

AES-NY,LLC offers the following comments regarding the NERTO strawman presented at the management committee meeting:

1) The process must be open to all market participants. Restricting working group participation to one or two members of a sector will slow the process down. Each company has different business needs and a requirement to know exactly what is being discussed in order to evaluate its business risks. In addition, a select working group creates the ability for some companies to have more direct lines of communication with key RTO staff vs others. While this may occur naturally due to the difference in regulatory emphasis a company wishes to employ; this decision should be one of self selection on the part of each company.

Further, this process has two distinct parts. The initial evaluation of key design parameters and the actual buy-in to what is filed with FERC. While we all think the design parameters are critical; ultimately the menu of options maybe quite limited. Nevertheless, each market participant must feel its individual needs have at least been considered. Ultimately, if this is done to a reasonable level, the actual filing and market support for the filing should become an easier process with less opposition.

2) Assuming the process is open to all market participants, the critical factors become how well the written material is organized and presented, and actual control of the meetings to ensure complete discussion and use of time. Many NYISO meetings have been poorly done. Materials are distributed very late, concepts are not organized in acceptable fashion, and the actual meetings lack control when issues are discussed and re-discussed. The meeting facilitators must ensure the written materials distributed are well organized with key discussion points identified prior to the meeting. The materials must be sent with reasonable lead time to allow market participants to review in detail. The actual meeting must be controlled by effective use of facilitation skills. I recommend that the ISO staff push hard to restrict meetings on any one topic to no greater than two meetings. A suggested approach would be as follows:

a) RTO issues strawman with key concerns, questions, and issues identified. This strawman is issued 3-5 days in advance

b) Market participate meeting is held and strict timelines are created for discussion of each topic. The meetings should have working lunches to allow maximum use of time and the meeting should utilize the entire day ( 8am - until). Meeting endtime should be open ended to force solutions and not allow constant re-scheduling of meetings on the same topic.

c) RTO staff considers the key points of discussion and makes any appropriate changes to the strawman.

d) Steps a through c are repeated

e) Final strawman on that concept is released.

3) Mollie - governance and market participant voting rights become very important issues to frame at the beginning of this process. The process may be expedited if a market participant realizes it is serving an advisory role to the RTO board vs our current framework within the NYISO.

4) Thanks for opportunity to respond and if you have questions, please contact me at 607-729-6950 x4421.