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**DRAFT****NYISO Management Committee Meeting Minutes****February 24, 2011****10:05 a.m. – 12:20 p.m.**

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

Mr. Glenn Haake (Dynergy), the Vice-Chair of the Management Committee (MC), called the meeting to order at 10:05 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. There was a quorum.

**2. Approval of January MC Minutes**

Mr. Haake announced that proposed revisions recently received have yet to be circulated so the motion to approve the January meeting minutes will be postponed.

**3. President and CEO Report****CEO Report**

Mr. Steve Whitley (NYISO) gave an update on the EIPC and Control Center

**EIPC – Eastern Interconnection Planning Collaborative**

There is a major March 31 deadline for the stakeholder steering committee for eight scenarios of macro analysis and nine sensitivity runs. Charles River Group will be performing the analysis.

Mr. Howard Fromer (PSEG) asked when is the first deliverable for the results for all of the modeling activity? Mr. Whitley explained that the Phase One report is due by the end of the year. Mr. Whitley said that the findings will be released periodically at stakeholder meetings.

**New Control Center**

The Public Service Commission is expected to act on the financing petition at its monthly session in April.

**COO Report**

Mr. Rick Gonzales (NYISO) reviewed the COO Report included with the meeting material. Mr. Gonzales detailed the peak load highlights of a significantly cold day, Monday, January 24, 2011. It was -10 degrees in Albany and 2 degrees in NYC.

Mr. Mike Mager (Multiple Intervenors) asked why RG&E had a transmission line outage in the middle of winter as opposed to the spring. Mr. Gonzales noted that the NYISO has an outage scheduling process as it relates to the TCC month. Mr. Gonzales said the NYISO and TOs work together to minimize outages. Sometimes transmission lines cannot be added to the spring/fall list of scheduled outages because those lists are already full. From a reliability perspective, a single outage can be accommodated in winter.

Mr. Mager asked if it's practicable to tell the TO to put it off a week or two? Mr. Gonzales said that it is a possibility, but from a reliability perspective it could impact the next TCC month. A short term delay is usually accommodated with minimal impact. Mr. Tom Rudebusch (NYAPP) said that this was discussed at the last MC and at that time Mr. Gonzales indicated that NYISO evaluates scheduled outages based on reliability, and at that time, Mr. Rudebusch said we should consider the impact on consumers and the

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market as well as reliability. Mr. Rudebusch asked if the NYISO has taken an increased sensitivity to the process of evaluating scheduled outages. Mr. Gonzales stated that the NYISO always attempts to minimize costs.

Mr. Fromer asked about the general concern raised by Mr. Rudebush. He said that with changes, there are cost consequences. If non-reliability parameters are entered into the equation, there will be costs associated.

Ms. Doreen Saia (GenON) said we should not overreact, but doesn't want to minimize the concerns of consumers.

Mr. Mark Younger (Slater Consulting) commented by saying that he thought that outages should be avoided in the middle of winter as well as the summer, noting that there are very good reasons why the NYISO's focus is on primary focus is on reliability impacts.

Mr. Gonzales continued with and concluded his presentation.

Mr. Whitley said that Operations reviews the performance on a daily basis to find solutions to problems as quickly as possible. This review, performed by operations staff, is paying off.

Mr. Gonzales noted the NYISO's recent completion of a successful NERC audit.

#### **4. Need/Funding Mechanism for End Use Consumer Sector Consultant**

Mr. Saul Rigberg (NYS Consumer Protection Board) reviewed the presentation included with the meeting materials.

Mr. Fromer asked what actions have been taken to revise this proposal since the unsuccessful BIC vote. Mr. Rigberg said they have reached out to the Transmission Owners to better understand their issues, noting that two of the utilities did not return his calls.

Mr. Fromer asked if NYSCPB would approach the Legislature to ask for more resources. Mr. Tariq Niazi (NYS Consumer Protection Board) said it is not appropriate to make such a request through the NYS Legislature at this time. He added that under-representation has been a concern since the inception of the NYISO.

Mr. Bill Heinrich (NYS Department of Public Service) said this is a NYISO issue that should be addressed through the NYISO governance process, so that has been the approach taken. If the proposal fails here, it will likely go through the NYS Legislature. We brought it through the NYISO process to understand everyone's concerns.

Mr. Mager noted that a bill has been proposed through the NYS Legislature that would provide funding for a consultant. One advantage of the proposal under consideration by the Management Committee is that it doesn't leave it to outsiders to determine the approach taken. The proposal before the Management Committee provides for modest funding for a consultant. Mr. Rigberg stated that a NYISO solution would be preferable to legislative involvement.

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Mr. Bruce Bleiweiss (DC Energy) commented that he follows other ISOs/RTOs and stated that consumers in the NYISO region have greatest representation by far over the other regions, whereas other MPs have fewer representatives.

Mr. Rudebusch said that the municipals and cooperatives are 100% in favor of the consultant. He reiterated that the End Use Sector should fund it, and not other sectors. He said it would be an easy fix to this proposal and would change the vote if the source of funding was limited to the End Use Sector. The municipals and cooperatives from New York and Long Island are represented here. Some End-Use Consumer representatives with significant voting share have not shown up in years. If these representatives cared, they would be here.

Mr. Chris Hall (NYSERDA) said that the funds available to it are committed to other purposes. NYSERDA feels that the proposal at hand is the proper mechanism for funding this consultant.

Mr. Rigberg said he wanted to add a statement that he did not mention during his presentation, that he made the presentation on behalf of the End-Use Consumer sector and that, for the record, the Consumer Protection Board will be voting in favor.

Mr. Mager said that Multiple Intervenors and the City of New York proxy will be voting in favor of the motion.

Mr. Hall said that NYSERDA will be voting in favor.

Mr. John Dowling said the small end use consumers whom he represents will be voting in favor.

Mr. Jackson Morris, representing PACE Energy & Climate Center, Natural Resources Defense Council, Riverkeeper, Environmental Advocates, and American Lung Association, said the environmental sector will be voting in favor.

Ms. Marie Pieniasek (Energy Curtailment Specialists and Innovative Power) said that ECS and Innovative Power will be voting in favor.

Mr. Rigberg also said that he is the proxy for Energy Spectrum and he will be voting in favor on their behalf.

Mr. Aaron Breidenbaugh (EnerNOC) said that EnerNOC supports the motion.

Mr. Fromer objected to individual participants indicating how they would vote and stated that it undermines the secret ballot process.

#### Motion #1:

Mr. Fromer asked for secret ballot. Mr. Niazi objected.

Secret ballot vote on whether to have a secret ballot on the motion. *Vote passed with 59% affirmative*

The Management Committee (MC) recommends that the NYISO Board approve for filing, under Section 205 of the Federal Power Act, a request for FERC approval of an amendments to the OATT and the Market Services Tariff to allow for establishment and funding of a End Use Consumer Sector Consultant, as described in the presentation made to the MC on this date, February 24, 2011.

*Motion failed with 28.45% affirmative votes.*

#### **5. Strategic Tariff Review - Operations**

Mr. Wes Yeomans (NYISO) reviewed the presentation included with the meeting material. This presentation is part of the tariff review to update language and ambiguities.

Mr. Fromer asked [re: OATT Attachment CC] if the NYISO confirmed with PJM that all the things that need to be in both attachments are going to be the same? Mr. Yeomans said yes, that we met with the subject matter experts at PJM and their attorneys, and we are in agreement with PJM.

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 OATT and Services Tariff and Schedules A and B of the Joint Operating Agreement with PJM, which appears in the NYISO OATT as Attachment CC, pursuant to the presentation made at the February 24, 2011 Meeting.

*Motion passed unanimously with an abstention.*

**6. Bid Production Cost Guarantee Enhancements**

Ms. Kim Sebben (NYISO) reviewed the presentation included with the meeting material.

Mr. Younger asked if the ISO is changing the actual formula for BPCG. Ms. Sebben said that the formula will not change.

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 Market Services Tariff as described in the presentation entitled, "Proposed Bid Production Cost Guarantee Enhancements", made to the MC on this date, February 24, 2011.

*Motion passed unanimously with abstentions.*

**7. Conforming Conflicts Provisions in the NYSRC Agreement**

Ms. Liz Grisaru (Whiteman, Osterman & Hanna, LLP for NYISO) reviewed the presentation included with the meeting material. The proposed amendments to the ISO Agreement and the Code of Conduct allow NYISO committee representatives to serve on the NYSRC Executive Committee, and prohibits NYISO employees and contractors from serving on the NYSRC Executive Committee.

Motion #4:

The Management Committee ("MC") hereby approves for filing under Section 205 of the Federal Power Act the amendments to the OATT and the NYISO Agreement conforming those documents to the recently amended New York State Reliability Council Agreement, as described in the presentation made to the MC on this date, February 24, 2011.

*Motion passed unanimously with an abstention.*

**New Business**

Mr. Haake announced that his last day with Dynegy is April 1 so there will need to be a vote on a new Vice-Chair. Ms. Debbie Eckels (NYISO) will send a notice to MPs via e-mail about which sectors are eligible and which would be disqualified, and then setting a schedule on the nominating process.

Mr. Fromer asked about erroneous information regarding the summer ICAP capability that was pulled after it was posted on the NYISO website. Mr. Whitley said that the NYISO will look into the matter.

Meeting adjourned at 12:20 p.m.