

NYISO Business Issues Committee Meeting Minutes

Wednesday, January 21, 2004
NYS Nurses Association, Latham, NY

1. Welcome & Meeting Objectives

Wes Yeomans, Chair of Business Issues Committee (BIC) called the meeting to order at 9:33 AM and welcomed the members of BIC. Attendees introduced themselves, naming the companies they represent.

2. Approval of meeting minutes for December 3, 2003 *Stalter*

Final drafts of the minutes from December 3 were distributed to BIC members before the meeting.

Mr. Yeomans added the following comments

BAWG Report: 2nd sentence clarified to read "BAWG received an update on the blackout..."
3rd sentence "Station Power technical bulletins will be released soon, but software not be released until March"
4th sentence "Jim Sheiderich noted that requests had been made for a preview of the final bill"

Motion #1:

Motion to approve the Minutes from the December 3, 2003 BIC meeting.
(Motion passed unanimously by show of hands)

3. Chair's Report

Mr. Yeomans stated that he would like to receive comments regarding the start time of the BIC Meeting – one MP had requested a 10am start time, and Mr. Yeomans wanted to know how others felt. Ray Kinney of NYSEG commented that perhaps the start time should be later during the winter months.

Mr. Yeomans also commented on the letter from FERC Commissioner Wood thanking the ConEd and NYISO for the Tech Conference, which was recently distributed to Market Participants and posted to the NYISO web site. Mr. Yeomans thanked NYISO staff and Con Edison for coordinating the Conference.

Mr. Yeomans reported on the January 14th Wind Power Technical Conference, and noted that GE gave a presentation on the RPS findings in NYS.

Mr. Yeomans also drew attention to the two draft technical bulletins that have been issued on station service, and that four more technical bulletins are coming out concerning meter service for station power. Ray Stalter, of the NYISO, reported that these Technical Bulletins were under review by the Metering Task Force and BAWG, and are posted under materials for the December BAWG meeting. He also noted that once the BAWG and MTF have completed their reviews, the Technical Bulletins would be distributed in draft form to Market Participants as part of the normal review process.

4. Market Operations Report

Chuck King, of the NYISO, presented the Market Operations Report. Control performance was covered first: a new winter peak was hit last Thursday at 25252 MW, about 700MW over the previous winter peak.

Mr. Kinney requested an update on the implementation of Variable Regulation rates. Mike Calimano of the NYISO replied that discussions should be wrapping up by the end of the month.

Mr. King continued, noting that DAM Prices are consistently higher than RT prices in all zones, which is regarded as positive. David Patton will investigate this trend as part of the end of year market assessment. Natural Gas prices were up in December. Price corrections and reservations were down in December – this improvement is attributed to a new NYISO team that is quickly acting to resolve price issues as they arise.

Mr. King introduced a new slide to the Market Operations report, which summarizes the average DAM Load Bid. It includes all components including virtual bidding and price-cap load bids..

Mr. Kinney inquired as to the status of the Blackout Cost report. Mr. Calimano replied that a report would be made at the upcoming MC or BIC meetings.

Tim Foxen of NRG Energy asked when the Patton report comes out. Mr. King replied that it is generally ready for the Joint Board MC meeting in April.

Mr. Yeomans clarified that the blackout request includes two pieces; the cost impact of claims, and the actual costs reflected at the time in Rate Schedule 1. Market Participants wish to know the amount already charged, and what additional charges may result from claims the NYISO is currently processing.

Stuart Nachmias of Con Edison asked when invoices would reflect the billing for additional claims.

An update will be included in the upcoming report to the Committees.

5. Regional Market Enhancements

Mr. King then moved on to present the Regional Market Enhancements report. Progress is continuing on the facilitated checkout and e-tag integration initiatives. OSS technology is being leveraged to improve communication between NYISO and other control areas.

Mr. Kinney noted there was a request for discussion on OSS from the S&P Working Group, focusing on what value has been delivered, and what direction OSS should proceed in.

Mr. King went on to note that ISO-NE is developing a schedule to implement a Day Ahead Demand Response Program; we are working with other control areas to see where changes can be made to more closely align these programs. We are also looking at changes we can make to enhance participation in the New York DADRP.

Larry DeWitt of Pace Energy noted that there is interest in finding out what barriers to participation exist, and how they can be resolved.

Regarding RAM, a status report to FERC is being prepared on the status of the MP review process. The final report from NERA Economic Consulting is due out in February, and a meeting is scheduled for February 26th in New England. Stakeholders will take the report findings back to their respective committees and groups, to evaluate what changes make sense for each Market.

Meetings are ongoing concerning elimination of Rate Pancaking. Mr. King noted that FERC Commissioner Wood's recent letter to the NYISO encouraged this effort.

Concerning Virtual Regional Dispatch, discussions have been ongoing with ISO-NE. Mark Younger has made an alternative proposal, which is presently being reviewed by NYISO and ISONE staff. Another meeting is expected to take place in the next few weeks to continue discussions on VRD.

Mr. Kinney inquired if Mr. Younger's proposal was ready for public discussion, and was informed that the proposal is not ready for broader discussion at this time.

Mr. King continued, noting that an interim scheduling protocol is being planned for the Cross Sound Cable. The end-state project is not scheduled for implementation until summer of 2005, but the NYISO would like to have a scheduling protocol in place for Summer 2004. A proposed tariff change will be brought to BIC in February, and it was determined that the Market Structures Working Group or the Scheduling & Pricing Working Group would commence work on this issue. Mr. Stalter commented that the issue would be brought to S&P.

Mr. Nachmias of ConEd asked if any thought has been given concerning the impact a potential delay on RTS would have on meeting the Summer 2005 deadline. Mr. King replied that there will be resources beginning work on this project in March, and that RTS would not likely affect this project. Mr. Stalter commented that an announcement regarding a revised RTS deployment schedule would be distributed to Market Participants by the end of the week (January 23rd).

Lastly, Mr. King stated that in the coming months, the Market Services VPs at the NYISO, ISO-NE and PJM would attend each other's BIC meetings beginning in March to gather input on seams issues.

6. Project Prioritization Team Report

Tim Schmehl, Manager of Project Management at NYISO, gave a brief update on the actions of the Project Priority Team. Mr. Schmehl began with a discussion about the 2004 project ranking. The PPT developed a more rigorous, structured process to evaluate and rank projects, given that there are more projects than there are resources to do them. The working groups could also take up this process in their individual project evaluations.

There are 7 criteria that the NYISO Project Management Committee developed for scoring projects:

- Alignment with Strategic Objectives
- Regulatory and Legal Environment
- Market Value
- Impact on System Reliability
- Risk Avoidance
- Workforce Environment
- Organizational Efficiency (reduce manual effort)

Mr. Nachmias commented that reliability should be given higher weight than other criteria in scoring projects. Mr. Schmehl clarified that the list of criteria is not listed in weight order, and that reliability concerns are a vital consideration in project evaluation.

Mr. Schmehl provided the current ranking of projects for 2004, based on the criteria previously described. He noted that projects are being worked on in parallel, but when resource constraints arise, the higher priority projects take precedence.

There was considerable discussion regarding the SMD project, and what sub-items are contained within this line-item – market participants requested further detail from the NYISO concerning what features are covered. Market participants also requested that issues that were not previously included in SMD Phase 1 development be re-evaluated for possible inclusion.

Mr. Dewitt requested that an action item be created for PPT to address these issues concerning the SMD project.

David Coup, of NYSERDA asked how the market value of each project would be quantified, and whether any tracking would take place to determine the actual market value. Mr. Schmehl replied that the project evaluation efforts were moving towards this goal and that 2004's measurements

would look at how well NYISO does at meeting schedules and budgets, with scope to come in the future.

Mr. Schmehl went on to discuss efforts to improve 2-way communication with MPs about projects. Specifically, the project management department will be making more project information available on the NYISO web portal, covering scope, cost and schedule for each project. The BSP and PPT groups will receive more project information, and the 2004 Customer Opinion Survey will be used to measure progress on these initiatives.

Lastly, Mr. Schmehl presented the committee with a draft PPT Scope of Responsibilities document to give describe the role of the PPT, and asked that market participants contact PPT members with input.

7. Further Tariff Amendments Regarding Special Pricing Rules at Non-Competitive Proxy Generator Buses

Andrew Hartshorn of LECG noted that this presentation covered material previously presented at S&P. Dr. Hartshorn began by describing the history of regulatory filings, and responses by FERC concerning pricing rules at Non-Competitive Proxy Buses. Dr. Hartshorn then drew particular attention to the 8-22-3 FERC Order conditionally accepting pricing rules, with the following two conditions:

- The Pricing Rules must be modified to only apply when the NYISO has scheduled counterflow transactions
- The NYISO must issue a report on the competitiveness of the NE and PJM proxy buses. (This report was filed in November 2003)

NYISO replied to this order in September, arguing that the FERC modifications didn't encompass all situations in which non-competitive situations could occur. The NYISO further indicated that the remaining situations covered by the FERC ordered condition are unlikely given the nature of competition at the proxy bus. Further, the NYISO felt that adding a scheduling analysis requirement to the proposed rules (as opposed to a price analysis only) was counter-productive, and that the net cost to the marketplace under the NYISO rules was minimal.

FERC agreed with the NYISO regarding the need to include curtailing DAM Transactions, but denied the NYISO request to retain the originally filed pricing rules. FERC ordered that these pricing rules need to be re-applied back to May of 2003, and price corrections will be required. The total cost impact between the two pricing rules was estimated to be \$368.09.

The NYISO now proposes to re-submit the original tariff filing. Applying the FERC rules through software would be costly and resource intensive, for a small net benefit to the market. The other approach is to use the price correction process, but this is not without cost or impact to market certainty.

Mike Cadwalader of LECG asked if the cost impact could increase in the future, and whether there was a way to monitor it.

Chris Desilets of HQ inquired as to whether the pricing rules would be applied manually or automatically.

Dr. Hartshorn replied that at present the NYISO is using the price correction process to derive those prices. If the filing is approved, the NYISO has software ready to generate the proper prices automatically in real-time; this software was built to comply with the original filing last year but not deployed.

Tim Bush of Navigant Consulting asked why FERC would accept a filing that was previously rejected.

Gerald Deaver of the NYISO replied that the analysis of the costs involved supported the NYISO position.

Mr. Kinney added that since the cost-benefit has been done, FERC might be more open to this proposal.

Mr. DeWitt suggested that NYISO staff pursue informal conversations with FERC staff so this doesn't come as a surprise, and get feedback.

Mr. Nachmias requested that NYISO staff confer with FERC staff informally and report back to the MC with feedback.

Mr. Deaver stated that NYISO staff is in regular contact with FERC, and that this proposal could be explored informally before the filing.

Motion was made, seconded, and passed.

Motion #2:

Motion to amend the NYISO tariffs to delete the conditions on the application of the non-competitive proxy generator bus pricing rule imposed in the Commission's December 23, 2003 Order on Rehearing in Docket ER03-690-002.

(Motion passed by majority show of hands.)

Abstentions:

Chris Desilets - HydroQuebec
Terry Kain - KeyspanRavenswood
George Braulke - Amerada Hess

8. Proposal Addressing Creditworthiness, Working Capital and Non-Payment Provisions related to non-recovery of the TSCs for Wheels-through and Exports

Kevin Jones of Hunton & Williams made the presentation.

The proposed amendments would add a requirement for customers to collateralize wholesale TSCs on wheels-through and exports; the TOs would continue to bill and collect these charges; working capital held by the NYISO holds will not be used to address TSC non-payments; uncollected TSCs in excess of collateral will be collected through Rate Schedule 1 as with other types of bad debts.

Tom Rudebush of Duncan, Weinberg, Genzner and Pembroke (Village of Rockport Center) asked how the operating requirement would be calculated for a buying group like NY Municipal Agencies?

Mr. Jones replied that the requirement is calculated by the NYISO on an individual market participant basis. Kyla Douglas of the NYISO later clarified that the requirement would be assessed to the buying agency as an aggregate of the obligations of the buying group members.

Bob Loughney of Multiple Interveners asked how this would impact the market.

Mr. Jones replied that the initial proposal neglected to cover all instances of TSCs. It did not cover imports or internal wheels. TSCs for these transactions would now be covered under the credit policy. Mr. Jones was unable to tell Mr. Loughney what the total change in operating requirement would be, but that those customers paying the charges would be able to identify the impact easily.

Mr. Kinney agreed that the policy should be applied consistently, and that problems could arise with FERC if the NYISO did not apply the credit policy consistently to all customers.

Glenn Haake asked how the determination would be made regarding the use of excess Wholesale Transmission Service Charge ("WTSC") collateral.

Mr. Jones replied that the process would be the same as if a customer left the NYISO marketplace. The process would be to examine the activity, the likelihood of a true-up obligation; the extra collateral would then be accessible.

Mr. Haake then asked about the conditions stated in item VI of the Key Terms presentation. In the case of a dispute between the late paying party and the TO, what would happen? Would the NYISO automatically draw against the collateral? Mr. Jones replied that ISO would not be involved in such a dispute, and that the rules would take effect automatically.

Howard Fromer noted that this issue was sent back to a WG for discussion, and suggested that the simple way to correct this issue was to transfer billing of WTSCs to the NYISO from TO's. The NYISO was tasked to research what would be required to make this change. Mr. Fromer felt that without this information, it was difficult for BIC members to evaluate the entire approach. He further recommended that voting be delayed until this information was available.

Mr. Yeomans said he would be interested in talking about transferring billing, but felt that the proposed changes address a problem that currently exists, and needs to be addressed now.

Kevin Jones of LIPA agreed that addressing this issue could not be delayed.

There was extensive discussion regarding the handling of bad debt for TSCs, and whether another portion of the TO rate would cover bad debt for these charges. It was determined that the TO rate does not cover bad debt for TSCs.

Doreen Saia of Couch, White (for Mirant) requested that the NYISO consider the working capital formula, and apply any changes with respect to calculating obligations be applied to working capital as well.

Mr. Kinney suggested that since this motion makes the treatment of charges consistent, and that BIC has already approved the credit policy, the motion should be approved now.

Motion to accept the proposed changes was made and seconded.

A motion to table this motion until next BIC meeting was made and seconded.

Motion #3:

The Business Issues Committee hereby approves tariff provisions authorizing the NYISO to: (i) account for Wholesale Transmission Service Charges in a customer's Operating Requirement and (ii) terminate service to a customer that fails to pay its Wholesale Transmission Service Charges, each as more fully described in the presentation materials.

Motion #3a

Motion to table Motion #3.

(Motion passed with 65.43% affirmative votes.)

9. Effects of Gas De-rates on the NYISO Grid – Winter 2002-2003

Andrew Bachert of the NYISO Market Monitoring department presented a follow up report on analysis done during the Spring of 2003 which examined the number of de-rate hours due to lack of fuel.

The report analyzed the impact of these de-rates on the electrical grid. When temperatures decreased, there were a number of de-ratings due to a lack of gas supply. There were also a considerable number of partial derates. The largest hourly derates occurred on 1-13-03, with 918 MWs unavailable. This coincided with the winter peak. Some derates, which were due to a lack of fuel, were attributed to gas curtailments by gas service providers. New York City and Long Island had the largest portion of unavailable energy with 10 units accounting for most of the derates. The report also noted a strong correlation between spiking gas prices and de-rates. Mr. Bachert also noted that generators are free to sell gas opportunistically, provided they meet their obligations under the tariff, and speculated that a possible reason some of these derates was the opportunistic selling of gas by the generators.

Roy Shanker of East Coast Power asked if there was a link between reference prices and gas prices, and asked why generators may choose to sell gas instead of electricity.

Mr. Bachert replied that during that period, some generators appeared to be running on other fuels. Gas units were also not the price setting units much of the time last year. Mr. Bachert went on to confirm that gas/fuel prices are automatically factored into reference prices.

There was considerable discussion about the issue of generators selling gas at a profit, whether this is permissible or has any reliability impacts.

Jim Savitt of the NYISO noted that the reference price update process has been improved to update prices overnight to reflect fuel price volatility. If the price information was instantaneous, the unit should be indifferent as to providing energy or selling gas. Failing that, some analysis is required on the part of the unit to make this determination.

Mr. Bachert continued, noting that these derates also caused a price spike of \$915/MW for one 5 minute interval in NYC on 1/23/03. The most visible effect of the derates was on 2/17/03, which followed one of the coldest days during the winter.

The markets performed well during these instances. Clear market signals were produced during times of scarcity. Mr. Bachert went on to note that increased reliance on gas could increase exposure to these de-rates in the future. Glen Haake of IPPNY requested that the NYISO take an action item to present the views of the NYISO into the PSC Gas Reliability study

10. Autumn 2003 Customer Survey Report

James Considine of the NYISO Market Services Group presented the findings from the 2003 Customer Opinion Survey.

The survey was conducted via internet through an external firm to preserve confidentiality, and was expanded to include approximately 1300 customers. The response rate was excellent, at 33%.

Overall, market participants rated the NYISO 5.03 on a scale of 1-7, reflecting a 6% increase over 2003. Mr. Considine went on to discuss how customers rated individual topics. Lastly, the internal communication plan for the survey results was presented. Individual managers received detailed reports concerning their areas, with higher-level reports being made to committees, employees, and NYISO Senior Management.

Mr. Fromer of PSEG inquired as to whether there were any differences among scores by sector.

Mr. Considine replied that there were several instances of diversity in opinion among the sectors, and noted as an example TO scores on Project Collaboration being lower than other sectors.

Mr. Fromer of PSEG suggested that the NYISO work with ISO-NE and PJM to compare survey scores, and produce some measure of relative performance.

11. Spring 2004 TCC Auction Status Report

Art Desell of the NYISO Resource Reliability Department presented a status report on the upcoming Spring 2004 TCC Auctions. The auction automation software is still under development; the spring auction will be conducted using the existing e-mail bidding process. Mr. Desell then detailed the amount of outstanding TCCs at the start of the auction. New TCC sales are made possible through the expiration of 6 and 12 month TCC sold previously.

Mr. Desell went on to describe the expected auction schedule. The NYISO will finalize this schedule once FERC approves the Congestion Shortfall Reduction methodology.

Jim Scheiderich asked if information would be made available concerning what capacity the TO's elect to reserve from the auction as part of the Congestion Reduction initiative.

Mr. Desell indicated that the NYISO would work to let the TO's know what capacity is available, and then release the information to the marketplace in advance of the auction as soon as possible.

12. Working Group Updates

A. Billing and Accounting (Chair: Kevin Kipers)

Mr. Kipers reported that completing Final bill challenges would be delayed. The status of individual Final Bill Challenges have not been distributed to MPs by the NYISO. BAWG requested that this be done as soon as possible. Mr. Kipers noted that the 4-month true up for August 2003 Invoice will not include the Blackout settlement, and that the NYISO is expected to make available how much emergency energy was purchased during the blackout.

Mr. Yeomans requested that NYISO staff re-report to BAWG on what has already been charged for the blackout; that NYISO staff should come to BIC with their decision about how to handle pending charges, and then go to BAWG for review.

BAWG also discussed RTS Changes to billing. Concerns were raised that is getting late to be hearing the details of the calculations. MPs want to be involved in market trials and have their systems ready for the changeover. Lastly the Metering group is reviewing the tech bulletin for Station power.

B. Installed Capacity (Chair: Howard Fromer)

Mr. Fromer noted efforts to set up a meeting to discuss the draft recommendation that came out of the Wind Study to look at assigning UCAP values.

C. Market Structure (Chair: Jim Scheiderich)

A meeting is taking place on January 29th. SMD/RTS schedule will be discussed, combined cycle plant modeling, OSS, and Cross Sound Cable modeling.

D. Price Responsive Load (Chair: Bob Loughney)

Mr. Loughney stated that the group would be meeting shortly.

E. Scheduling & Pricing (Chair: Ray Kinney)

Mr. Kinney addressed the filing strategy on the proxy bus issue and the credit policy revision. He also looked the congestion management proposal on 1385 Kv cable. ISO-NE and NYISO are close to an operating agreement and protocols. Price corrections due to TLRs were also discussed. Also discussed internal CA controllable line scheduling. An update on OSS is expected in an upcoming meeting.

F. Electric System Planning (Joint OC/BIC WG) (Chair: William Palazzo)

John Bucheler of the NYISO gave the report in Mr. Palazzo's absence. The ESP has been working on the Initial Planning Process to clear up outstanding issues from the Operating Committee's approval. The report for Phase 1 is due out by summer of 2004. Concerning the Phase II Comprehensive Planning Process, discussions have progressed well. Discussion on reliability issues is expected to wrap up by March, and economic issue discussion is expected to close by summer 2004. The NYISO developed an issues list concerning cost allocation/recovery and stakeholders provided written comments were discussed at the last meeting. There is a diversity of opinion on how best to handle this. Opinions on how to handle Backstop regulated upgrades run from developing a bright line test, while others support a purely case-by-case evaluation. In between is a method that applies a set of criteria in each case. Under which tariff to recover costs still needs to be determined: TO, NYISO or both.

Mr. Nachmias of ConEd noted that the PROBE model has not done well at replicating SCUC in Zones J and K, and that since the Operating Committee was scheduled to vote on approving the PROBE model at the 1/22 meeting, Mr. Nachmias wanted to make ConEd's concerns known.

FERC Interconnection Order: NYISO/TO Joint Compliance Filing Overview

John Bucheler of the NYISO presented an overview of the Joint NYISO/TO Compliance Filing. This filing was made on 1/20, and generally adopts pro-forma language, except where regional differences exist, or to conform to NYOSO tariff and practices. The filing retains Tariff Attachment S, covering Class Year and Cost Allocation Procedures, as well as the NYISO Minimum Interconnection Standard. The filing also retains the NYISO study sequence, as well as the pro-forma 3-party Interconnection Agreement. The filing did not address issues raised in the rehearing. Mr. Bucheler then detailed the Joint Process for Interconnections, and the interplay of TO's the NYISO and Developers.

13. New Business

There was no new business.

14. Administrative Matters

Ray Stalter of the NYISO distributed the action Item report.

15. Adjournment

The meeting adjourned at approximately 3:35pm.

Respectfully Submitted,

James Considine
Acting Recording BIC Secretary

NYISO Business Issues Committee

January 21, 2004

The New York State Nurses Association

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the December 3, 2003 BIC meeting.

(Motion passed unanimously by show of hands)

Motion #2:

Motion to amend the NYISO tariffs to delete the conditions on the application of the noncompetitive proxy generator bus pricing rule imposed in the Commission's December 23, 2003 Order on Rehearing in Docket ER03-690-002.

(Motion passed by majority show of hands.)

Motion #3:

The Business Issues Committee hereby approves tariff provisions authorizing the NYISO to: (i) account for Wholesale Transmission Service Charges in a customer's Operating Requirement and (ii) terminate service to a customer that fails to pay its Wholesale Transmission Service Charges, each as more fully described in the presentation materials.

(See Motion 3a)

Motion #3a

Motion to table Motion #3.

(Motion passed with 65.43% affirmative votes.)

New York Independent System Operator - Committee Membership

Business Issues Committee - January 21, 2004

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth.	End Use - Gov. Agency/Aggr.	✓ David Coup	Paul DeCotis	Chris Hall	Erin Hogan	John Spath			
The City of New York	End Use - Gov. Agency/Aggr.	✓ Michael Delaney	Gil Quiniones	Scott Butler	Jonathan Wallach				
Alcoa/Reynolds Metals Company	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
ATCO Management Co.	End Use - Large Consumer	Peter DiCapua	Scott Petersen	George Diamantopoulos					
IBM Corporation	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Occidental Chemical Corp.	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Praxair Inc.	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Xerox Corporation	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	✓ Larry DeWitt						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Building and Realty Institute	End Use - Small Consumer	Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi				
Citizens Advisory Panel	End Use - Small Consumer	Gordian Raacke	✓ Larry DeWitt						
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer	Herb Rose	MaryAnn Rothman	Judith Mondre	Ted Lee	✓ Tariq Niazi			
Columbia University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York Energy Buyers Forum	End Use - Small Consumer	Herb Rose	David Bomke	✓ Tariq Niazi					
New York Presbyterian Hospital	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
New York University	End Use - Small Consumer	Catherine Luthin	✓ John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
Refined Sugars, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	Doug Roll	Charles Sjoberg	✓ Christopher Wentlent					
American National Power, Inc.	Generation Owners	Dorothy Capra	Bill Henson						
Astoria Energy LLC	Generation Owners	Greg Banhazl	Leonard Singer						
Calpine	Generation Owners	None Assigned	Thomas Kaslow	Richard Felak					
East Coast Power	Generation Owners	✓ Roy Shanker	Thomas Hoatson	Robert Licato	Kathy Benini				
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Robert Agnello	✓ Jeffrey Ellis	Peter Brown	Rich Mooney	✓ Pam Van Horn		
Entergy Nuclear Northeast	Generation Owners	Marc Potkin	Angelo Vai	✓ Ron Mackowiak					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	James Brennan	Rich Hohlman	Joseph Vignola	James D'Andrea	✓ Terrence Kain	Rich Rapp		
Mirant New York, Inc.	Generation Owners	Vicki Lynch	Susann Felton	✓ Doreen Saia					
Orion Power New York	Generation Owners	John Reese	Bruce Bleiweis						
Sithe Energies, Inc.	Generation Owners	✓ David Applebaum	Linda Clarke	Regina Carrado					
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
1st Rochdale Cooperative NYC	Other Suppliers	Gregory Wortham							
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Agway Energy Services, Inc.	Other Suppliers	Russell Miller	✓ Jim Scheiderich						
Amerada Hess Corporation	Other Suppliers	Kevin LaGuardia	Blas Hernandez					✓ George Braulke	
Cinergy Capital and Trading	Other Suppliers	Jason Barker	Walt Yeager						
Con Edison Energy	Other Suppliers	Stephen Wemple	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Stephen Wemple	Rich Staines						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						
Constellation New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands					
Constellation Power Source	Other Suppliers	✓ Glen McCartney	Mary Lynch	Daniel Allegretti					✓ Vikram Bakshi
Coral Power, LLC	Other Suppliers	Matt Picardi	Dave French						
Dominion Energy Marketing, Inc.	Other Suppliers	Wes Walker	Lou Oberski	Michael Bekker					
Duke Energy North America, LLC	Other Suppliers	Stacy Dimou	Del Disher						
Dynegy	Other Suppliers	Alan Foster	Jason Cox	Kevin White	Tom May	Steve Vavrik			
ECONergy	Other Suppliers	Saul Horowitz	Tom Halleran						
El Paso Merchant Energy	Other Suppliers	✓ Roy Shanker	Gary Keevill	Russel Like					
Exelon Generation - Power Team	Other Suppliers	✓ David Applebaum	Linda Clarke	Regina Carrado					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	✓ Glenn Haake				
FPL Energy	Other Suppliers	Fernando DaSilva	Dan Wheeler						
HQ Energy Services	Other Suppliers	✓ Christian Desilets	Michel Prevost	Paul Norris	Benoit Goyette				
KeySpan Energy Services	Other Suppliers	✓ Terrence Kain	James D'Andrea	Edwin Kichline	James Cross	John Vaughn			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	✓ Levon Kazarian	Doron Ezickson				
NRG Power Marketing	Other Suppliers	Joe DeVito	✓ Tim Foxen	✓ Peter Chamberlain					
NU / Select Energy	Other Suppliers	✓ Jim Scheiderich	Gunnar Jorgensen						
Ontario Power Generation Inc.	Other Suppliers	Tasos Karatsoreos	Jim Mastorakos	Ken Lacivita	Erica Cheung			✓ Scott McArthur	✓ D Barr

New York Independent System Operator - Committee Membership

Business Issues Committee - January 21, 2004

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
PP&L Energy Plus	Other Suppliers	Roland Fomer	✓ David Yannarell	Jeff Bell	John Brodbeck				
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce	Bob Logan	Dennis Sobieski				
Reliant Energy Services, Inc.	Other Suppliers	John Reese	Bruce Bleiweis	✓ Liam Baker					
Sempra Energy Trading	Other Suppliers		Dan Staines						
Strategic Energy LLC	Other Suppliers	✓ Francis Pullaro	Michael Swider	Jeffrey Knox	James McCormick	Matt Morais			
Strategic Power Management, Inc.	Other Suppliers	Mario DiValentino	Tom Folchi	✓ Dan Duthie					
TransEnergie U.S. Ltd.	Other Suppliers	Michael Jacobs	José Rotger						
Williams Energy Marketing & Trading Co.	Other Suppliers	David Singer	Dennis Keener	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	James Parmelee	✓ Kevin Jones	Bill Killgoar					✓ M Cadwalader
New York Power Authority	Public Power - Authorities	Bob Deasy	✓ Bob Gow	Paul Rougeaux	✓ Kevin Kipers				
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	✓ Larry DeWitt	Douglas Ward					
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	Ken Moore	Matthew Benesh	Jim Hamilton	Paul Pallas	Jack Brown	✓ 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	Ken Moore	✓ Tim Bush					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	Anthony Fiore	✓ Ted Kimlingen						
Village of Rockville Centre	Public Power - Munis & Co-ops	Tom Cardile	Ken Moore	Jim Hamilton	Jack Brown	Matthew Benesh	Paul Pallas	✓ Tom Rudebusch	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Ken Moore	Matthew Benesh	Jack Brown	Paul Pallas	✓ Tim Bush		
Central Hudson Gas & Electric	Transmission Owners	James Valleau	✓ Thomas Canino	Jeff May	Rick Greener				
Consolidated Edison	Transmission Owners	✓ Stuart Nachmias	Gerry Dunbar						
National Grid	Transmission Owners	✓ Bart Franey	✓ Wesley Yeomans	Jerry Ancona					✓ Craft, Mah, Gioia
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko					✓ M. Paravolos
Orange & Rockland, Inc.	Transmission Owners	Gary Rozmus			Hank Masti				
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				
Caithness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein						
Cianbro Corporation	Non-voting	Ed Krapels	Brian Chernack	Paul Flemming					
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield					
Energetix, Inc.	Non-voting	Barney Farnsworth	Gerald Strassner						
Hudson River Energy Group	Non-voting	Frank Radigan							
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	✓ Bill Heinrich	David Drexler						
The Structure Group	Non-voting	Bob Furry							
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							
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

Ira Freilicher	Hunton & Williams
Kathy Robb	Hunton & Williams
✓ Kevin Jones	Hunton & Williams
✓ A Antinori	NYISO
✓ Andrew Hartshorn	NYISO/LECG
✓ Chuck King	NYISO
✓ Gerald Deaver	NYISO
✓ Mike Calimano	NYISO
✓ Kathy Whitaker	NYISO
✓ James Considine	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Debbie Eckels	NYISO
✓ Bob Ricketts	NYISO

New York Independent System Operator - Committee Membership

Business Issues Committee - January 21, 2004

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
✓ Alan Hargrave	NYISO								
✓ Jonathan Mayo	NYISO								
✓ Tim Schmehl	NYISO								
✓ Andrew Bachart	NYISO								
John Cutting	NYISO								
Jane Lathrop	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andy Hartshorn	NYISO/LECG								

Key:

✓ = In attendance

New York Independent System Operator
Business Issues Committee - January 21, 2004

Motion: Motion # 3a

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against
Generation Owners	21.5	✓	✓	21.50	6.00	0.00	1	21.50	0.00
Other Suppliers	21.5	✓	✓	21.50	11.00	3.00	2	16.89	4.61
Transmission Owners	20.0	✓	✓	20.00	0.00	4.00	0	0.00	20.00
End Use Consumer			✓						
Large Consumer	9.0	✓		9.00	5.00	0.00	0	10.33	0.00
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00
Small Consumer	4.5	✓	✓	4.50	9.00	0.00	2	5.17	0.00
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	2.70	0.00
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	1.00	1.00	0	0.90	0.90
Public Power			✓						
State Power Authorities	8	✓		8.00	0.00	1.00	1	0.00	9.07
Munis and Coops	7	✓		7.00	7.00	0.00	0	7.93	0.00
Environmental	2	✓		2.00	0.00	0.00	5	0.00	0.00
			5	100.00	40.00	9.00	11	65.43	34.57
				100.00	Normalized to 100% :			65.43	34.57

New York Independent System Operator

Business Issues Committee - January 21, 2004

Motion
Motion # 3a

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.	David Coup		y	1.00	
End Use - Gov. Agency/Aggr.	The City of New York	Michael Delaney		y		1.00
End Use - Large Consumer	Alcoa/Reynolds Metals Company	Robert Loughney		y	1.00	
End Use - Large Consumer	ATCO Management Co.					
End Use - Large Consumer	IBM Corporation	Robert Loughney		y	1.00	
End Use - Large Consumer	Occidental Chemical Corp.	Robert Loughney		y	1.00	
End Use - Large Consumer	Praxair Inc.	Robert Loughney		y	1.00	
End Use - Large Consumer	Xerox Corporation	Robert Loughney		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumer	Association for Energy Affordability, Inc.	Larry DeWitt		y		
End Use - Small Consumer	Beth Israel Health Care System	John Dowling		y	1.00	
End Use - Small Consumer	Building and Realty Institute	Tariq Niazi		y	1.00	
End Use - Small Consumer	Citizens Advisory Panel	Larry DeWitt		y		
End Use - Small Consumer	CNYC Inc. (Council of NY Coop & Condo)	Tariq Niazi		y	1.00	
End Use - Small Consumer	Columbia University	John Dowling		y	1.00	
End Use - Small Consumer	Mount Sinai Medical Center	John Dowling		y	1.00	
End Use - Small Consumer	New York Energy Buyers Forum	Tariq Niazi		y	1.00	
End Use - Small Consumer	New York Presbyterian Hospital	John Dowling		y	1.00	
End Use - Small Consumer	New York University	John Dowling		y	1.00	
End Use - Small Consumer	Refined Sugars, Inc.	John Dowling		y	1.00	
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Generation Owners	AES NY	Christopher Wentient		y	1.00	
Generation Owners	American National Power, Inc.					
Generation Owners	Astoria Energy LLC					
Generation Owners	Calpine					
Generation Owners	East Coast Power	Roy Shanker		y		
Generation Owners	Edison Mission Marketing & Trading	William Roberts		y	1.00	
Generation Owners	Entergy Nuclear Northeast	Ron Mackowiak		y	1.00	
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, LLC	Terrence Kain		y	1.00	
Generation Owners	Mirant New York, Inc.	Doreen Saia		y	1.00	
Generation Owners	Orion Power New York		y			
Generation Owners	Sithe Energies, Inc.	David Applebaum	y	y		
Generation Owners	TransCanada Power Marketing					
Other Suppliers	1st Rochdale Cooperative NYC					
Other Suppliers	Advantage Energy, Inc.					
Other Suppliers	Agway Energy Services, Inc.	Jim Scheiderich		y	1.00	
Other Suppliers	Amerada Hess Corporation	George Braulke		y		1.00
Other Suppliers	Cinergy Capital and Trading					
Other Suppliers	Con Edison Energy		y			
Other Suppliers	Con Edison Solutions		y			
Other Suppliers	Conectiv					
Other Suppliers	Constellation New Energy Inc.		y			
Other Suppliers	Constellation Power Source	Glen McCartney		y	1.00	
Other Suppliers	Coral Power, LLC					
Other Suppliers	Dominion Energy Marketing, Inc.					
Other Suppliers	Duke Energy North America, LLC					
Other Suppliers	Dynegy					
Other Suppliers	ECONergy					
Other Suppliers	El Paso Merchant Energy	Roy Shanker		y		
Other Suppliers	Exelon Generation - Power Team	David Applebaum		y	1.00	
Other Suppliers	Fortistar/Lockport Energy Associates, L.P.	Mark Younger		y	1.00	
Other Suppliers	FPL Energy					
Other Suppliers	HQ Energy Services	Christian Desilets		y	1.00	
Other Suppliers	KeySpan Energy Services	Terrence Kain	y	y		
Other Suppliers	Morgan Stanley Capital Group	Levon Kazarian		y		1.00
Other Suppliers	NRG Power Marketing	Tim Foxen		y	1.00	
Other Suppliers	NU / Select Energy	Jim Scheiderich		y	1.00	
Other Suppliers	Ontario Power Generation Inc.	Scott McArthur		y	1.00	
Other Suppliers	PP&L Energy Plus	David Yannarell		y		
Other Suppliers	PSEG Energy Resources & Trade	Howard Fromer		y	1.00	
Other Suppliers	Reliant Energy Services, Inc.	Liam Baker		y	1.00	
Other Suppliers	Sempra Energy Trading					
Other Suppliers	Strategic Energy LLC	Francis Pullaro		y	1.00	
Other Suppliers	Strategic Power Management, Inc.	Dan Duthie		y		1.00
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	Kevin Jones		y		1.00
Public Power - Authorities	New York Power Authority	Bob Gow		y		
Public Power - Environmental	American Wind Energy Association	Larry DeWitt		y		
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y	1.00	
Public Power - Munis & Co-ops	Plattsburgh Municipal Lighting Dept.	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Tim Bush		y	1.00	
Public Power - Munis & Co-ops	Village of Freeport	Ted Kimlingen		y	1.00	
Public Power - Munis & Co-ops	Village of Rockville Centre	Tom Rudebusch		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Tim Bush		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	Thomas Canino		y		1.00
Transmission Owners	Consolidated Edison	Stuart Nachmias		y		1.00
Transmission Owners	National Grid	Bart Franey		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Ray Kinney		y		1.00
Transmission Owners	Orange & Rockland, Inc.		y			
Transmission Owners	Rochester Gas & Electric	Ray Kinney	y	y		