
DRAFT**NYISO Management Committee Meeting Minutes****May 29, 2013****10:00 a.m. – 1:30 p.m.**

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

Mr. Bart Franey, (National Grid), the Chair of the Management Committee (MC), called the meeting to order at 10:00 a.m. and welcomed the members of the MC. Participants introduced themselves and their affiliations. There was a quorum.

2. Approval of Meeting Minutes

The April 24, 2013 minutes were presented for approval.

Motion #1:

The Management Committee (MC) approves the April 2013 meeting minutes.

The motion passed unanimously by show of hands

3. President and COO Report

Mr. Steve Whitley (NYISO) provided a summary of the annual meeting of the RTOs and FERC Commissioners. The topic of Broader Regional Markets was touted as a success and Mr. Whitley thanked Market Participants for working hard on it. He also stated Demand Response, Gas/Electric Coordination, Cyber Security and Capacity Markets are big issues across all ISOs/RTOs. A forum similar to EIPC will be formed to look at the most cost effective ways to manage NERC/NPCC data sharing requirements.

Mr. Rick Gonzales (NYISO) reviewed the market and operations performance highlights included with the meeting material.

4. 2013 Summer Capacity Outlook

Mr. Wes Yeomans reviewed the presentation included with the meeting materials. Mr. Howard Fromer (PSEG) observed that the NYISO has been continuing to paint a much tighter picture than we have historically and he suggested that the NYISO will be liberal in issuing 21 hour notices to call on demand response in real time. Mr. Gonzales added that New York is tighter than it has been in a number of years, but the NYISO is asking generators and demand response to be ready and available for the summer. All indications are that heat waves are going to continue. There have been a number of generator retirements since last year and the NYISO is hopeful that the markets will send the right price signals in the short term for this capacity situation.

Mr. Richard Miller (Con Ed) read the following statement:

The NYISO is raising a concern that resources are getting tighter and the State has been experiencing high summer peak loads driven by higher temperatures. Con Edison broadly shares these concerns. If new resources are not added to the system, or if significant generation retires or is mothballed, the ability of the system to meet higher than normal peak loads may be lessened. We agree with the NYISO and point out that while this summer may be tight if coupled with extreme hot weather across the state, there are sufficient Emergency Operating Procedures that would be available, including demand response resources that will allow reliability to be maintained. We all are aware that the 2012 RNA, which incorporates a 90/10 load probability through the MARS model, found deficiencies in years 9 and 10. Con Edison

therefore believes that it is critical that the State adopt a long term outlook on retirements and mothballing so their impact can be fully assessed in planning studies.

Mr. Fromer expressed a concern regarding how a long term outlook can be achieved without knowing the long term certainty on environmental regulations, prices, and fuel mix. He noted that planning and markets have to go hand-in-hand, and a forward capacity market could address this concern.

Mr. Whitley commented that the the presentation shows how market rules, the New York State Reliability Council, and the state must work together to protect reliability and have prosperous energy and capacity markets. There are issues with mothballing and retirements that the NYISO is discussing with stakeholders. Mr. Franey observed the situation is a resource adequacy snapshot and it doesn't factor all things in operations.

5. M2M with PJM JOA Update

Mr. Mike DeSocio (NYISO) reviewed the presentation included with the meeting material. Mr. Franey asked how entitlements work for new or retiring transmission. Mr. DeSocio replied the NYISO looks at a historical snapshot and overlays a load profile over a static model, using three years of data. Mr. DeSocio explained that the effort is to adjust distribution of flows on each system. Mr. Franey asked if a new facility increases exports to PJM, is that facility then entitled to an increase. Mr. DeSocio explained net entitlement of PJM on net NY remains the same, capped at that number.

Motion #2:

The Management Committee ("MC") hereby recommends that the Board of Directors authorize the NYISO to file with the Federal Energy Regulatory Commission, pursuant to Section 205 of the Federal Power Act, to approve revisions to the NYISO's OATT with regard to Market-to-Market Coordination with PJM updates as more fully described in the presentation made to the MC on May 29, 2013.

The motion passed by show of hands with abstentions

6. CFTC Final Order

Ms. Sheri Prevratil (NYISO) reviewed the presentation included with the meeting material. Mr. Franey asked if the annual minimum participation criteria attestation form will continue. Ms. Prevratil replied yes because it's separate. Mr. Fromer asked if the NYISO is planning to distribute the certification form before FERC acts. Ms. Prevratil explained that the NYISO will do so but would not require market participants to submit the completed forms prior to FERC's decision.

Motion 3

The Management Committee (MC) hereby approves revisions to Section 8 of the Market Services and Control Area Tariff ("MST") to revise its Eligibility Requirements to include a condition that all Customers must be "Appropriate Persons", as more fully described in the presentation made to the MC at the May 29, 2013 meeting and recommends that the Board of Directors also approve them for purposes of a Section 205 filing by the NYISO.

The motion passed by show of hands with an abstention

7. New Business

Mr. David Lawrence (EnergyConnect) asked if the NYISO will provide Market Participants an opportunity to review the FERC Order 745 Compliance Filing before it is filed. Mr. Whitley replied we will work to make that happen.