Mitchell Garber	✓ Alan Ackerman				
Customized Energy Solutions	Non-voting	Tom Hagner							
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplak	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	✓ Glenn Sylvain							
New York Regional Interconnect	Non-voting	Chris Thompson	Leonard Singer						
NYS Department of Public Service	Non-voting	✓ Bill Heinrich	Tammy Mitchell	Dave Drexler					
The Structure Group	Non-voting	Ishita Roy	Phung Nguyen						
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Stephen Lynch		Glen Smith					
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
Beacon Power Corporation	Non-voting	✓ Judith Judson	Bill Capp						
MAG Energy Solutions INC	Non-voting	Martin Gauthier	Martin Roberge						
Gateway Energy Services Corp.	Non-voting	Angela Schorr	Usher Fogel						

## New York Independent System Operator - Committee Membership

### Management Committee - Attendance January 27, 2008 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
GenPower Trading LLC	Non-voting	Chris Bursaw	Steven Remillard	Rich Felak					
CPV Valley, LLC	Non-voting	Chris Bursaw	Steven Remillard	Rich Felak					
zzzz new member	Non-voting								

**NYISO and Hunton & Williams Members in Attendance:**

✓ Ira Freilicher	Hunton & Williams
✓ Kevin Jones	Hunton & Williams
✓ Ira Freilicher	Hunton & Williams
✓ Rob Fernandez	NYISO
✓ Kathleen Carrigan	NYISO
✓ Steve Whitley	NYISO
✓ Mollie Lampi	NYISO
✓ John Hickey	NYISO
✓ Rob Pike	NYISO
✓ Dave Edelson	NYISO
✓ Shaun Johnson	NYISO
✓ Leigh Bullock	NYISO
✓ Mary McGarvey	NYISO
✓ Debbie Eckels	NYISO
✓ Donna Pratt	NYISO
✓ Carl Patka	NYISO
✓ Kate Hockford	NYISO
✓ Pete Lemme	NYISO
✓ Sheri Prevratil	NYISO
✓ Andy Antinori	NYISO
✓ John Charlton	NYISO
✓ Kathy Whitaker	NYISO

**Key:**

✓ = In attendance