
DRAFT**NYISO Management Committee Meeting Minutes****January 25, 2012****10:05 a.m. – 12:00 p.m.**

1. Introductions, Meeting Objectives, and Chairman's Report

Mr. Howard Fromer (PSEG), the Chair of the Management Committee (MC), called the meeting to order at 10:05 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. There was a quorum.

Mr. Fromer reported that after the regular session, an executive session will commence for MC consideration of potential candidates to recommend to the NYISO Board to fill the vacancy of Richard Schuler. Mr. Fromer thanked the NYISO for promptly providing the contact information of shared governance members on its website and encouraged members to reach out to their colleagues.

2. Approval of MC Minutes – December 21, 2011**Motion #1:**

Motion to approve the Minutes of the December 21, 2011 MC meeting.

Motion passed unanimously with abstentions.

3. President and CEO Report

Mr. Stephen Whitley (NYISO) reported that the NYISO Board is proud of the board selection process and the communication it has received from the MC. Mr. Whitley commented that the Board was pleased with MC Liaison meeting as it was excellent and had strong representation. Mr. Whitley reminded stakeholders of the heavy project workload at the ISO this year such as smart grid, new control center, market to market with PJM, gas electric coordination initiatives, and a host of demand response projects. Mr. Whitley noted that the committees will have a lot of work ahead of them and reminded everyone the importance of working together.

Infrastructure Master Plan (IMP)

Mr. Richard Dewey (NYISO) provided a verbal update of the latest IMP activities. Mr. Dewey reported that the project is on time and within budget. Recently, the Carman Road data center was turned over to the IT team to start migrating the computer systems to the new space. The NYISO anticipates completing this by mid-year before the summer operating season. After, the NYISO will have to formally retire the old generators and the fuel tanks.

For the Krey Blvd site, most of the work done in the month of December was to bury the second commercial power feed. The other work done was reconstruction of the new exit gate to create additional parking. The new exit gate will not open in the near future because Krey Blvd is too narrow for construction vehicles so the current single gate of entrance and exit will remain until most of the large equipment is on the site. Mr. Dewey noted new parking lot openings and that the project is going according to plan.

Market and Operations Reports

Mr. Rick Gonzales (NYISO) reviewed the market performance highlights and operations highlights from December. Mr. Gonzales walked through the Lake Erie circulation values. He noted the commitment of the NYISO after the 2008 Lake Erie issue to better align its interface pricing methodology with its neighbors in recognition of the Ontario/Michigan interconnections. The ISO had discussions at MIWG to deploy its modified pricing regime to non-conforming mode. There are two modes: one was conforming mode where power flows over Ontario/Michigan interface conform to schedules and non-conforming mode where incremental interchange transactions from either PJM or Ontario or internal NY generation can result into incremental power flows over the Ontario/Michigan interconnection. The ISO intends to make this significant change to its operation, as discussed with stakeholders, on February 1.

Mr. Fromer asked about a market monitoring filing from PJM and its relation to the planned implementation on February 1. Mr. Rob Fernandez (NYISO) said the NYISO disagrees with the market monitor's assessment from PJM. Mr. Mike Mager (Multiple Intervenors) asked if the disagreement came from PJM or its market monitor. Mr. Rana Mukerji (NYISO) noted that PJM said the market monitor's opinion does not reflect PJM's perspective. Mr. Mager thanked the NYISO for keeping uplift costs down.

4. NYISO Annual Customer Survey Results

Mr. Adam Burke (Opinion Dynamics) reviewed the presentation included with the meeting material. Mr. Richard Barlette (NYISO) reported on the specific actions taken in response to the 2010 survey for areas of improvement. Mr. Whitley noted the seriousness that the NYISO takes the survey results and reminded stakeholders of the customer training that NYISO staff received in 2011 and the continued efforts to improve customer experiences. Mr. Bolbrock indicated that a score range from 1-10 would be more helpful to interpret the survey results as opposed to the scale of 1-7. Mr. Whitley said the NYISO is working to revise the survey for next year because it will help compare the NYISO to other ISOs on an apples to apples basis. The NYISO is open to stakeholder feedback on revising the survey. Mr. Mager recommended that the NYISO be cautious before doing away with some of the survey. Mr. Fromer said it would be helpful to better compare NYISO with other ISOs.

Mr. Bob Boyle (NYPA) asked if the NYISO identified the bottleneck of providing timely meeting materials to stakeholders. Mr. Barlette noted that in the past year the NYISO eliminated the barriers to posting and the NYISO continues to experience constraints when meetings are scheduled on the fly. The NYISO strives to achieve 100% and the NYISO will include meeting material statistics on the agendas. Ms. Doreen Saia (GenOn) expressed a concern that rolling the performance into a combined percentage, the problem is being masked. She noted that there are certain working groups that are far less responsive in getting the information out in a timely basis than others and when the performance is averaged together, the problem continues to exist and it's unfair to the working groups that do an exemplary job of providing timely materials. Ms. Saia requested that the statistics get broken down by working group in order for the stats to be helpful. Mr. Barlette said the NYISO would take this back. Mr. Fromer noted that most of the work in the committees gets conducted through the working group level and that it is critical that the meeting materials get sent as far in advance as possible for stakeholder review. Mr. Fromer said there should be no excuses for not having 100% compliance.

Mr. Liam Baker (US Power Gen) asked how would Opinion Dynamics characterize market monitoring overall score. Mr. Burke said overall score was high. It was lower than other departments. Mr. Baker expressed a concern that the action plan to address market monitoring is lacking. Mr. Whitley said the market monitoring and analysis department has a new director and is working to improve the process of speeding up time and accuracy. Mr. Gonzales said the NYISO knows there are areas for improvement

and is committed to improving the process even though the action plan may not communicate this. Mr. David Clarke (LIPA) said that LIPA supports NYISO's efforts to resolving these issues.

5. DAMAP for GTs

Mr. Paul Edmundson (NYISO) reviewed the presentation included with the meeting material. The NYISO is seeking to clarify the tariff language to specifically include GTs with DAM schedules but not committed by RTC to also be eligible for the DAMAP settlement. The NYISO is seeking to file with the FERC a tariff amendment to specify the eligibility of these units with an effective date of January 1, 2012.

Mr. Mark Younger (Slater Consulting) asked for clarification that generators wouldn't be harmed because of a signal it received from the NYISO. Mr. Edmundson said the signal includes base points, OOM commitments, and RTC decommitments from DA schedules.

Motion #2:

The Management Committee ("MC") hereby recommends that the NYISO Board of Directors approve revisions to the NYISO's Tariff with regard to eligibility for Day-Ahead Margin Assurance payments as more fully described in the presentation made to the MC on January 25, 2012 and direct that these tariff revisions be filed with the Commission pursuant to Section 205 of the Federal Power Act.

Motion passed unanimously.

6. New Business

Mr. Richard Barlette (NYISO) reminded stakeholders to meet Mr. Mark Seibert (NYISO), the acting manager of Committee Support, if they have not done so already. Mr. Fromer asked if there is a way for stakeholders to contact Mr. Matt Darcangelo while he is deployed to Afghanistan. Mr. Barlette said stakeholders can contact him if they want to receive Matt's email address.

*****Recess & Commencement of Executive Session*****

7. Motion re: BSSC Recommendations

Motion #3:

The Management Committee approves the list of candidates contained in the Board Selection Sub-Committee's presentation to the MC on January 25, 2012 to fill the Board vacancy being created by the retirement of Richard Schuler and recommends that this list be referred to the Board for its consideration, as provided for in Section 5.04 of the ISO Agreement.

Motion passed unanimously.