

NYISO Management Committee Meeting

December 2, 2004

Teleconference Meeting

10:00 a.m. – 12:00 p.m.

Draft MINUTES OF THE MEETING

1. Introductions, Meeting Objectives & Chairman's Report

Chris Wentlent of AES, Co-Chairman, called the meeting to order at 10:03 AM and welcomed the members of the Management Committee ("MC"). The meeting objectives are to act on the November 10, 2004 minutes. Mr. Wentlent expressed his gratitude towards the MC members for the opportunity to serve as Chair. Mr. Wentlent commented that he hopes an environment of cooperation and productivity will continue going into the 2005 year.

Mr. Wentlent discussed the recent changes to the 2005 Committee Chairperson roster. The Budget, Standards & Performance Subcommittee ("BS&P") will be chaired by Rebecca Craft of Consolidated Edison. The Stay Review Subcommittee will be chaired by Paul Gioia of LeBoeuf Lamb Greene & MacRae LLP. The Market Participant Audit Advisory Subcommittee ("MPAAS") will be chaired by Bob Farrell of KeySpan Corporation. Mr. Wentlent stated that Neil Butterklee of Consolidated Edison who is the current chair of the ByLaws Subcommittee was willing to continue in the position if there were no other interested candidates. Mr. Wentlent requested that any interested candidates submit their names to Brad Kranz, otherwise he would appoint Mr. Butterklee to continue as the chair.

2. Approval of the Minutes

Motion #1:

Motion to approve the Minutes from the November 10 MC meeting.

(Motion passed unanimously)

3. President's Report

William Museler of the NYISO commented that prices were slightly higher than November 2003, driven by fuel costs. The Environmental Advisory Council held its first meeting on November 18th. Members were recently added to the Council to provide

more strength to the group. The meeting was largely organizational in format. Air and water regulations in NY were also discussed. The council is open to having most future meetings open to Market Participants (“MP”), but still have a need for some private sessions. Meeting materials will be distributed after each meeting.

Howard Fromer of PSEG asked about the types of meetings and discussions that will be considered executive sessions.

Mr. Museler stated that the council needs the private time to discuss some matters.

Paul Gioia of the Transmission Owners asked for clarification on the defined relationship between the council and the NYISO. Mr. Museler committed to more information to the MP’s regarding Mr. Gioia’s question in writing by mid-January.

Jim Scheiderich of Select Energy asked for updates from discussions with the council that may impact market rules or regulations. Mr. Museler noted that the Environmental Council is not a policy making body and exists solely in an advisory role. Information that could impact market rules, policies or regulations will be made available to the MP’s.

Mr. Museler noted that the NERC version “0” reliability standards are up for vote soon, and asked for participation from MPs in this vote.

Mr. Museler asked that MPs do their best to place bids in the SMD2 system as well as the legacy systems during the December 1 – December 10 parallel operations. The system will work without these bids, but a comparison of commitments and prices is not effective without MP participation.

4. Facilities Report

Mr. Museler mentioned that a cost comparison analysis of several scenarios was being conducted, and will be released on December 10. The BS&P will meet on December 13th, and a discussion will take place at this meeting. The NYISO is confident that the facilities consolidation is the right thing to do economically. Some material for the meeting may be sensitive and cannot be posted so MPs should try to attend.

5. SMD2 Readiness

Rich Dewey of the NYISO commented on NYISO Operator training, departmental readiness and SMD2 testing, deployment planning, LECG/Patton assessment, and a “Go-Live” consultation and notification schedule.

All operators have completed the two-week training cycle on the simulator. Operators will gain additional system exposure during the December parallel operation. Initial Business Owner / User Acceptance Testing has been completed. All departments will continue to validate and test SMD2 features and processes during parallel operation and the period up to deployment.

LECG has evaluated SMD2 performance and is prepared to declare SMD2 ready for deployment. LECG is scheduled to evaluate one remaining SMD2 feature next week. David Patton is reviewing the results of the test cases with Market Monitoring and has requested a few additional test cases prior to completing his readiness assessment.

Doreen Saia of Mirant asked if Mr. Patton will address the Marketplace with his assessment. At this time, Mr. Patton is not planning to address the Marketplace with his findings but his assessment will be released.

Additional meetings will be set up if necessary to keep the Marketplace informed of the SMD status.

Mr. Scheiderich asked if price data will be available to the MPs. Mr. Dewey stated that the prices will not be posted due to the fact that correlations will not be able to be made on the MP end. Mr. Scheiderich asked if there are any days where bid levels are acceptable in both systems, will the NYISO post the prices. Mr. Dewey stated that is possible, and consideration will be given to the question, but that is not planned at this time.

Parallel operations began for December 1st DAM evaluation. Operationally, no critical glitches were found. The SCUC and State Estimator programs are working well. The EMS and contingency analysis software is working well. Mr. Wentlent and Mr. Scheiderich emphasized the importance of placing bids in the SMD2 systems during parallel operations.

Mike Calimano of the NYISO stated that load bids are around 50-60% levels in SMD compared to Legacy. The NYISO is doing its best to place bids and make up differences where they exist between the two systems.

Mr. Museler commented in response to Alan Foster of Dynegy Power Marketing that the NYISO will be calling MPs to encourage parallel bids and will email the MC representative for an organization so they can reinforce the need for bids into the SMD2 system.

6. Billing Issues Update

Ken Davis of Hunton and Williams stated that the NYISO will issue the next eligible five months of invoices in January. Mr. Davis asked that MP's review the Billing Issues list, and that any questions arising from the review should be brought to the NYISO for resolution. The December 9th, BAWG meeting will discuss the list of outstanding items.

Paul Gioia commented that FERC requested a shortening of billing cycles, and asked if the NYISO was aware of this request. Mr. Davis commented that the NYISO is aware of this request. Mr. Museler commented that a straw-man proposal will be created and issued to the MP's to try to consolidate a joint response to the FERC.

Wes Yeomans of National Grid commented that it would be very helpful if the NYISO can post the manual adjustments out to the MP's as soon as possible.

7. New Business

Mr. Museler commented that the success of the NYISO at the 5th year anniversary was due to the MPs and NYISO staff. Mr. Museler expressed his gratitude to the MPs for their dedication.

Howard Fromer of PSEG asked for clarification on the posted [revised NYISO/ISO-NE Seams update Seams agreement](#). Mr. Fromer commented that discussions with MP's should occur, so the NYISO accurately represents its customer's concerns when dealing with ISO-NE. Mr. Scheiderich commented that the Market Structures Working Group has discussed this issue in the past. Mr. Museler stated that input was received from MP's from all working levels regarding this issue.

8. Adjourn

The meeting adjourned at approximately 11:40AM.

NYISO Management Committee Meeting

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MOTION FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the November 10, 2004 MC meeting.

(Motion passed unanimously)

New York Independent System Operator - Committee Membership

Management Committee - Attendance December 2, 2004 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth. The City of New York	End Use - Gov. Agency/Aggr. End Use - Gov. Agency/Aggr.	Paul DeCotis Michael Delaney	David Coup Gil Quiniones	Erin Hogan Thomas Simpson	Chris Hall Jonathan Wallach	John Spath Tim Daniels			
Alcoa/Reynolds Metals Company ATCO Management Co.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Peter DiCapua	✓ Michael Mager Scott Petersen	Morgan Parke George Diamantopoulos					
IBM Corporation Occidental Chemical Corp.	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Robert Loughney	✓ Michael Mager ✓ Michael Mager	Morgan Parke Morgan Parke					
Praxair Inc. Xerox Corporation	End Use - Large Consumer End Use - Large Consumer	Robert Loughney Robert Loughney	✓ Michael Mager ✓ Michael Mager	Morgan Parke Morgan Parke					
Metropolitan Transportation Authority Association for Energy Affordability, Inc.	End Use - Large Cons. Gov. End Use - Small Consumer	Jesse Samberg David Hepinstall	Gary Caplan ✓ Larry DeWitt	Walter McCarroll					
Beth Israel Health Care System Building and Realty Institute	End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Herb Rose	✓ John Dowling Judith Mondre	Jennifer Kearney Ted Lee	✓ Tariq Niazi ✓ Tariq Niazi	Doug Elfner			
CNYC Inc. (Council of NY Coop & Condo) Columbia University	End Use - Small Consumer End Use - Small Consumer	Herb Rose Catherine Luthin	MaryAnn Rothman ✓ John Dowling	Jennifer Kearney Jennifer Kearney	✓ Tariq Niazi ✓ Tariq Niazi	✓ Tariq Niazi Doug Elfner			
Mount Sinai Medical Center New York Energy Buyers Forum	End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Herb Rose	✓ John Dowling David Bomke	Jennifer Kearney ✓ Tariq Niazi	✓ Tariq Niazi	Doug Elfner			
New York Presbyterian Hospital New York University	End Use - Small Consumer End Use - Small Consumer	Catherine Luthin Catherine Luthin	✓ John Dowling ✓ John Dowling	Jennifer Kearney Jennifer Kearney	✓ Tariq Niazi ✓ Tariq Niazi	Doug Elfner Doug Elfner			
Refined Sugars, Inc. NY State Consumer Protection Board	End Use - Small Consumer End Use - State Agency	John Gebhard ✓ Tariq Niazi	Quintin George Doug Elfner	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
AES NY American National Power, Inc.	Generation Owners Generation Owners	✓ Christopher Wentlent Dorothy Capra	Rick Santoroski Bill Henson	Charles Sjoberg					
Astoria Energy LLC Calpine	Generation Owners Generation Owners	Greg Banhazi Thomas Kaslow	Leonard Singer Tracee Bersani		Richard Felak				
East Coast Power Linden Holding LLC Edison Mission Marketing & Trading	Generation Owners Generation Owners	Thomas Hoatson ✓ William Roberts	Robert Agnello Robert Agnello			Rich Mooney			
Entergy Nuclear Northeast Indeck Energy Services	Generation Owners Generation Owners	Marc Potkin Mike Ferguson	Angelo Vai John Schrage	✓ Mark Younger	Peter Brown				
KeySpan Ravenswood, LLC Mirant New York, Inc.	Generation Owners Generation Owners	Jim Brennan James Mayhew	Rich Hohlman ✓ Doreen Saia	Joe Vignola Vicki Lynch	Jim D'Andrea	✓ Madison Milhaus	Rich Rapp		
Orion Power New York Selkirk Cogen Partners, L.P.	Generation Owners Generation Owners	✓ Liam Baker Tim Biittig	Bill Berg Steve Kampilla						
Sithe Energies, Inc. TransCanada Power Marketing	Generation Owners Generation Owners	Scott Silverstein William Taylor	✓ Joe Klimaszewski Elaine Beaudry	Jim Verna					
1st Rochdale Cooperative NYC Advantage Energy, Inc.	Other Suppliers Other Suppliers	Gregory Wortham Kyle Storie	Ruben Brown	Arthur Pearson					
Agway Energy Services, Inc. Amerada Hess Corporation	Other Suppliers Other Suppliers	Russell Miller Hemant Jain	✓ Jim Scheiderich Kevin Laguardia	Blas Hernandez	George Braulke				
Brascan Energy Marketing Inc. Cinergy Capital and Trading	Other Suppliers Other Suppliers	✓ Robert Ricketts Jason Barker	Daniel Whyte Walt Yeager						
Con Edison Energy Con Edison Solutions	Other Suppliers Other Suppliers	Ken Bekman Ken Bekman	Ivan Kimball Stephen Wemple						
Conectiv Constellation New Energy Inc.	Other Suppliers Other Suppliers	Bill Fehr Peter Duprey	John Foreman Carrie CullenHitt		Sara O'Neill	Susan Chamberlin			
Constellation Power Source Coral Power, LLC	Other Suppliers Other Suppliers	Daniel Allegratti Matt Picardi	✓ Glen McCartney Marc Overdyk	Mary Lynch Dave French	Carrie CullenHitt				
DC Energy Dominion Energy Marketing, Inc.	Other Suppliers Other Suppliers	✓ Bruce Bleiweis Wes Walker	Dean Wilde Lou Oberski	Michael Bekker					
Duke Energy North America, LLC Dynergy	Other Suppliers Other Suppliers	Stacy Dimou ✓ Alan Foster	Del Disher Jason Cox						
ECONnergy El Paso Merchant Energy	Other Suppliers Other Suppliers	Saul Horowitz Jeff Moore	Tom Halleran Asavari Alvarez						
Exelon Generation - Power Team Fortistar/Lockport Energy Associates, L.P.	Other Suppliers Other Suppliers	Scott Silverstien Roger Kelley	✓ Joe Klimaszewski Tom Gesicki	Jim Verna	✓ Glenn Haake				
FPL Energy HQ Energy Services	Other Suppliers Other Suppliers	✓ David Applebaum ✓ Michel Prevost	Fernando DaSilva Paul Norris	✓ Mark Younger Ron Scheirer					
KeySpan Energy Services Morgan Stanley Capital Group	Other Suppliers Other Suppliers	Terrence Kain Patrick Murray	Jim D'Andrea Karen Kochonies	Benoit Goyette Edwin Kichline	James Cross Doron Ezickson	John Vaughn Nikolai Markarian			
NRG Power Marketing	Other Suppliers	✓ Tim Foxen	Katie Sullivan	Peter Chamberlain					

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Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	✓ Jim Scheiderich						
Ontario Power Generation Inc.	Other Suppliers	Barry Green	Tasos Karatsoreos	Ken Lacivita	Scott McArthur	✓ David Barr	✓ Glenn Haake		
PP&L Energy Plus	Other Suppliers	Tom Hydzinski	John Brodbeck	Joseph Langan	Sharon Weber				
PSEG Energy Resources & Trade	Other Suppliers	Howard Fromer	Michael LaFalce						
Reliant Energy Services, Inc.	Other Suppliers	✓ Liam Baker	Bill Berg						
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Robert Fagan				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Francis Pullaro	Michael Swider	Jeffrey Knox	Brian Vayda				
Strategic Power Management, Inc.	Other Suppliers	Dan Duthie	Mario DiValentino						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Power Company	Other Suppliers	David Singer	Dennis Keener	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	Jim Parmelee	✓ Kevin Jones	Jim Wittine					
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	Kim Byham					
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	✓ Larry DeWitt	Douglas Ward	Mike Jacobs				
Environmental Advocates	Public Power - Environmental	Anne Reynolds	✓ Larry DeWitt						
Nat'l Resources Defense Council	Public Power - Environmental	Dale Bryk	✓ Larry DeWitt						
Pace University	Public Power - Environmental	Edward Smeloff	✓ Larry DeWitt						
Scenic Hudson	Public Power - Environmental	✓ Larry DeWitt							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	✓ Tim Bush	Jim Hamilton	Matthew Benesh	Ken Moore	Jack Brown			
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	✓ Michael Darroch	David Gustafson	Wally Haase	✓ Tom Rudebusch				
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	✓ Tim Bush	Paul Pallas					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush	Paul Pallas					
Village of Freeport	Public Power - Munis & Co-ops	Hubert Bianco	Anthony Fiore						
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Jim Hamilton	Matthew Benesh	Jim Hamilton	Jack Brown	Ken Moore	✓ Tom Rudebusch	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Paul Pallas	Matthew Benesh	Jack Brown	Ken Moore		
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	Terry Agris	Rebecca Craft	✓ Neil Butterklee					✓ Paul Gioia
National Grid	Transmission Owners	✓ Jerry Ancona	✓ Wes Yeomans	Janet Gail Besser	Herb Schrayshuen	Bart Franey	Terron Hill		✓ Terron Hill
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Boundless Energy, L.L.C	Non-voting	John Tompkins	Brian Chernack	Chuck Gilbert					
Caithness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein						
Cianbro Corporation	Non-voting	Chuck Hewett	John Tompkins						
Conjunction LLC	Non-voting	Roger Clayton							
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield					
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth							
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						✓ Bill Heinrich
The Structure Group	Non-voting	Bob Furry	Alex Lago						
Tom Halleran	Non-voting	Tom Halleran							
Stealth Energy	Non-voting	Gad Cohen							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:

Ira Freilicher	Hunton & Williams
Kathy Robb	Hunton & Williams
✓ Ken Davis	Hunton & Williams
✓ Rob Fernandez	NYISO
✓ Bill Museler	NYISO
✓ Frank Francis	NYISO
✓ Brad Kranz	NYISO
✓ Rich Dewey	NYISO
✓ Mike Jaeger	NYISO
✓ Elaine Robinson	NYISO

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✓ Belinda Thornton	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ John Buechler	NYISO								
Dave Evanoski	NYISO								
Phil Gootee	NYISO								
✓ John Cutting	NYISO								
Jane Lathrop	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
✓ Kathy Whitaker	NYISO								
Andrew Hartshorn	NYISO/LECG								

Key:

✓ = In attendance