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**DRAFT****NYISO Management Committee Meeting Minutes****November 17, 2010****10:00 a.m. – 1:45 p.m.**

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

Mr. Glen McCartney (Constellation), the Chair of the Management Committee (MC) called the meeting to order at 10 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. There was a quorum. Mr. McCartney announced that agenda item 5 was removed from the agenda.

**2. Approval of October 21, 2010 Minutes****Motion #1:**

Motion to approve the Minutes of the October 21, 2010 Management Committee meeting.

*Motion passed with an abstention.*

**3. Presidents Report****Customer Service Department Changes**

Mr. Stephen Whitley (NYISO) noted changes in the Customer Support Department, designed to provide better service to Market Participants. Each organization will now have a designated representative to contact with their questions/concerns.

Mr. Frank Francis (Brookfield Power) stated that his company supports the change and asked if the customer reps would also be visiting their designated customer sites to gain more knowledge on the nature of their operation. Mr. Bailey replied that these changes have already begun and will continue into next year. Mr. Scott Leuthauser (HQ-US) brought up the issue of having customer service in one spot and operations in the other and said it would be preferable to have both in one location, in particular, when a bid is cut. Mr. Rick Gonzales (NYISO) stated that he would look into whether there is currently a control room contact for Customer Relations inquiries. Mr. Bailey noted that customer service will be pulling together key hot items and bringing them to the weekly operations meetings.

Mr. Bailey stated that as part of next year's incentive goals, the Customer Relations goal is more significantly stringent than in the past; including shorter turn around time and correct answers included in the metrics. He noted that the company representatives have reached out to their main contacts and every Market Participants' corresponding NYISO representative is now posted on [www.nyiso.com](http://www.nyiso.com).

**Status report on EIPC**

Mr. Whitley reported that the stakeholder committee has been formed. The roll-up committee will be released on November 18 and posted on November 19 for comment.

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Mr. Howard Fromer (PSEG) asked if Mr. Whitley was comfortable that the analysis would be fair and capture the concerns of NYISO Stakeholders. Mr. Whitley said there will be a fair, transparent, and robust process and that the facts will speak for themselves.

#### COO Report

Mr. Rick Gonzales provided an update on the Market Performance Highlights. In response to a question on the Michigan PARs, Mr. Robb Pike (NYISO) stated the FERC filing indicated that cost recovery and operations of the PARs are not linked.

#### **4. Strategic Tariff Review - Attachment H and O –**

Ms. Nicole Bouchez reviewed the presentation included with the meeting material. She presented an overview of the strategic tariff review for Attachments H and O. Mr. Fromer asked about the impact of these changes to the ISO's current practice. Ms. Bouchez said these changes are all conforming and clarifying changes with the exception of one.

Mr. Jim D'Andrea (TC Ravenswood) expressed a concern on reference levels. Ms. Bouchez explained that an offline discussion would be the best method to discuss his concerns.

Ms. Saia stated the manner in which real time BPCG discussions are structured by the tariff, which allows us to go back and revise the BPCG, was discussed at the BIC and she appreciates that ISO worked with MPs to clarify this section. She also appreciates that we aren't doing anything to affect the way reference prices are reflected. Ms. Bouchez confirmed that this change does not impact any of the real time mitigation consultation processes.

#### **Motion #2:**

The Management Committee 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, revisions to the NYISO's Market Mitigation Measures and Market Monitoring Plan, consistent with the *Strategic Tariff Review, Attachments H and O* presentation made to the Management Committee on this date and discussion at the Management Committee meeting regarding Section 23.3.3.1.4 of Attachment H and Section 30.4.6.2.6 of Attachment O. Tariff revisions shall be circulated to the Management Committee Members; and to the Chairs and Vice Chairs of the MC, BIC and OC for their review and approval.

*Motion passed with abstentions.*

#### **6. Strategic Tariff Review – Ancillary Services**

Rick Hoefler provided an overview of the changes and reviewed the presentation included with the meeting material.

#### **Motion #3:**

The Management Committee (MC) recommends that the NYISO Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the OATT and Market Services Tariff proposed as part of the Strategic Tariff Review pertaining to Ancillary Services, as described in the presentation made to the MC on this date, November 17, 2010.

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*Motion passed with abstentions.*

#### **7. MPAAS – Appeal for membership and review of charter**

Mr. Richard DeJong (NYSEG) reviewed the presentation included with the meeting material. Mr. DeJong explained that MPAAS is requesting the MC approve the updated By-Laws which reflect changes previously approved by the MC in 2007. He also stated the subcommittee is asking for Market Participant representation from other sectors.

#### **Motion #4:**

The Management Committee (MC) approves changes to the MPAAS Charter and By-Laws as described in the presentation made to the MC this date, November 17, 2010

*Motion passed with an abstention.*

#### **8. New Business**

Mr. Stu Nachmias (Consolidated Edison and incoming MC Chair), stated the current chairs of BPWG, By-Laws, and Stay Review have indicated that they will remain Chairs for 2011, but instructed anyone interested to let him know.

Mr. Whitley, along with the Management Committee Members, praised Glen McCartney's chairmanship of the MC. He also announced that there is a new upcoming issue re: new capacity zone criteria which would be discussed at the December 1 ICAP meeting, and he encouraged Stakeholder participation.

#### **9. Sharing Data with State Commissions and among MMU's**

Ms. Liz Grisaru (NYISO) reviewed the presentation included with the meeting material. Ms. Grisaru stated that the proposal is motivated by FERC's requirement that ISOs and RTOs develop measures to protect confidential information that the Market Monitoring Unit shares with a State Commission pursuant to a "request" under the Market Monitoring Plan. Also driving the effort is FERC's agreement that the ability of ISOs/RTOs and their MMUs to monitor their markets will be enhanced by the ability to exchange data. Ms. Grisaru explained that the proposed disclosure rules are designed to protect confidential information that is shared to the greatest degree practicable.

Ms. Grisaru said FERC didn't want MMUs to become consultants to state authorities as they cannot provide information for aide of state enforcement cases and this is not the function that FERC has given to MMUs.

Mr. Saul Rigberg (NYS Consumer Protection Board) asked for clarification regarding the tariff language: 6.4 the ISO would provide assistance to any requesting Market Participant and asked what – "reasonable assistance" meant. Ms. Grisaru said the NYISO would provide cost-effective legal assistance to MPs; the NYISO would support Market Participants' requests to limit disclosure.

#### **Motion #5:**

The Management Committee (MC) recommends that the NYISO Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the Market Monitoring Plan pertaining to protecting and sharing confidential data with State Commissions and among ISOs/RTOs and Market Monitoring Units, as described in the presentation made to the MC on this date, November 17, 2010.

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*Motion passed with abstentions.*

### **9. 2011 NYISO Budget**

Mr. Scott Brown (New York Power Authority) provided an overview of the budget highlights and reviewed the presentation included with the meeting material. He said that, in the future, we may have to separate FERC Fees in the future with regards to a potential 3-year budget commitment.

Mr. Steve Lynch (Energy Curtailment Specialists) strongly supports moving forward with the NYISO's plan for a new control center.

Mr. Dave Clarke (Long Island Power Authority) said that LIPA has reviewed the plans of the building and said there are 40-50 pages that are very detailed. The NYISO has done a very thorough job and LIPA is very supportive of this process.

Mr. Liam Baker (US Power Gen) asked what the NYISO will do if the Public Service Commission does not approve financing. Mary McGarvey replied that the NYISO would return to Market Participants to address the issue.

Mr. Nachmias said that Consolidated Edison supports the NYISO's efforts and the savings that these plans will provide to New Yorkers.

Mr. Fromer (PSEG) asked if the NYISO will withdraw the pending petition before the NYS PSC. Mr. Rob Fernandez (NYISO) said that the previous petition is rendered moot since the financing commitment it referenced has now expired so there is no need to formally withdraw it.

Ms. Saia asked for clarification on the redline in the motion, where it says, "Furthermore, the Management Committee recommends that the NYISO staff specify and the NYISO plans to reflect the cost efficiencies to be realized upon implementation of the Infrastructure Master Plan into its future budgets." She asked if the NYISO will provide these updates on efficiencies gained for the next 20 years. Mr. Kevin Lang (Multiple Intervenors) said we don't need to see that for the next 20 years. We only need to see that for the three years of construction and for maybe one or two years after. Mary McGarvey agreed with Mr. Lang's explanation. Stu Nachmias (Con Ed) agreed that covering efficiencies for three years was appropriate.

### **Motion #6:**

The Management Committee hereby recommends that the Board of Directors approve the proposed Rate Schedule #1 Revenue Requirement for the 2011 budget year as described in the presentation materials for the November 17, 2010 Management Committee meeting, subject to the following provisions:

**Revenue Requirement** -The Revenue Requirement is \$146.4 million.

**Rate Schedule #1** – The budgeted Rate Schedule #1 is \$0.873/MWh.

**Spending Under-runs** – If a spending under-run occurs, the related funds should be utilized to

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pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

**Volume Variances-** Rate Schedule #1 over-collections resulting from volume variances should be utilized to pay down the principal amount of outstanding debt or reduce anticipated debt borrowings.

**Infrastructure Master Plan** - The Management Committee supports the NYISO's Infrastructure Master Plan and recommends that the NYISO submit a filing to the New York Public Service Commission (PSC) seeking approval to finance the Infrastructure Master Plan on a long-term basis matching the approximate life of this investment and to minimize short-term rate impacts to consumers and NYISO Market Participants. Furthermore, the Management Committee recommends that the NYISO staff specify and reflect the cost efficiencies to be realized upon implementation of the Infrastructure Master Plan into its future budgets. In the event that the PSC rejects the financing petition, or approves the financing petition with modifications, or fails to act on the financing petition within 6 months of its filing, the NYISO will present to the Management Committee at its next meeting following any of these events an assessment of options for consideration by the Management Committee. Additionally, following the outcome of the PSC's evaluation of the NYISO's financing petition, the NYISO shall explore with Market Participants the possibility of entering into a three-year budget commitment for the next budget cycle.

*Motion passed with 81.6% affirmative votes.*

The meeting was adjourned at 1:30