

7.10 Committee Action

a) All matters to be acted on by the Management Committee shall be brought up for a vote or approval in the form of a motion, which must be seconded. Only one motion may be pending at one time.

b) The sum of affirmative votes necessary to pass the pending motion shall be fifty-eight (58) percent of the total votes cast by the Parties pursuant to the rules set forth in Section 7.06, including all votes cast by individual Parties in sectors or subsectors that have not become active or that have failed to achieve a quorum, as provided for in Section 7.09;

c) Parties not in attendance at a meeting, as provided for in Section 7.03, or abstaining shall not have their unexercised votes counted as affirmative or negative votes.

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 ~~seven (7)~~ 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 holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this paragraph, "legal 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 as a holiday by the President or the Congress of the United States, or by New York State;
- 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
- f. Any action taken by the Committee at any meeting shall not become effective until thirty (30) days after the Committee has acted. 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.

7.12 Committee By-Laws

The Management Committee shall adopt by-laws, which shall contain items (a) through (f) of Section 7.11 hereof. The by-laws of the Committee shall not be amended, modified, revised, revoked or repealed except by action of the Management Committee.

7.13 Appeals to Management Committee; Stay Review Subcommittee

a) The Management Committee shall review and determine appeals taken from actions of the Operating Committee, the Business Issues Committee and any other committee or subcommittee subject to supervision by the Management Committee. Any party may appeal an action of such a committee or subcommittee to the Management

Committee by filing a written notice of appeal with the chairman of the Management Committee within ten (10) business days following the provision of notice to the Parties of the action appealed from. The written notice shall set forth in concise detail the name of the Party or Parties appealing the action, a description of the action appealed from and the grounds for the appeal. The Management Committee shall review and determine any such appeal at the next regular or special meeting of the Management Committee, to the extent practicable, or as soon thereafter as possible. The Party appealing shall be available to appear at such meeting and shall be prepared to support its appeal. The foregoing appeals procedures shall be subject to review and revision by the Management Committee.

b) There shall be a subcommittee of the Management Committee empowered to review and determine requests for the stay of an action taken by the Operating Committee, the Business Issues Committee or any other committee or subcommittee subject to supervision by the Management Committee (the "Stay Review Subcommittee"). The Stay Review Subcommittee shall consist of five (5) members, each designated by a different voting sector of the Management Committee and each of whom shall serve a one year term, subject to reelection. The members of the Stay Review Subcommittee shall elect a chairperson. The chair shall rotate among all five sectors on an annual basis. The Stay Review Subcommittee shall review and determine each request for a stay as soon as possible, but in no event later than ten (10) business days following the filing of such request. Each request for a stay shall be filed in writing with the chairperson of the Stay Review Subcommittee, the chairperson of the committee from

which the appeal is taken, the ISO Board and ISO staff. Any three (3) or more members of the Stay Review Subcommittee may grant a stay which would remain in effect until the appeal is determined, unless vacated by the Management Committee or ISO Board. The Stay Review Subcommittee shall grant a stay if it finds that (i) the requesting party would be irreparably harmed by the action appealed from, and (ii) the grant of such request would not irreparably harm any other Party. The Stay Review Subcommittee shall issue a written decision stating its determination and the grounds therefor, which decision shall be sent to all Parties.

c) In taking an appeal to the Management Committee, the appealing Party shall:

- (i) File the appeal in writing with the Management Committee within ten (10) business days of the provision of notice to the Party of the action appealed from pursuant to Section 7.11(f);
- (ii) Set forth in concise terms the action appealed from and the grounds for appeal; and
- (iii) Be available (whether personally or through a designated representative) at the meeting of the Management Committee at which the appeal is to be heard and be prepared to present the appeal and respond to comments or questions by the Management Committee.

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
- 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 ~~seven(7)~~ 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 holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this paragraph, "legal 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 as a holiday by the President or the Congress of the United States, or by New York State.

8.02 Planning.

The Operating Committee shall implement the transmission system expansion process described in Article 18. The Operating Committee shall review and approve ISO staff assessments of proposed projects that impact transmission capability to confirm that those projects meet all applicable reliability criteria.

The Operating Committee shall review and approve the NYS Transmission Plan prepared by the ISO staff and reliability assessments performed using such NYS Transmission Plan, to ensure conformance with the Reliability Rules.

The Operating Committee shall review and approve illustrative NYS Transmission System expansion options developed by ISO staff in response to PSC requests.

The Operating Committee, at the request of a Committee member, may review the adequacy of cost recovery mechanisms for transmission expansion.

8.03 Representation, Sectors, Affiliated Parties, Voting, Quorum, Committee Action, Procedures, By-Laws and Appeals.

The rules with respect to representation, sectors, Affiliated Parties, voting, quorum, committee action, procedures, by-laws and appeals for the Operating Committee shall be the same as those applicable to the Management Committee under Sections 7.03, 7.04, 7.05, 7.06, 7.07, 7.08, 7.09, 7.10, 7.11, 7.12 and 7.13.

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;
- 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 ~~seven(7)~~ 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 holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this paragraph, "legal 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 as a holiday by the President or the Congress of the United States, or by New York State.

9.02 Representation, Sectors, Affiliated Parties, Voting, Quorum, Committee Action, Procedures By-Laws and Appeals.

The rules with respect to sectors, Affiliated Parties, voting, quorum, committee action, procedures, by-laws and appeals for the Business Issues Committee shall be the same as those