

NYISO Management Committee Meeting

April 14, 2003

Consolidated Edison, New York, NY

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of February 20, 2003

(Motion passed unanimously by show of hands)

Motion #2:

Motion to approve the Minutes of March 20, 2003

(Motion passed unanimously by show of hands)

Motion #3:

Motion to amend Rate Schedule 4 Re LI BPCG:

Motion to approve modifications to the Market Services Tariff, Rate Schedule 4,

WHEREAS, the issue of whether the NYISO must allocate costs for BPCG locally to Long Island load regardless of the triggering of market mitigation thresholds is currently pending before FERC in docket # ER00-3591-010.

NOW THEREFORE, the Management Committee supports removing the provisions allocating the cost of certain Bid Production Cost Guarantee payments to Long Island load under certain conditions as not warranted as a market power mitigation measure in light of the standards set forth under the Market Mitigation Measures for mitigation of Bid Production Cost Guarantee payments, Minimum Generation and Start-Up Bids. This motion is without prejudice to the parties' position in docket # ER00-3591-010 and shall not in any way diminish the requirements resulting from FERC action in that docket.

(Motion passed unanimously by show of hands with abstentions)

Motion #4:

Motion Re: Day-Ahead Demand Response Credit and Penalty Policy

WHEREAS, the Business Issues Committee approved the following changes regarding the Day-Ahead Demand Response Program (DADRP) at its meetings on March 11, 2003, and April 2, 2003.

NOW, THEREFORE, be it hereby resolved that the Management Committee approves the Day-Ahead Demand Response Credit Policy, as presented at the April 14, 2003 Management Committee meeting, subject to FERC approval of pending credit related tariff changes. Be it further

RESOLVED, that this DADRP Credit Policy will be reviewed by the Scheduling and Pricing Working Group subsequent to the Summer 2003 capability period and appropriate changes recommended to the NYISO. Be it further

RESOLVED, that the Management Committee approves a modification to the Day-Ahead Demand Response Program penalty charged to Demand Reduction Providers when actual demand reductions are less than scheduled reductions. The current penalty multiplier of 1.1 would be eliminated. The Demand Response Provider will be required to pay a demand reduction imbalance charge equal to the product of:

- (i) the higher of the Day-Ahead LBMP or the Real-Time LBMP calculated for that hour for the applicable Demand Reduction bus, and
- (ii) the difference between the scheduled Demand Reduction and the actual Demand Reduction at that bus in that hour. Be it further

RESOLVED, that the Management Committee approves the change regarding Day-Ahead Demand Response Program penalties, as described above, and approves appropriate tariff changes to be filed no later than 30 days following the Management Committee vote. Be it further

RESOLVED, that the Management Committee requests that NYISO staff investigate the feasibility and advisability of implementing a dead band around the scheduled demand reduction so that, within the dead band, the demand reduction imbalance charge will not apply; and that staff report back on this to the Price Responsive Load Working Group within 60 days. Any implementation would be subject to Business Issues Committee approval.

(Motion passed unanimously by show of hands with abstentions)

Motion #5:

Motion Re: Proposed Revisions to Filed Demand Curve Tariff

Whereas, a Management Committee Member's vote in favor of this motion does not indicate that the member supports the Demand Curve, and each member reserves the right to protest the Demand Curve and to pursue all legal rights to oppose it and similarly if a member votes against this motion the member is not necessarily against the Demand Curve; now therefore;

Moved that the Management Committee ("MC") hereby approve revisions to the appropriate sections of the NYISO tariff necessary to conform it to the presentation made at the April 14, 2003 MC meeting. These revisions clarify the applicable rules under the Demand Curve that will be applied to any deficient LSE, and to any Installed Capacity Supplier with a shortfall, when the results of the Spot Market Auction do not meet the NYCA Minimum Installed Capacity Requirements or its Locational Minimum Installed Requirements. Prior to filing, tariff language to be reviewed by the Installed Capacity WG and reviewed and approved by the Chairs and Vice Chairs of the Management Committee and Business Issues Committee.

(Motion passed by majority show of hands)