

Draft for review
November 12, 2003

INDEPENDENT SYSTEM OPERATOR
AGREEMENT

Composite Agreement Reflecting Commission Orders and Filings
Through July 8, 2002 (i.e., with the Revisions Accepted by the Commission
in docket ER02-1796)

ARTICLE 7: MANAGEMENT COMMITTEE

7.11 Committee Procedures.

The following procedures shall apply to the Management Committee:

- (a) The Committee shall have a chairperson, vice-chairperson and secretary, each elected by the Committee for a one-year term. The chairperson and the vice-chairperson shall be from different sectors. Upon expiration of the one year term of the chairperson, the vice-chairperson shall become chairperson of the Committee for the next succeeding one year term;
- (b) Regular meetings of the Committee shall be held monthly, unless the Committee determines that it should meet more frequently or less frequently. Special meetings may be called at the discretion of the chairperson, and shall be called by the chairperson at the request of the ISO Board or at the request of Parties representing a quorum of three (3) of the sectors listed in Section 7.04;
- (c) Written notice of each meeting of the Committee shall be provided not less than five (5) business days prior to the date of the meeting to each Party by facsimile transmission or electronic mail directed to the number or address designated by such Party. Each such notice shall include a full and complete agenda for the scheduled meeting. For purposes of calculating the notice period required in this paragraph, the day on which the relevant meeting is to be held shall be included, but the day on which notice is given shall not be included. Intermediate Saturdays and Sundays, ~~legal~~**ISO-designated** holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this paragraph, "~~legal~~**ISO-designated** holiday" includes ~~New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed~~**those holidays designated** as a ~~holidays~~**such** by the ~~President~~**ISO** ~~or on the Congress of~~**ISO calendar maintained** ~~on the United States, or by New York State~~**ISO website at** **www.nyiso.com/services/calendar.html**;
- (d) The agenda for each scheduled meeting of the Committee shall include a specific list of items to be considered at the meeting, together with all relevant supporting documentation prepared or furnished by the officers of the Committee or the other proponents of a particular agenda item. No final Committee action may be taken on a matter that was not specifically listed on the agenda;
- (e) Any member of the Committee may request that additional or supplemental information or documentation be disseminated by ISO personnel and/or through ISO communications media, including, but not limited to, the ISO site on the world wide web. The ISO shall cooperate with the Committee regarding dissemination of information prior to any meeting; and

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- (f) Any action taken by the Committee at any meeting shall not become effective until thirty (30) days after the Committee has acted; provided, however, that with respect to a particular action of the Committee, if no appeal has been timely filed with the ISO Board, then that action shall become effective one (1) business day after the time for a timely appeal has passed. Prompt notice of Committee actions shall be provided to each Party to this Agreement by facsimile transmission or electronic mail directed to the number or address designated by such Party.

ARTICLE 8: OPERATING COMMITTEE

8.01 Scope of Responsibilities.

The responsibilities of the Operating Committee shall be the following:

- (a) Establishment of procedures related to the coordination of the operations of the NYS Power System;
- (b) Establishment of procedures related to the safe and reliable operation of the NYS Power System;
- (c) Ensuring that all ISO rules, procedures and practices are consistent with the Reliability Rules, and serving as liaison to the NYSRC;
- (d) Oversight and coordination of operating and performance studies;
- (e) Review and approval of operating limits;
- (f) Establishment of procedures for coordinating the maintenance schedules for the NYS Power System in order to maintain system reliability;
- (g) Determination of the minimum system Operating Reserves required to be available within the NYS Power System and establishing methods of allocating a portion thereof to responsible entities as minimum Operating Capacity. In determining Operating Reserve requirements, the committee shall take into consideration the locational capacity needs of New York State;
- (h) Establishment of procedures for determining Operating Reserve requirements and, if experience or the results of studies indicate the desirability of change, recommending changes thereto to the Management Committee;
- (i) Development of Locational Installed Capacity Requirements, consistent with the Reliability Rules, Local Reliability Rules, the ISO/TO Agreement and the ISO Agreement; and

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- (j) Establishment of by-laws, subject to approval by the Management Committee; and
- (k) Any additional responsibilities assigned by the Management Committee.

Procedures adopted by the Operating Committee will be implemented by the staff of the ISO unless suspended or overruled by the Management Committee or the Board. In carrying out its responsibilities, the Operating Committee shall seek input and recommendations from ISO staff.

The responsibilities of the Operating Committee, and any subcommittee thereof, are subject to revision by the Management Committee. The Operating Committee shall adopt by-laws, subject to approval by the Management Committee. The Committee by-laws shall include provisions for notice to all Parties of Committee meetings, including an agenda, at least five (5) business days prior to a meeting and a requirement that no final Committee action be taken on a matter that is not listed on the Committee agenda. For purposes of calculating the notice period required in this paragraph, the day on which the relevant meeting is to be held shall be included, but the day on which notice is given shall not be included. Intermediate Saturdays and Sundays, ~~legal~~**ISO-designated** holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this paragraph, “~~legal~~**ISO-designated** holiday” includes ~~New Year’s Day, the Birthday of Martin Luther King, Jr., Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed~~**those holidays designated** as a ~~holidays~~**such** by the ~~President~~**ISO** ~~or on the Congress of~~**ISO calendar maintained on** the United States, ~~or by New York State~~**ISO website at www.nyiso.com/services/calendar.html**.

ARTICLE 9: BUSINESS ISSUES COMMITTEE

9.01 Scope of Responsibilities.

The responsibilities of the Business Issues Committee shall be the following:

- (a) Establishment of procedures related to the efficient and non-discriminatory operation of electricity markets centrally coordinated by the ISO, including procedures related to bidding, Settlements and the calculation of market prices;
- (b) Development of procedures related to the implementation of the commercial aspects associated with the procedures developed by the Operating Committee;
- (c) Development of procedures related to the commercial aspects of the ISO’s operations;

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- (d) Formation of uniform standards and procedures for the bidding, scheduling, and financial Settlement of bulk power transactions consistent with the Reliability Rules and with the provisions of the ISO Tariffs, the ISO/NYSRC Agreement, the ISO/TO Agreement, and this ISO Agreement;
- (e) Establishment, subject to the review and approval or modification of the Management Committee, of policies and procedures related to the maintenance of sufficient working capital to fund the operations of the ISO, and the establishment of credit arrangements and accounts with financial and commercial institutions, including banks;
- (f) Establishment of by-laws, subject to approval by the Management Committee; and
- (g) Any additional responsibilities assigned by the Management Committee.

Procedures adopted by the Business Issues Committee will be implemented by the staff of the ISO unless suspended or overruled by the Management Committee or ISO Board. In carrying out its responsibilities, the Business Issues Committee shall seek input and recommendations from ISO staff.

The responsibilities of the Business Issues Committee are subject to revision by the Management Committee. The Business Issues Committee shall adopt by-laws, subject to approval by the Management Committee. The Committee by-laws shall include provisions for notice to all Parties of Committee meetings, including an agenda, at least five (5) business days prior to a meeting and a requirement that no final Committee action be taken on a matter that is not listed on the Committee agenda. For purposes of calculating the notice period required in this paragraph, the day on which the relevant meeting is to be held shall be included, but the day on which notice is given shall not be included. Intermediate Saturdays and Sundays, ~~legal~~**ISO-designated** holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this paragraph, "~~legal~~**ISO-designated** holiday" includes ~~New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed~~**those holidays designated** as a ~~holiday~~**such** by the ~~President~~**ISO** ~~or on the Congress of~~**ISO calendar maintained on** the United States, or by New York State **ISO website at www.nyiso.com/services/calendar.html**.

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