

NYISO Management Committee Meeting

Special Meeting

October 30, 2003

Teleconference

MINUTES OF THE MEETING

1. Introduction and Meeting Objectives

Joe Oates called the meeting to order at 10:02 AM and welcomed the members of the Management Committee ("MC").

Mr. Oates explained the objective for today's meeting is to consider and vote on SMD Real Time Scheduling ("RTS") tariff revisions.

2. Overview of Standard Market Design ("SMD") 2 – RTS Tariff Revisions

Ted Murphy, of Hunton and Williams, reported on revisions that have been made to SMD2 tariff language. All language is posted on the NYISO website under OASIS-SMD2 website.

Jim Savitt then stated that the specific methodology and numbers used to determine the time-of-day adder for startup reference levels did not belong in the Tariff (Attachment H). He said that such technical details were more properly articulated in a technical bulletin. He said that he would be bringing more details on the startup adder calculation to the AMP / in-City Task Force.

In response to a question, Rob Pike confirmed that the ISO would continue to explore the capabilities for off-dispatch units to be economically scheduled by RTC without having to be on-dispatch.

Mr. Murphy confirmed that the filing letter would state that there are placeholders in the tariff that would allow Demand Side Resources to provide non-synchronized operating reserves once certain software issues are addressed, and that the NYISO will initiate discussions aimed at allowing Demand Side Resources to provide other ancillary services in the event that the Reliability Rules are revised to permit it.

Mr. Bush stated that he continues to have concerns about the design of RTD-CAM, as it relates to the re-establishment of spinning reserve following a unit loss. Mollie Lampi confirmed that the NYISO will continue to discuss the design of RTD-CAM with Market

Participants and would pursue further design and / or tariff changes at the appropriate time if necessary.

Howard Fromer, of PSEG Energy Resources, noted that there is a NYISO position paper that addresses this issue included with today's meeting materials.

Ms. Lampi noted that the final tariff sheets will be posted five (5) days prior to filing with FERC to allow MPs a chance to identify changes which are expected to be only ministerial. The three committee chairs (MC, BIC and OC) will review these ministerial changes prior to filing.

Ms. Lampi agreed that the NYISO would post a clean copy of the tariff to the Web.

Mark Younger proposed additional language to the motion that provides for final approval of tariff language by the committee chairs prior to filing.

Motion #1:

The Management Committee, having reviewed the market changes that the SMD2, Real Time Scheduling ("RTS") project will require, as presented at the October 17 Management Committee meeting and in recognition of the tariff amendments required for the SMD2 RTS project which were posted to the NYISO website October 20, 2003, as updated October 27, 2003, and which were presented, in outline form, today, hereby approves the SMD2 RTS proposal and recommends to the NYISO Board that it also approve the SMD2, RTS proposal and direct that necessary tariff amendments be filed with FERC under Section 205 of the Federal Power Act. Prior to filing the tariff language for the SMD2 RTS proposal, any changes from what was posted for this special MC Meeting shall be submitted by the ISO to the MC, BIC and OC Chairs for review and final approval. This approval recognizes that NYISO and MPs will work together to review the results of market trials and pursue through tariff amendments or otherwise, modifications that appear necessary to fulfill the indicated intentions, and to address undesirable results that are identified through the market trials process.

(Motion passed unanimously with abstentions)

3. New Business

None

4. Adjourn

The meeting adjourned at approximately 10:44PM.

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Conference Call Meeting

MOTIONS FROM THE MEETING

Motion #1:

The Management Committee, having reviewed the market changes that the SMD2, Real Time Scheduling (“RTS”) project will require, as presented at the October 17 Management Committee meeting and in recognition of the tariff amendments required for the SMD2 RTS project which were posted to the NYISO website October 20, 2003, as updated October 27, 2003, and which were presented, in outline form, today, hereby approves the SMD2 RTS proposal and recommends to the NYISO Board that it also approve the SMD2, RTS proposal and direct that necessary tariff amendments be filed with FERC under Section 205 of the Federal Power Act. Prior to filing the tariff language for the SMD2 RTS proposal, any changes from what was posted for this special MC Meeting shall be submitted by the ISO to the MC, BIC and OC Chairs for review and final approval. This approval recognizes that NYISO and MPs will work together to review the results of market trials and pursue through tariff amendments or otherwise, modifications that appear necessary to fulfill the indicated intentions, and to address undesirable results that are identified through the market trials process.

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

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 30, 2003 - 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 | ✓ David Coup Gil Quiniones | Erin Hogan Scott Butler | Chris Hall Jonathan Wallach | John Spath | | | |
| Alcoa/Reynolds Metals Company ATCO Management Co. IBM Corporation | End Use - Large Consumer End Use - Large Consumer End Use - Large Consumer | ✓ Robert Loughney Peter DiCapua ✓ Robert Loughney | Michael Mager Scott Petersen Michael Mager | George Diamantopoulos | | | | | |
| Occidental Chemical Corp. Praxair Inc. Xerox Corporation | End Use - Large Consumer End Use - Large Consumer End Use - Large Consumer | ✓ Robert Loughney Christian Lenci ✓ Robert Loughney | Michael Mager Michael Mager Michael Mager | Michael Mager | | | | | |
| Metropolitan Transportation Authority Association for Energy Affordability, Inc. Beth Israel Health Care System | End Use - Large Cons. Gov. End Use - Small Consumer End Use - Small Consumer | ✓ David Hepinstall Catherine Luthin Herb Rose | ✓ Larry DeWitt ✓ John Dowling Judith Mondre | Jennifer Kearney Ted Lee | ✓ Tariq Niazi ✓ Tariq Niazi | Doug Elfner | | | |
| Building and Realty Institute Citizens Advisory Panel CNYC Inc. (Council of NY Coop & Condo) | End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer | Gordian Raacke Herb Rose Catherine Luthin | ✓ Larry DeWitt MaryAnn Rothman ✓ John Dowling | Judith Mondre Jennifer Kearney | Ted Lee ✓ Tariq Niazi | ✓ Tariq Niazi Doug Elfner | | | |
| Columbia University Mount Sinai Medical Center New York Energy Buyers Forum | End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer | Catherine Luthin Catherine Luthin Herb Rose | ✓ John Dowling ✓ John Dowling Ted Lee | Jennifer Kearney David Bomke | ✓ Tariq Niazi ✓ Tariq Niazi | Doug Elfner Doug Elfner | | | |
| New York Presbyterian Hospital New York University Refined Sugars, Inc. | End Use - Small Consumer End Use - Small Consumer End Use - Small Consumer | Catherine Luthin Catherine Luthin John Gebhard | ✓ John Dowling ✓ John Dowling Quintin George | Jennifer Kearney Catherine Luthin | ✓ Tariq Niazi ✓ John Dowling | Doug Elfner Doug Elfner Jennifer Kearney | | | |
| NY State Consumer Protection Board AES NY American National Power, Inc. | End Use - State Agency Generation Owners Generation Owners | ✓ Tariq Niazi ✓ Christopher Wentlent Dorothy Capra | Doug Elfner Rick Santoroski Bill Henson | Charles Sjoberg | | | | | |
| Astoria Energy LLC Calpine East Coast Power | Generation Owners Generation Owners Generation Owners | Greg Banhazl Thomas Kaslow Gary Keevill | Leonard Singer Tracee Bersani Asavari Alvarez | Richard Felak | | | | | ✓ Roy Shanker |
| Edison Mission Marketing & Trading Entergy Nuclear Northeast Indeck Energy Services | Generation Owners Generation Owners Generation Owners | William Roberts ✓ Marc Potkin Mike Ferguson | Robert Agnello William Stone John Schrage | Jeffrey Ellis Ron Mackowiak ✓ Mark Younger | | | | | |
| KeySpan Ravenswood, LLC Mirant New York, Inc. Orion Power New York | Generation Owners Generation Owners Generation Owners | James Brennan Susann Felton John Reese | Rich Hohlman ✓ Doreen Saia Bruce Bleiweis | ✓ James D'Andrea Dick Ackerson Vicki Lynch | Terrence Kain | Ron Lukas | | | |
| PG&E Generating Sithe Energies, Inc. TransCanada Power Marketing | Generation Owners Generation Owners Generation Owners | Dan Dubois Linda Clarke William Taylor | Dan Whyte ✓ David Applebaum Elaine Beaudry | Regina Carrado | | | | | |
| 1st Rochdale Cooperative NYC Advantage Energy, Inc. Agway Energy Services, Inc. | Other Suppliers Other Suppliers Other Suppliers | Gregory Wortham Kyle Storie Russell Miller | ✓ Jim Scheiderich Kevin Laguardia Peter Brown | Blas Hernandez David Wiesner | | | | | |
| Amerada Hess Corporation Aquila Energy Marketing Corp. Cinergy Capital and Trading | Other Suppliers Other Suppliers Other Suppliers | Hemant Jain Jerry Coffey Jason Barker | Walt Yeager Ivan Kimball Stephen Wemple | | Pamela VanHorn | Richard Mooney | ✓ Susan Chamberlin | | |
| Con Edison Energy Con Edison Solutions Conectiv | Other Suppliers Other Suppliers Other Suppliers | Ken Bekman Ken Bekman Bill Fehr | John Foreman John Foreman Carrie CullenHitt | Steve Fernands Mary Lynch | | | | | |
| Constellation New Energy Inc. Constellation Power Source Coral Power, LLC | Other Suppliers Other Suppliers Other Suppliers | Peter Duprey Daniel Allegritti ✓ Matt Picardi | ✓ Glen McCartney Marc Overdyk Lou Oberski | Steve Fernands Mary Lynch Dave French | Carrie CullenHitt | | | | |
| Dominion Energy Marketing, Inc. Duke Energy North America, LLC Dynergy | Other Suppliers Other Suppliers Other Suppliers | Wes Walker Stacy Dimou ✓ Alan Foster | Del Disher Del Disher Jason Cox | Michael Bekker | | | | | |
| ECONergy El Paso Merchant Energy Exelon Generation - Power Team | Other Suppliers Other Suppliers Other Suppliers | Saul Horowitz Gary Keevill Linda Clarke | ✓ Tom Halleran Asavari Alvarez ✓ David Applebaum | Kevin White ✓ Russel Like Regina Carrado | Tom May | Steve Vavrik | | | |
| Fortistar/Lockport Energy Associates, L.P. FPL Energy HQ Energy Services | Other Suppliers Other Suppliers Other Suppliers | Roger Kelley Fernando DaSilva ✓ Christian Desilets | ✓ Tom Gesicki Michel Prevost Ruben Brown | ✓ Glenn Haake | | | | | |
| KeySpan Energy Services Mirabito Gas & Electric, Inc. Morgan Stanley Capital Group | Other Suppliers Other Suppliers Other Suppliers | Ron Lukas Russ Southard Patrick Murray | ✓ Jim Scheiderich Karen Kochonies ✓ Tim Foxen | Paul Norris Peter Chamberlain Levon Kazarian | Benoit Goyette John Smith Doron Ezickson | Nikolai Markarian | | | |
| NRG Power Marketing | Other Suppliers | Joe DeVito | | Peter Chamberlain | | | | | |

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 30, 2003 - Albany, NY - Parties Checked in Attendance

| Organization | Sector | Representative | Alternate1 | Alternate2 | Alternate3 | Alternate4 | Alternate5 | Proxy | Guest |
|---|-------------------------------|-------------------|--------------------|-----------------|------------------|----------------|--------------------|-----------------|-----------------------|
| NU / Select Energy | Other Suppliers | Gunnar Jorgensen | ✓ Jim Scheiderich | | | | | | |
| Ontario Power Generation Inc. | Other Suppliers | ✓ Barry Green | Tasos Karatsoreos | Ken Lacivita | | | | | |
| PP&L Energy Plus | Other Suppliers | John Brodbeck | Roland Moor | David Smith | | | | | |
| PSEG Energy Resources & Trade | Other Suppliers | ✓ Howard Fromer | Michael LaFalce | | | | | | |
| Reliant Energy Services, Inc. | Other Suppliers | Bruce Bleiweis | John Reese | Liam Baker | | | | | |
| Sempra Energy Trading | Other Suppliers | ✓ Tom Halleran | Dan Staines | ✓ Russel Like | Mally Becker | Bob Chilton | | | |
| Strategic Energy LLC | Other Suppliers | ✓ Francis Pullaro | Michael Swider | Jeffrey Knox | James McCormick | Matt Morais | | | |
| Strategic Power Management, Inc. | Other Suppliers | Dan Duthie | Mario DiValentino | | | | | | |
| Transalta (formerly MEGA) | Other Suppliers | Bob Sadowsky | Jubran Whalan | | | | | | |
| TransÉnergie U.S. Ltd. | Other Suppliers | José Rotger | Michael Jacobs | | | | | | |
| Williams Energy Marketing & Trading Co. | Other Suppliers | David Singer | Dennis Keener | | | | | | |
| Long Island Power Authority | Public Power - Authorities | Jim Parmelee | Bill Killgoar | Seth Hulkower | ✓ Kevin Jones | | | | |
| New York Power Authority | Public Power - Authorities | Robert Hiney | ✓ William Palazzo | Kim Byham | | | | | |
| American Wind Energy Association | Public Power - Environmental | David Wooley | ✓ Larry DeWitt | | | | | | |
| Environmental Advocates | Public Power - Environmental | Anne Reynolds | ✓ Larry DeWitt | | | | | | |
| Nat'l Resources Defense Council | Public Power - Environmental | Dale Bryk | ✓ Larry DeWitt | | | | | | |
| Pace University | Public Power - Environmental | Edward Smeloff | ✓ Larry DeWitt | | | | | | |
| Scenic Hudson | Public Power - Environmental | ✓ Larry DeWitt | | | | | | | |
| Bath Electric, Gas & Water Systems | Public Power - Munis & Co-ops | Paul Pallas | Matthew Benesh | Jim Hamilton | Jack Brown | Ken Moore | ✓ Tim Bush | | |
| City of Jamestown Board of Pub. Util. | Public Power - Munis & Co-ops | ✓ Michael Darroch | David Gustafson | Wally Haase | ✓ Tom Rudebusch | | | | |
| Plattsburgh Municipal Lighting Dept. | Public Power - Munis & Co-ops | Jack Brown | Paul Pallas | ✓ Tim Bush | | | | | |
| Village of Fairport | Public Power - Munis & Co-ops | Ken Moore | ✓ Tim Bush | Paul Pallas | | | | | |
| Village of Freeport | Public Power - Munis & Co-ops | Hubert Bianco | Anthony Fiore | | | | | | |
| Village of Rockville Centre | Public Power - Munis & Co-ops | Paul Pallas | Jim Hamilton | Jack Brown | Ken Moore | Matthew Benesh | | ✓ Tom Rudebusch | |
| Village of Westfield | Public Power - Munis & Co-ops | Jim Hamilton | Paul Pallas | Matthew Benesh | Jack Brown | Ken Moore | ✓ Tim Bush | | |
| Central Hudson Gas & Electric | Transmission Owners | ✓ Charles Freni | ✓ John Watzka | | | | | | |
| Consolidated Edison | Transmission Owners | ✓ Joe Oates | Terry Agriss | Neil Butterklee | | | | | |
| National Grid | Transmission Owners | Jerry Ancona | ✓ Wes Yeomans | Peter Flynn | Herb Schrayshuen | Bart Franey | Masheed Rosenqvist | | ✓ Nachmias, Sasson, G |
| 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 | | | |
| Caithness Energy, L.L.C | Non-voting | Ross Ain | Jack Feinstein | | | | | | |
| Cianbro Corporation | Non-voting | Chuck Hewett | John Tompkins | | | | | | |
| Customized Energy Solutions | Non-voting | ✓ Rick Mancini | Stephen Fernands | Bill Schofield | | | | | |
| Energetix, Inc. | Non-voting | Barney Farnsworth | | | | | | | |
| Hudson River Energy Group | Non-voting | Frank Radigan | | | | | | | |
| Hydro-Quebec TransEnergie | Non-voting | Glenn Sylvain | Mario Boucher | | | | | | |
| NYS Department of Public Service | Non-voting | Penny Rubin | Rajendra Addepalli | | | | | | ✓ Bill Heinrich |
| The Structure Group | Non-voting | Bob Furry | Alex Lago | | | | | | |
| William P. Short | Non-voting | ✓ William Short | Marc Schaefer | Joe DeVito | John Brodbeck | Ron Matlock | Paul Savage | Roberto Denis | |
| zNew Member | Non-voting | None Assigned | | | | | | | |
| zNew Member | Non-voting | None Assigned | | | | | | | |

NYISO and Hunton & Williams Members in Attendance:

| | |
|-------------------|-------------------|
| ✓ Ted Murphy | Hunton & Williams |
| ✓ Bill Young | Hunton & Williams |
| James Schmidt | Hunton & Williams |
| Rob Fernandez | NYISO |
| ✓ Bill Museler | NYISO |
| ✓ Chuck King | NYISO |
| ✓ Mollie Lampi | NYISO |
| ✓ Bob Thompson | NYISO |
| ✓ Rick Gonzales | NYISO |
| ✓ Elaine Robinson | NYISO |
| ✓ Kristen Kranz | NYISO |
| ✓ Leigh Bullock | NYISO |
| ✓ Ray Stalter | NYISO |
| ✓ Debbie Eckels | NYISO |
| ✓ Jim Savitt | NYISO |
| ✓ Bob Ricketts | NYISO |

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|--------------------|------------|----------------|------------|------------|------------|------------|------------|-------|-------|
| ✓ Kathy Whitaker | NYISO | | | | | | | | |
| ✓ Andrew Hartshorn | NYISO/LECG | | | | | | | | |

Key:

✓ = In attendance