

NYISO Management Committee Meeting

February 7, 2002

Consolidated Edison, New York, NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of December 5, 2001

(Motion passed by a show of hands)

Motion #2:

The Management Committee approves the concept of inter-regional sales of ICAP and requests that the Board concur and direct the filing of necessary tariff changes to ensure that deliverability requirements of External Control Areas are met for ICAP resources located in New York. Necessary Tariff changes to be developed by the NYISO in consultation with the ICAP WG and approved by the Chairs and Vice Chairs of the Management and Business Issues Committees prior to filing at FERC.

(Motion passed unanimously by show of hands)

Motion #3: *(Voted on as a two part Motion)*

Motion to Amend the ISO Agreement and Management Committee By-Laws

WHEREAS, the By-Laws & Governance Subcommittee of the Management Committee has reviewed the ISO Agreement and the Management Committee By-Laws;

WHEREAS, the By-Laws & Governance Subcommittee hereby proposes several amendments to the ISO Agreement which, if approved, will require conforming changes to the Management Committee By-Laws;

NOW, THEREFORE, IT IS MOVED that the Management Committee approve for filing with FERC, the attached revisions to ISO Agreement Sections 1.31, 1.57, 1.87A (new), 1.110, 1.115, 2.02, 7.04, 7.06 and 7.08; and

IT IS FURTHER MOVED that the Management Committee approve the attached revisions to the Management Committee By-Laws.

Motion to Pre-Approve Amendments to Section 7.04 of the Operating Committee By-Laws and Section 7.04 of the Business Issues Committee By-Laws

WHEREAS, the By-Laws & Governance Subcommittee of the Management Committee has reviewed Section 7.04 of the Operating Committee By-Laws and Section 7.04 of the Business Issues Committee By-Laws;

WHEREAS, the By-Laws & Governance Subcommittee of the Management Committee has today proposed several amendments to the ISO Agreement which, if approved, will require conforming changes to Section 7.04 of the Operating Committee By-Laws and Section 7.04 of the Business Issues Committee By-Laws;

NOW, THEREFORE, IT IS MOVED that the Management Committee pre-approve the attached revisions to Section 7.04 of the Operating Committee By-Laws; and

IT IS FURTHER MOVED that the Management Committee pre-approve the attached revisions to Section 7.04 of the Business Issues Committee By-Laws.

(Motion passed with 95.29 % affirmative votes)

(The MC approved revisions to ISO Agreement and Bylaws are posted to the web under 2/7/02 MC meeting materials as Agenda #8 material)

Motion #4:

Motion to Adopt the By-Laws & Governance Subcommittee's Proposal with an Amendment to Section 7.04(a)

WHEREAS, the By-Laws & Governance Subcommittee of the Management Committee has reviewed the ISO Agreement and the Management Committee By-Laws;

WHEREAS, the By-Laws & Governance Subcommittee has today proposed several amendments to the ISO Agreement and Committee By-Laws;

NOW, THEREFORE, IT IS MOVED that the Management Committee approve the amendments proposed by the By-Laws & Governance Subcommittee with the attached revisions to Section 7.04(a) of that proposal; and

IT IS FURTHER MOVED that, the Management Committee approve a conforming revision to the Management Committee By-Laws.

Amended Section 7.04(a)

(a) a single Small Consumer that (i) ~~did not have had~~ a peak Load in any month within the previous twelve months that was ~~500~~ 2000 kW or more in the aggregate, including the Load of Affiliates of such Small Consumer, (ii) is not under the employ or the control of the federal, state or municipal government or any government-owned or operated agency, authority, corporation or other similar entity that is actively involved in ISO matters, (iii) is not an officer, director, employee, owner, operator, partner, agent or affiliate of, or an entity with Control of, a Transmission Owner, Generator, Other Supplier, Public Power Party or Environmental Party, (iv) is not an officer, director, employee, owner, operator, partner, agent or affiliate of, or an entity with Control of, any person, entity or organization having an interest in becoming an Other Supplier or in developing generation or transmission facilities in New York State which would be subject to the administration of the ISO, and (v) does not have any significant interest in any aspect of the ISO markets or operations other than that of a Small Consumer; or

(Motion failed with 39.83% affirmative votes)

Motion #5 :

Motion to Adopt the By-Laws & Governance Subcommittee's Proposal with an Amendment to Section 7.04(b)

WHEREAS, the By-Laws & Governance Subcommittee of the Management Committee has reviewed the ISO Agreement and the Management Committee By-Laws;

WHEREAS, the By-Laws & Governance Subcommittee has today proposed several amendments to the ISO Agreement and Committee By-Laws;

NOW, THEREFORE, IT IS MOVED that the Management Committee approve the amendments proposed by the By-Laws & Governance Subcommittee with the attached revisions to Section 7.04(b) of that proposal; and

IT IS FURTHER MOVED that, the Management Committee approve a conforming revision to the Management Committee By-Laws.

Amended Section 7.04(b)

(b) an organization that represents the interests of at least ten (10) Small Consumers or, at the discretion of the ISO Board, fewer than ten (10) Small Consumers ~~but with an aggregate Load of 500 kW or more in any month within the previous twelve months~~; provided that no such organization representing this interest, or any of the Small Consumers it represents, may be an owner, operator, partner, agent or affiliate of, or an entity with Control of, a Transmission Owner, a Generator, Other Supplier, Public Power Party or Environmental Party; and provided that such organization and the Small Consumers it represents do not have any significant interest in any aspect of the ISO markets or operations other than that of Small Consumers.

(Motion failed by a show of hands)

Motion #6:

The Management Committee requests the NYISO Board to concur in an expedited tariff filing, pursuant to Sec. 205 of the FPA, to implement a change to the Virtual Bidding credit policy to calculate collateral required per MWh of authorized bidding, as equal to seven times the highest differential between the Day-Ahead and Real-Time Energy market price over either the previous three months at the 97th percentile or the previous June/July/August period at the 97th percentile, which ever is higher, in any of the Load Zones in which the Customer has applied to be authorized to bid. Specific Tariff language shall be developed by the NYISO in consultation with the BSP and approved by the Chairs and Vice Chairs of the Management Committee and the Business Issues Committee.

The Management Committee approval of the zonal component is conditional on FERC's concurrence with the clarified credit calculation methodology as discussed above.

(Motion passed unanimously by a show of hands with abstentions)

Motion #7:

Resolved, that the Management Committee:

- (1) Conceptually approve and seek the Board of Director's approval of the Congestion Reduction Proposal as approved by the BIC on 01/23/2002 and as summarized below; direct the NYISO Staff to work with the Market Structure Working Group to develop the implementation details and Tariff amendments to be approved by BIC and the MC; direct the NYISO Staff to file the amendments with the FERC pursuant to Section 205 of the Federal Power Act with sufficient lead time to allow a targeted effective date of Phase 1 of the proposal prior to the Fall 2002 TCC Auction, and
- (2) Support BIC's analysis of Phase 2, and present related status reports or motions concerning Phase 2 to the Management Committee if and when appropriate.

(Motion passed with 70.04 % affirmative votes)

Motion #8:

Motion to amend the congestion reduction proposal with the following text:

The NYISO shall appropriately modify the methodology to allocate excess transmission congestion revenues to make it consistent with the methodology for assignment of counterflow TCCs.

(Motion failed with 32.73% affirmative votes)

Motion #9:

Motion to amend the congestion reduction proposal to include the following provision:

Counter-Flow TCCs shall not be assigned to facilities that were fully subscribed by grandfathered TCCs that were in effect at the beginning of the ISO operations (Y-49 and Y-50 Facilities). Congestion rent shortfalls caused by outages on these facilities would initially be allocated to TOs using the current congestion rent shortfall methodology. Once the new cost allocation methodology specified in Objective 4 is developed, the Objective 4 methodology would be applied to these facilities.

(Motion failed with 25.31% affirmative votes)

Motion #10:

Motion to amend the congestion reduction proposal to include the following provision:

Counter-Flow TCCs shall not be assigned to facilities that were taken out of service in accordance with good utility practice.

(Motion failed by a show of hands)