

Joint NYISO Board of Directors and Management Committee Meeting Agenda

**July 17, 2006
9:30 AM – 12:00 PM
The Sagamore Hotel, Bolton Landing, NY**

Teleconference Number: 866-293-6970

*Meeting Number: *1667518**

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| 1. Introductory Remarks | J. Ancona | 9:30 - 9:35 |
| 2. Introductory Remarks | K. Antion/M. Lynch | 9:35 - 9:45 |
| 3. NYISO Strategic Direction | G. Brown | 9:45 - 10:00 |
| 4. Strategic Planning/Direction
(See Attached Sector Panel Strategic Discussion Points) | | 10:00-11:50 |
| <i><u>Sector Panel Input Sessions:</u></i> | | |
| End Use Sector | | 10:00-10:20 |
| Generators Sector | | 10:20-10:40 |
| Other Suppliers Sector | | 10:40-11:00 |
| Public Power/Environmental Sector | | 11:00-11:20 |
| Transmission Owners Sector | | 11:20-11:40 |
| 5. Summary and Action Items | G. Brown | 11:40-11:50 |
| 6. Closing Remarks: | J. Ancona
M. Lynch
K. Antion | 11:50 - 12:00 |
| 7. Lunch with Board of Directors | | 12:00 |

Sector Panel Strategic Discussion Points

The NYISO is embarking on an update to its Strategic Plan. It is an appropriate time to take a basic examination of the role and responsibilities of the NYISO in operating a reliable bulk power system and competitive electricity markets. Specifically, the appropriate roles and responsibilities of ISO/RTO's have been expanding in some jurisdictions. The passage of the Federal Energy Policy Act and its various implementing provisions may result in expanding responsibilities for ISO's. This raises basic questions about the functions of the NYISO. At one end of the spectrum, the scenario could be that the NYISO runs fair and non-discriminatory markets that maintain system reliability and has little role in steering market design to promote longer-term reliability considerations and/or public policy objectives. At the other end of the spectrum, the NYISO may play a proactive role in system planning and upgrades, the design of markets to achieve certain outcomes such as fuel diversity and proposing public policy actions such as the reinstatement of Article X and the creation of pre-approved corridors for transmission and sites for generation.

In establishing the NYISO's future direction, the NYISO Board seeks market participant input on the appropriate role of the organization and how the NYISO should evolve over the next 5, 7 and 10 years. Specifically, the Board is looking for input on some of the following issues and questions.

1. Promoting Infrastructure Investment:
 - Are long term capacity and TCC products needed to promote market investments?
 - What is the NYISO's role in expansion of the NY transmission system?
 - What role should a "deliverability" requirement play?
2. Market Mechanisms for Fuel Diversity:
 - Does the NYISO have a role in assuring fuel diversity is maintained in New York?
 - Should market products be considered to value fuel diversity?
3. Fostering Environmental Quality:
 - Should the NYISO be involved in the policy debate on transition from carbon to renewable fuel sources?
 - How should the NYISO evaluate future environmental requirements?
4. Future Development of Customer Real-Time Response:
 - Should the NYISO be driving toward more customer exposure to real time prices?
 - What is the NYISO's appropriate role in the evolution of retail markets?
5. Enhancing Regional Markets
 - What is the appropriate role of the NYISO in ensuring price convergence with adjacent markets?
 - How important is it for Regional Markets to have identical rules as opposed to compatible rules?

Obviously, each sector will not be able to address each of these questions in the time allotted at the joint meeting. If any Market Participant or Sector would like to supplement their comments, please submit any additional input to Ray Stalter (rstalter@nyiso.com) and he will distribute them to the Board, staff and the MC.