
DRAFT**NYISO Management Committee Meeting Minutes****August 31, 2011****10:05 a.m. – 12:00 p.m.**

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

Mr. Stu Nachmias (Consolidated Edison), the Chair of the Management Committee (MC), called the meeting to order at 10:15 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. There was a quorum. Mr. Nachmias said NYISO is soliciting candidates for the committees.

2. Approval of MC Minutes – July 27, 2011

The approval of the MC minutes from the July 27, 2011 meeting was postponed to the following month due to comments received.

3. President and CEO Report

Mr. Steve Whitley (NYISO) thanked all Market Participants, operators, and crews for the coordinated response to Hurricane Irene and the flooding aftermath. He said the bulk system and generation held up well.

Infrastructure Master Plan:

Mr. Rich Dewey (NYISO) gave an update of the IMP. He said the Carman Road project is making progress and is on track. The NYISO recently completed the enclosure of the structure and now is moving to the interior of the structure. The PCC held up well during Hurricane Irene and the torrential rain. The roof and the new addition wasn't completed yet, but the overhead roof protection shielded the facility from the rain. The NYISO is still on target to complete the project by the end of the year.

For the Krey Blvd project, the NYISO is in the final stages of the completion of detailed designs and the bidding of the actual work. NYISO is happy with the prices that it has seen from a labor and material standpoint. The NYISO expects the first phase of the construction project to begin in late September.

Mr. Whitley announced that Board Member Richard Schuler will retire in April.

Mr. Whitley announced that the rotational training program of 18 months for NYISO executives has concluded. Mr. Rick Gonzales, Chief Operations Officer, had Planning and Operations departments reporting to him. Mr. Dewey, Chief Information Officer, was responsible for a variety of special projects, including the IMP and Smart Grid projects. For the rotation, Mr. Dewey worked in Operations and reported to Mr. Gonzales. The IT department reported directly to Mr. Gonzales. During this time, the NYISO dealt with two stressful summers and both officers gained experience.

Mr. Whitley wanted to thank all Market Participants for meeting the Consumer Advisory Council in August. The Council met with MPs and was educational for all participants. Mr. Whitley clarified the role of the Council – it is an independent group of leaders, experienced in issues of concern to consumers, who will provide input to the NYISO Board on initiatives that could impact consumers. The Council will also come up with other initiatives for the NYISO to address. Pat Curran (NYISO) reports to Mr. Whitley

and will be a liaison between the Council and the CEO. The Council wasn't created because the NYISO didn't agree to fund a consumer consultant. Mr. Whitley also announced that the NYISO recently hired a consumer liaison. The liaison position will report to Rana Mukerji (NYISO) in Market Structures and have access to all subject matter experts. The consumer liaison will also have a staff person from within the NYISO to be an interface between the end use sector and all other sectors in the committees. The NYISO is looking forward to Mr. Tariq Niazi joining the NYISO on October 1.

Mr. Gonzales announced that Wesley Yeomans will be promoted to the position of Vice President of Operations on September 1. Mr. Yeomans was involved in Niagara Mohawk for 18 years and since he joined the NYISO in 2009, he has been involved in NYISO control center operations and the market functions. He currently represents the NYISO at the OC and the NYSRC. Mr. Gonzales also announced that Belinda Thornton has assumed the position of Director of Market Mitigation and Analysis. Ms. Thornton worked at the Tennessee Valley Authority as general manager of energy trading and renewable and strategic planning. Ms. Thornton previously worked at the NYISO as Director of Regulatory Affairs.

Mr. Nachmias asked who does Ms. Thornton report to. Mr. Gonzales said she reports to the CEO. The NYISO is considering having Ms. Thornton also report to the COO. [Mr. Gonzales reviewed the market performance highlights for July. Ms. Doreen Saia asked (GenOn) if the NYISO had final data on the reconstituted load that exceeded the July peak. Mr. Gonzales said NYISO doesn't have final figures yet. Mr. Younger asked if the HQ interface scheduling is limited to 100 MW per 15 minutes. Mr. Gonzales said it is limited to 100 MW per hour and that it is a TransEnergie limitation with the HVdc convertors at this point. Mr. Younger asked when are the reevaluations scheduled. Mr. Gonzales said in the fall timeframe.

Mr. Bart Franey (National Grid) noted there is a strong correlation of Lake Erie flow with the Midwest-IESO schedule. He asked wouldn't it be better for MISO to provide a schedule to the NYISO instead of NYISO using its own assessment because there is a bit of a lag. Mr. Robb Pike (NYISO) pointed out that the NY market runs first so the information the NYISO needs hasn't been produced yet. MISO doesn't set its schedule until later in the day.

Mr. Gonzales noted that there will be three weeks of outages this fall on the Beck-Niagara interface. There will be significant transfer capability reductions between IESO-NYISO. The western NY export capability will also be substantially reduced. This work is necessary for the cut in of the failed transformer. This should be the last stage of the work to restore the interconnection over the Niagara gorge. Mr. Gonzales noted that the work had been completed by NYPA in the past, this time it is being worked by IESO. Mr. Gonzales said this is in an effort to provide notice to stakeholders. Mr. Frank Francis (Brookfield) asked what was the problem on this interface. Mr. Gonzales said it was a failed 230 kV transformer owned by Hydro One (on the Ontario side). NYISO has worked with Hydro One, IESO, and National Grid to restore the facility. This work will be one of the final phases to restore. Mr. Gonzales said all transactions will be reduced to zero during the outage. This information will be on the OASIS.

Mr. Gonzales reviewed the Earthquake/Hurricane Irene presentation included with the meeting material. The NYISO was unaffected.

4. Board Selection Subcommittee

Mr. Nachmias said the subcommittee needs to be formed because of Mr. Schuler's upcoming retirement. Each sector needs to submit two members to this committee. Mr. Nachmias noted the schedule:

1. Sectors nominate members to subcommittee in September
2. Subcommittee selects search firm
3. NYISO issue purchase order to retain of search firm
4. Subcommittee discusses criteria in September/October
5. Identify candidates in October
6. Interview candidates in November/December
7. MC to act on proposed slate of candidates no later than January
8. Proposed candidates are interviewed by the Board
9. Selection of candidate before Mr. Schuler retires in April

In response to a question from Mr. Younger, Mr. Nachmias indicated that term limits would begin to take effect in 2013 and that the Board selection process should identify candidates for future openings. He added that a new Board member will be selected annually for some time to come.

Mr. Whitley said the Board is pleased with this process. Mr. Nachmias reminded sectors to select their representatives by September 9 and send those designated reps to Debbie Eckels so the subcommittee can take the next step. Mr. Nachmias said that Howard Fromer (PSEG), the incoming MC chair, is aware of the ongoing process.

5. New Business

Mr. Matt Darcangelo (NYISO) requested stakeholders to encourage their representatives to complete the annual customer survey.