

notes

MEETING OF THE BY-LAWS & GOVERNANCE
SUBCOMMITTEE OF THE MANAGEMENT COMMITTEE

September 23, 2003
10:00 a.m. - 3:00 p.m.
Hunton & Williams LLP, NYC

The By-Laws & Governance Subcommittee held an open meeting on September 23, 2003. An agenda was prepared and distributed in advance of the meeting.

In attendance in person were: Neil Butterklee, Kim Byham, John Dowling, Tom Halleran, John Reese, Francis Pullaro, Kathy Robb and Meredith Winn.

In attendance by teleconference were: Dan Duthie, Keith O'Neill, Michael Mager, Jim Mayhew, Paul Gioia, Larry DeWitt and Elaine Robinson.

Review of agenda and meeting notes

The Subcommittee reviewed the agenda and agreed to discuss the items in the order that they appeared on the agenda. The Subcommittee did not approve the June 30th meeting notes for posting on the NYISO website, because some members of the Subcommittee had not yet reviewed them.

Summary of July MC action on the By-Laws

The Subcommittee Chair summarized the action taken to approve the proposed amendments to the MC By-Laws presented at the July 24, 2003 Management Committee meeting.

The role of Demand Response and distributed Generation in NYISO governance

The Subcommittee discussed whether demand response providers should continue to be included in the Other Suppliers sector or whether they should be organized as a separate sector. The Subcommittee also discussed whether owners of small resources should be subject to the \$5,000 annual membership fee. One Subcommittee member suggested that the annual fee for owners of small resources below 35 MW should be \$1,000. Finally, the Subcommittee discussed at what point in the construction and development process owners of small resources could become voting Members.

The Subcommittee agreed to review a draft of proposed amendments to the ISO Agreement reflecting a Subcommittee member's membership proposal for small resources at the next By-Laws Subcommittee meeting.

Proposals for Co-Vice-Chairs of the MC

The Subcommittee discussed revising the MC By-Laws to reflect the September 17, 2003 election of two individuals who will fill the position of Vice-Chair of the Management Committee. The Subcommittee generally agreed to revise the MC By-Laws to provide that: 1) the Management Committee may elect two individuals to fill the position of Vice-Chair ; 2) the two individuals will, upon the expiration of their term as Vice-Chair, serve as Chair; 3) the Vice-Chairs and Chair(s) of the Management Committee must all be from different sectors; 4) if one Vice-Chair dies, resigns or otherwise leaves office, the survivor shall succeed to the position of Vice-Chair and, upon the expiration of his or her term, to the position of Chair; 5) the provisions of the MC By-Laws that apply to the Vice-Chair and Chair also apply to two individuals elected to fill the position of Vice-Chair or Chair.

The Subcommittee agreed to include procedures for electing two individuals to fill the position of Vice-Chair in the MC By-Laws. The Subcommittee generally agreed that those procedures would provide that: 1) if there are three candidates on a ballot, the Chair must eliminate the candidate receiving the lowest number of votes and hold a subsequent vote on the same ballot with the remaining two candidates; 2) the Management Committee must vote twice on a two-candidate ballot before agreeing to elect two individuals to fill the position of Vice-Chair; and 3) after each vote to elect a candidate, the MC Chair will immediately disclose the vote totals for each candidate.

Should the Chair reveal vote totals received by candidates?

The Subcommittee generally agreed that, during elections, the MC Chair should reveal vote totals received by each candidate immediately after each ballot is taken. A minority of the Subcommittee suggested that the MC Chair should not reveal vote totals in the event that a candidate is elected by at least a 58% vote. The Subcommittee generally agreed that the MC Chair should disclose the total number of votes cast in favor of any motion before the Management Committee immediately after a vote is taken.

Modification of time to file an appeal

The Subcommittee discussed whether MC meetings and ISO Board meetings are scheduled such that there are not ten business days in which to file an appeal between the two meetings. One member of the Subcommittee explained that the Management Committee is proposing to schedule all of its meetings on the first Wednesday of every month in order to avoid this problem.

Whether to allow joint-ISO MC meetings outside of New York State

The Subcommittee discussed whether to amend the MC By-Laws to provide that the MC may hold meetings outside of New York State and whether to allow votes to be taken at such meetings. The Subcommittee agreed to revise the MC By-Laws to provide that the MC may participate in meetings with ISOs in contiguous Control Areas and that a vote taken at the meeting will have the same effect as a vote taken at a regular MC meeting within New York

State. The Subcommittee also agreed that such a meeting must be called for a legitimate purpose and approved at a prior MC meeting by a 58% vote.

Whether the MC should refer tariff issues to Lower Committees

The Subcommittee agreed that it did not need to address whether the MC should refer tariff issues to Lower Committees. The Subcommittee agreed that this item had been thoroughly discussed at prior meetings of the Subcommittee and that there had been no resolution to make revisions to the MC By-Laws regarding this item as a result of those discussions.

The role of the MC with respect to compliance filings

A member of the Subcommittee agreed to draft a proposal regarding the MC's role with respect to compliance filings for review at the next By-Laws Subcommittee meeting.

Next meeting

There will be a meeting of the By-Laws & Governance Subcommittee by teleconference on Monday, September 29, 2003 at 10:00 a.m. to discuss draft amendments to the MC By-Laws and the ISO Agreement regarding Co-Vice-Chairpersons of the Management Committee and holding joint-ISO MC meetings outside of New York State.

The next regular meeting of the By-Laws & Governance Subcommittee is scheduled for Tuesday, November 4, 2003 at 10:00 a.m. at the offices of Hunton & Williams LLP, 200 Park Avenue, 31st Floor, New York City.