

NYISO Business Issues Committee Meeting

October 19, 2000

The Desmond
660 Albany Shaker Road
Albany, NY

MINUTES OF THE MEETING

I Welcome & Introduction

Mr. James Scheiderich, Chairman of the Business Issues Committee (BIC), called the meeting to order at 9:35 AM and welcomed the members of the Business Issues Committee. The BIC Members then introduced themselves and the parties that they represent. Mr. Scheiderich discussed the meeting's agenda items and objectives.

Mr. Scheiderich suggested the following objectives for the meeting:

- Act on Municipal generation issue for ICAP
- Act on Cost Allocation proposal(s)
- Act on BAWG recommendation(s)

Mr. Scheiderich announced that the BIC election of a Vice-Chairman was postponed to next month. The Operating Committee's election yesterday of Mr. Wes Yeoman of NMPC disqualified the BIC Vice-Chairperson candidate since that candidate was also from NMPC and two members from the same organization cannot chair separate ISO Committees.

II Approval of Minutes

The September 22, 2000 meeting minutes were approved and will be posted to the NYISO web site.

Motion 1:

Motion to approve the September 22, 2000 BIC meeting minutes.

(Motion passed unanimously by show of hands)

III Chairman's Report

Mr. Scheiderich spoke on project prioritization and the process to address concerns about how all of the work planned for the NYISO will be accomplished. The process is that Market Participants identify issues and problems, Committees/Working Groups along with NYISO staff develop solutions and then the NYISO leadership along with the Committee Chairperson has responsibility for prioritization.

Chairpersons will be meeting with the NYISO on October 24 to set project priorities. Mr. John Reese of ORION recommended that the 5 top projects be identified as was mentioned at the MC/BOD meeting early this week.

Mr. Scheiderich briefly listed the following primary issues:

- Liquidity (solutions include minimum run time on transactions, trading hubs, virtual load/generation bidding, price capped virtual bidding, and a longer term transmission reservation scheme)
- Balancing Market Evaluation/Real Time (solutions include a settlement between HAM/RT, neutralizing BME economic decisions, HAM/RT redesign – NYISO to provide time/effort estimates for each project)
- Improve ability for off-dispatch resources to participate without penalty
- GT dispatch models to provide 2 step bid curves for GTs or another solution
- Dispatchable/Scheduled/Interruptible Load as a negative generator model
- Circuit Breakers
- Data/Information Access requested by BIC
- Increased intermittent renewables

Committee members suggested several ways to better allocate resources and streamline/improve the work process. The Chairperson acknowledged these suggestions.

IV Market Operations Update

Mr. Richard Hoefler of the NYISO discussed the uplift associated with last August when \$19 million was associated with congestion and uplift. On August 2nd, \$2.5 million was calculated with \$1.7 million associated with the bid production cost guarantee for imports. On August 3rd, real-time congestion was \$1.5 million when a cross-state transmission line was out-of-service and this congestion was expected. On August 5th, a planned outage of the Edic to New Scotland line was modeled in the SCUC, however operators reduced interface flows to prepare for the outage. Real-time congestion amounted to \$1.6 million. Plans are being prepared to mimic the operator actions in the SCUC. Committee members requested a formal procedure detailing the process of modeling SCUC in the way that a system operator would adjust the grid to prepare for some planned transmission outages.

Mr. Hoefler mentioned that starting October 1, 2000, uplift amounts are being posted on the public website.

Mr. Hoefler explained the difference between billing and posted LBMPs. He said that during a reserve pickup, LBMPs are set to the last LBMPs. Billing used the last LBMPs, however a spike in LBMP during the pickup was calculated and posted. Another time the SCD and billing programs were not interfaced properly and improper LBMPs were posted. Corrected posting of prices is planned.

Mr. Hoefler also reported that the true-up process is still dependent on TO data and a 3-month true-up

process is a NYISO corporate goal for next year.

Mr. John Reese reported on the discussions regarding the NYISO load forecasting process. He said that a draft Technical Bulletin had been prepared for the S&PWG. He summarized the process and mentioned that the ISO load forecast is always used as a minimum. The TOs' forecast is used if between 100% and 105% of the ISO forecast. Some S&PWG members disagreed that the minimum lower limit should be the ISO forecast while the NYISO was firm on the importance of this rule. He reported that, recently, the TOs' forecast has been used only 12.5% of the time.

Mr. Charles King, Vice President of NYISO Market Services, reported that the letters to Market Participants regarding ECA "A" are being investigated thoroughly to ensure that the fault of mis-scheduled transactions is truly due to the part of the Market Participant. Mr. James Schmidt of Hunton & Williams added that the behavior that ECA "A" addresses has virtually stopped and that the desired result of the ECA has been achieved.

Mr. King also mentioned that, regarding the communication improvement of having Operations staff available for real-time curtailment questions, the number of calls received has been about 2 off-hours calls per day.

V Working Groups Reports/Open Issues

Scheduling & Pricing Working Group (S&PWG)

Mr. John Reese of Orion, Chairman of the S&PWG, reported on S&PWG activities. On the topic of off-dispatch units (ODUs) Mr. Reese noted that a small group has been charged with dealing with a variety of generation issues and that ODUs were high on the priority list for solution. A few Committee members noted that performance penalties may be a disincentive from having more units going on-dispatch. NYISO is investigating concerns generators may have about being on-dispatch including accumulating basepoints and intend to conduct a survey of generators in the immediate future.

Mr Scheiderich asked the BIC to give informal feedback by show of hands as to whether they would support limited "testing" of changes to the NYISO's systems. He noted that, for example, the accumulating base point process might discourage generators from choosing to be on dispatch. By hand, several members indicated support to the concept.

Mr. Reese also stated that S&PWG has set up a small group to review Circuit Breaker strawman proposals in an effort to further define the proposal options.

Market Structure Working Group (MSWG)

Mr. Arthur Desell of the NYISO made a presentation on the awarding of TCCs for NYPA's FACTS Phase I Project. This presentation was to inform the committee of actions underway and that the BIC would be informed of the determined awarded TCCs at next month's BIC meeting. Mr. Desell explained that under the NYISO OATT, the NYISO is required to award TCCs for a transmission system

enhancement and NYPA's Phase I FACTS Project is a NYISO approved project. This project is composed of two STATCOMS at Marcy & one capacitor bank at Oakdale and will be tested in November 2000 with an expected commercial in-service date of December 2000.

NYPA desires an award of TCCs for this system enhancement effective upon the commercial in-service date. Currently, the ISO does not have a procedure in place to make a permanent award of TCCs. Because of this, NYPA desires a temporary award of TCCs for the Winter 2000/2001 Capability Period. A permanent award would be made when an approved procedure is put in place. The NYISO and NYPA have discussed a process to make a temporary award, which is similar to that being developed by the Market Structures Working Group. The award will provide NYPA with the primary benefits of the project, but not necessarily all of the benefits.

The temporary award process would consider valuation across Central East & Total East interfaces using the Optimal Power Flow (OPF) solutions from the Autumn 2000 Initial TCC Auction with and without the FACT project modeled. Approval of this award of TCCs will be sought at the November 30th BIC meeting.

Committee members expressed concerns that valuations may be hard to determine given that current operational aspects and voltage profiles are not modeled in the TCC auction load flows. Mr. Desell emphasized that the NYISO utilizes the best models available and can provide more of the modeling assumptions at the MSWG. LIPA expressed concerns about revenue adequacy of the awarded TCCs by the FACT Project not being operated as optimally as planned.

Mr. Scheiderich reported that the MSWG is developing a proposal whereby MPs will have the ability to submit virtual load bids subject to volumetric limits on a zonal and control area wide basis. MSWG is working out the open issues and may bring the matter to a vote at a future BIC meeting. He reported that the NYISO has determined that minor tariff changes are required to implement virtual bidding. Also, the MSWG has requested legal opinion from the ISO regarding possible changes to TSCs and related discounts for export and wheel through transactions.

Ms. Gina Fedele of Hunton & Williams said that she would report back to the BIC on the status of the "Request For Proposal" (RFP) for studying TCC allocation methodologies.

Installed Capacity Working Group (ICAPWG)

Mr. Mike Darroch, representing several municipalities, presented a motion to permit existing municipally owned generation that was planned to meet the capacity requirements of the municipal's load to continue to qualify as a Special Case Resource after the Summer 2000 Capability Period. This affects 15 units with a total capacity of about 580 MWs. Mr. Tim Bush of Sithe Energies proposed an amendment to have the motion valid only through the Winter 2001/2002. The motion to amend was defeated and the original motion passed as the following two motions below show.

Motion #2:

Motion to move that the phrase "For the Summer 2000 Capability period" be deleted from section 4.8.8

of the ICAP manual, so that existing municipally owned generation may continue to qualify as a special case resource.

(Motion Passed with 78.50% affirmative votes after Motion #3 failed)

Motion #3:

Motion to amend the motion to support continuing to permit existing municipal-owned generation to qualify as a special case resource for purposes of supplying installed capacity through the Winter 2001/2002 capability period.

(Motion failed with 38.08% affirmative votes)

Mr. Howard Fromer of Enron reported the ICAPWG is making progress towards the Stage 2 Tariff revisions. It was commented that a near final draft was expected in November. Mr. Fromer also solicited comments on the web site posting and requested any comments be made prior to the ICAPWG meeting next week. Ms. Fedele stated that revised drafts, to be discussed at the upcoming meeting, would be released later in the day (October 19, 2000).

Billing & Accounting Working Group (BAWG)

Mr. Wes Yeoman of NMPC, Chairman of the BAWG, discussed two recommendations from the BAWG. These subjects were regarding voltage payments to suppliers and performance penalties for power suppliers accepted in the regulation markets.

The great majority of Power Suppliers have not yet been paid for their Voltage Support Service, VSS. Many Power Suppliers have been waiting for the Average Annual Rate as described in the NYISO Tariff. The tariff language is vague on how to calculate this Average Annual Rate in that it is not clear as to what equivalent data does the ISO solicit for the purposes of calculating this average rate. The NYISO Staff described these difficulties at the August BIC and the BIC charged the BAWG to produce and provide a recommendation.

The BAWG presented a recommendation for implementing the year 2000 Voltage Support payments. There were some concerns about 1998 data versus 1999, the reactive Mvars ranges used in the calculation, and the lack of some NUGs to submit "equivalent" data. After discussion, the committee moved the following motion for a vote.

Motion #4:

Motion to implement Billing and Accounting WG proposal for voltage support payment from November 18, 1999 thru the end of the year 2000 as proposed by Oct. 19, 2000 BIC meeting. The Billing & Accounting Working Group proposes that for the calendar year 2000, the NYISO pay,

1. Power Suppliers that submitted FERC Form 1 embedded cost data to be paid based on that data.
2. Power Suppliers requesting to be paid at the Average Annual Rate be paid at \$.38/MVAR-Hr rate.

(Motion passed unanimously by show of hands)

The BAWG has developed the following Five-Part recommendation for developing the Year 2001 R. S. 2 rate for charging LSEs and for paying Power Suppliers. In addition, the BAWG proposes the Market Structure Working Group consider a different means for paying Power Suppliers for VSS.

Five-part BAWG recommendation for year 2001 voltage support payments:

Part 1

- All utility generators and any NUG without a Power Purchase Contract (PPC) that wants the option to choose the VSS rate must submit their embedded cost forms and other required data to the ISO by December 1, 2000.
- The NUGs without PPCs are not committed to an embedded cost payment at this point in time.

Part 2

- The ISO will calculate an Annual Average rate based on the submitted embedded forms and publish this value on December 8, 2000.

Part 3

- The NUGs without PPC's decide and state to the ISO by December 16 whether to be paid at the published Annual Average Rate or based on their submitted embedded cost forms.

Part 4

- The ISO will calculate the R. S. 2 rate to charge all loads for the Year 2001 based on the forecasted total reactive payments to the Power Suppliers. This will be published on December 20, 2000.

Part 5

- Power Suppliers that have a choice will be paid based on their December 16, 2000 decision.
- Power Suppliers that can only be paid embedded cost will be paid their embedded cost.
- Power Suppliers that can only be paid the Average Annual Rate will be paid such.
- All of these assume Power Suppliers meet the tariff requirements.

Mr. Yeoman stated that this process might be an annual concern since all data must be provided each year. After committee discussion, it was agreed that the NYISO is to solicit the embedded costs from generators. BIC will address approval of the recommendations at the next meeting after the BAWG makes some wording changes to the recommendation.

The generation performance penalties have been charged to non-regulating units since December 2, 1999. The generation performance penalties have not been charged to regulating units since the start of the ISO.

The BAWG recommended for Generation Performance Penalties for Power Suppliers accepted in the Regulation Markets that beginning November 1, 2000 and continuing prospectively, that the NYISO begin charging Power Suppliers that are accepted in the regulating markets for Generation Performance Penalties. The basis for not charging in the past was that it was not clear that the correct AGC signals were reaching the generators. Questions about the status of the AGC signal between TOs and generators were raised. Going forward, the NYISO stated that the process will be audited and problems addressed as they occur. The BIC requested that the NYISO solicit written statements from

TOs concerning the AGC signal forwarding process to ensure that generators will not be incorrectly penalized due to any possible mishandling of AGC signals.

Price Sensitive Load Working Group (PSLWG)

Mr. Lawrence Dewitt of PACE Energy Project, Chairman of PRLWG, reported that discussions on Price Responsive Load occurred at the ISO Board/MC meeting and at an ISO-MOU Meeting in Hartford, CT this week. Mr. Dewitt reported that additional Price Cap Load Bids on individual busses would be modeled by October 31, 2000 in the NYC zone. Zonal, opposed to bus specific, bids are targeted to be available by June 1, 2001 for the Day Ahead Market where a 3-point block bid curve could be used. Also, a summer of 2001 emergency program schedule is to be submitted for approval by January 1, 2001.

Interconnection Issues Taskforce (IITF)

Mr. James Mitsche of Sithe, Chairman of TPAS & IITF, presented the status of objectives of the IITF. He reported that the primary objective of the IITF is to develop allocation method between TOs and developers for interconnection and systemic costs.

Mr. Mitsche reviewed the last five meetings and briefly discussed the SRIS Procedure and associated issues including the systemic costs allocation. Mr. Mitsche reported that the IITF was in consensus that direct connection costs are developer's responsibility; systemic costs will be split between TOs and developers with the split based on a "Baseline" plan. The IITF still needs to work out many details regarding direct connection definition, systemic study definition, relationship to baseline study, and baseline study procedures and assumptions.

The IITF has reached no consensus on the split of costs between developers, the queue order and access to an existing system substation, transmission avoidance credits to developers, and "Free Rider" use of remaining transmission capability. Mr. Mitsche expects to provide further IITF consensus for the next BIC Meeting

VI Election of Vice Chair

Last week, the Nominating Subcommittee of the BIC considered the credentials of two candidates for the position of Vice-Chairperson for the term December 2000 through November 2001. The Nominating Subcommittee agreed unanimously that both candidates are well qualified to serve in these positions, and requested that Mr. Jerry Ancona of NMPC and Mr. Rick Mancini of NYSEG be candidates for the BIC Vice-Chairperson.

The BIC election of a Vice-Chairman was postponed to next month, however, because the Operating Committee's election yesterday of Mr. Wes Yeoman of NMPC disqualified the BIC Vice-Chairperson candidate, Mr. Ancona from NMPC, since two members from the same organization can not chair separate ISO Committees.

VII New Business

Mr. Scheiderich has charged the S&PWG to investigate the “Circuit Breakers” concept.

Mr. Kyle Storie, President of Advantage Energy, requested that two concerns be addressed by the BIC. First, he believed that more than one delivery point from PJM into the NYISO would allow more energy to be scheduled into western New York State and lower congestion costs. Secondly, he strongly believed that some generator bidding behaviors were violating the spirit of the tariff and should be under the “Market Mitigation Measures” to prevent a market party from manipulating market prices or otherwise impairing the efficient operation of that market. Mr. Scheiderich assigned the details of these topics to be further discussed at the S&PWG.

Mr. Scheiderich, on behalf of Aaron Breidenbaugh, mentioned that the PSC has requested certain information and that Mr. Breidenbaugh has requested that Market Participants also receive this same information if deemed not confidential. Mr. Breidenbaugh said that he would present this issue to the Management Committee.

Mr. Jim Parmelee, representing LIPA, noted that there is a 24 months time period for billing disputes. The Tariff says that this period starts from the day service is provided while the Billing & Accounting Manual says that this period starts the day the final bill is issued. Concerns arise since bills may be issued a year after service is provided. LIPA plans to formulate a motion to make the Tariff consistent with the Billing & Accounting Manual for the BIC.

VII Administrative Matters

None to report at this time

VIII Adjournment

A motion to adjourn the meeting was made and seconded. The meeting was adjourned at approximately 3:05 PM.

Motion #5:

Motion to adjourn the BIC meeting.
(Motion passed unanimously by show of hands)

Respectfully submitted,
Jonathan A. Mayo
Secretary, Business Issue Committee
(Action Item Listing, attendance and voting results attached)

Business Issue Committee – Action Item Listing

Number	Action Items	Assigned to	Due Date
BIC.10.19.00-1	Provide the BIC a formal procedure detailing the process of modeling SCUC in the way that system operators adjust the grid to prepare for some planned transmission outages.	Gonzales	ASAP
BIC.10.19.00-2	Report back to the BIC on status of the “Request For Proposal” (RFP) for studying TCC allocation methodologies.	Fedele	ASAP
BIC.10.19.00-3	Daily uplift amounts are to be posted to the public website.	Hoefer	ASAP
BIC.10.19.00-4	ISO to solicit embedded cost from generators in support of calculating the Average Annual Rate to be used for VSS payments.	Hoefer	ASAP
BIC.10.19.00-5	ISO to solicit written statements from TOs defining AGC signals sent to generators.	Hickey	ASAP
BIC.10.19.00-6	ISO to investigate possible disincentives for generators’ from coming on-dispatch.	Thompson	ASAP

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance October 19, 2000 Meeting in Albany - Parties Checked in Attendance

Organization	Sector	Representative	Proxy	Alternate1	Alternate2	Alternate3	Guest
NYS Energy Research & Develop. Auth.	End Use - Gov. Agency/Aggr.						
The City of New York	End Use - Gov. Agency/Aggr.	Jay Kooper	Jonathan Wallach	Richard Miller			
Amerada Hess Corporation	End Use - Large Consumers	✓ Michael DiBella		Greg Sticka	Kelly Lovvorn	Greg Olsen	
ATCO Management Co.	End Use - Large Consumers						
IBM Corporation	End Use - Large Consumers	Leonard Singer		✓ Jim King			
Occidental Chemical Corp.	End Use - Large Consumers	Leonard Singer		✓ Jim King			
Praxair Inc.	End Use - Large Consumers	Christian Lenci		Leonard Singer	✓ Jim King		
Reynolds Metals Company	End Use - Large Consumers	Leonard Singer		✓ Jim King			
Xerox Corporation	End Use - Large Consumers	Leonard Singer		✓ Jim King			
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Robin Stevens		Walter McCarroll	Ken Lewaine	Jesse Samberg	
Aaron Breidenbaugh	End Use - Small Consumers	✓ Aaron Breidenbaugh					
Association for Energy Affordability, Inc.	End Use - Small Consumers	David Heprininstall					
Building and Realty Institute	End Use - Small Consumers	Herb Rose		Jeff Hanley			
Caitness Energy, L.L.C	End Use - Small Consumers	Daniel McBrearty		Jack Feinstein			
Citizens Advisory Panel	End Use - Small Consumers						
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumers	Herb Rose		MaryAnn Rothman			
Hudson River Energy Group	End Use - Small Consumers	Frank Radigan		Gerald Walter			
New York Energy Buyers Forum	End Use - Small Consumers	Catherine Luthin	✓ John Dowling	Arthur Pearson			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi					
AES NY	Generation Owners	Doug Roll		✓ Charles Sjoberg			
CH Resources	Generation Owners	Gary Thorn		Gary Miller			
East Coast Power	Generation Owners	✓ Roy Shanker		Gary Keevill			
Indeck Energy Services	Generation Owners	Mike Janczak		Mike Ferguson	✓ Mark Younger		
KeySpan Ravenswood, Inc	Generation Owners	James Brennan		Jeffrey Smith	✓ Dick Ackerson		
NRG Energy	Generation Owners	✓ Paul Savage		Mark Dworkin	Nancy Jones		
Orion Power New York	Generation Owners	✓ Mary Lynch		Mark Sudbey			
PG&E Generating	Generation Owners	✓ Steve McDonald		Jeff Simmons			
Public Service Electric & Gas Company	Generation Owners	Raymond DePillo		George Henderson			
Sithe Energies, Inc.	Generation Owners	✓ Timothy Bush		✓ Gary Brown	David Applebaum		
Southern Energy of NY	Generation Owners	✓ Vicki Lynch		✓ Joe Holtman	Mark Petro	✓ Doreen Saia	
TransCanada Power Marketing	Generation Owners	William Taylor		✓ Elaine Beaudry			
NYS Department of Public Service	Non-voting	Joel Brainard		✓ Bill Heinrich			✓ H.Happ, H. Tarber
1st Rochdale Cooperative NYC	Other Suppliers	✓ Phyllis Kessler		Gregory Wortham			
Advantage Energy, Inc.	Other Suppliers	✓ Kyle Storie					
Aquila Energy Marketing Corp.	Other Suppliers	Jason Stever		Peter Brown	David Wiesner	✓ Pamela VanHorn	
Automated Power Exchange (APX)	Other Suppliers	Jim Verna		✓ Glen McCartney		✓ Mike Fitzpatrick	
Cinergy Capital and Trading	Other Suppliers	Jan Bagnall		John Ambrose			
Cinergy Services	Other Suppliers	Jan Bagnall		John Ambrose			
Con Edison Energy	Other Suppliers	✓ Stephen Wemple		Ivan Kimball			
Con Edison Solutions	Other Suppliers	✓ Stephen Wemple		Rich Staines			
Constellation Power Source	Other Suppliers	✓ David Taylor		Harvey Reed	Douglas Keegan		
Dynegy	Other Suppliers	Chad Wagner		Matthew Picardi			
Econergy	Other Suppliers	Gary Bondi		Saul Horowitz			
Edison Mission Marketing & Trading	Other Suppliers	Alan Foster		William Roberts	Jonathan Gewirtz	Usher Fogel	
Energetix, Inc.	Other Suppliers	Byron Farnsworth		Gerald Strassner	Robert Agnello		
Enron Power Marketing Inc.	Other Suppliers	✓ Howard Fromer					
HQ Energy Services	Other Suppliers	✓ Michel Prevost		Paul Norris			
KeySpan Energy Services	Other Suppliers	✓ Ronald Lukas		Ruben Brown	Peter Chamberlain	John Smith	
Merchant Energy Group of the Americas	Other Suppliers	Joseph Limone		John Carmody			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray		Karen Kochonies			
New Energy Inc.	Other Suppliers	Peter Duprey		✓ Stephen Fernands			
Niagara Mohawk Energy Marketing	Other Suppliers	✓ Marc Overdyk		Dave French			
NU / Select Energy	Other Suppliers	✓ James Scheiderich		Gunnar Jorgensen			
Ontario Power Generation Inc.	Other Suppliers	Tasos Karatsoreos		Brian McConville	Ken Lacivita	✓ Scott McArthur	
PECO Energy Company	Other Suppliers	Marjorie Philips		Regina Carrado	Jack Crowley	Jeffrey Guistwhite	
PP&L Energy Plus	Other Suppliers			Jim Strobel	Harry Tom	Roland Moor	
PP&L Inc.	Other Suppliers	Roland Moor					
PSEG Energy Technologies Inc.	Other Suppliers	Patricia Esposito	✓ Bob Logan	Ken Lempicki			
Sempre Energy Trading	Other Suppliers	Bill Winget		Dana Volpe	Russel Like		
Southern Company Energy Marketing	Other Suppliers	✓ Marty Matijasich		✓ Vicki Lynch			
Strategic Energy LLC	Other Suppliers	✓ Jace Cochrane		John Molinda	James McCormick	✓ Lara Prachar	
Strategic Power Management, Inc.	Other Suppliers	Mario DiValentino		Tom Folchi	Dan Duthie		
TransÉnergie U.S. Ltd.	Other Suppliers	José Rotger					
Williams Energy Marketing & Trading Co.	Other Suppliers	Mike Grim		Dennis Keener			
Long Island Power Authority	Public Power - Authorities	✓ James Parmelee		✓ Alan Elberfeld			
New York Power Authority	Public Power - Authorities	✓ Dave Wang		Robert Gow			✓ Ralph Runfrano
Adirondack Council	Public Power - Environmental	✓ Larry DeWitt		Bernard Melewski			
Environmental Advocates	Public Power - Environmental	Kyle Rabin		✓ 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	Neil Wrinkle	Tom Rudebusch	✓ Ken Moore	Jim Hamilton	Paul Pallas	
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	✓ Michael Darroch		Wally Haase	Tom Rudebusch		
Town of Massena	Public Power - Munis & Co-ops	Cliff Engstrom	Tom Rudebusch	✓ Ken Moore	Jim Hamilton	Neil Wrinkle	
Village of Fairport	Public Power - Munis & Co-ops	✓ Ken Moore		Tom Rudebusch	Paul Pallas		
Village of Freeport	Public Power - Munis & Co-ops	Hubert Bianco		Robert Kortright			
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Tom Rudebusch	✓ Ken Moore	Jim Hamilton	Cliff Engstrom	
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Tom Rudebusch	✓ Ken Moore	Neil Wrinkle	Cliff Engstrom	
Central Hudson Gas & Electric	Transmission Owners	James Valleeau		✓ Thomas Canino	Jeff May	Rick Greener	
Consolidated Edison	Transmission Owners	✓ Michael Forte		✓ Gary Rozmus			
Niagara Mohawk Power Company	Transmission Owners	✓ Jerry Ancona		✓ Martin Amati	Scott Leuthauser		
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Rick Mancini	David Kimiecik(BIC)	John Kobuskie			
Orange & Rockland, Inc.	Transmission Owners	✓ Gary Rozmus					
Rochester Gas & Electric Co.	Transmission Owners	✓ Laurie King-Pirchner		Gerald Walter			
New Member	Non-voting						
New Member	Non-voting						
New Member	Non-voting						
New Member	Non-voting						

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance October 19, 2000 Meeting in Albany - Parties Checked in Attendance

Organization	Sector	Representative	Proxy	Alternate1	Alternate2	Alternate3	Guest
New Member	Non-voting						

NYISO and Hunton & Williams Members in Attendance:

- | | |
|-----------------|-------------------|
| ✓ Gina Fedele | Hunton & Williams |
| ✓ James Schmidt | Hunton & Williams |
| ✓ John McDonald | NYISO |
| ✓ Leigh Bullock | NYISO |
| Chuck King | NYISO |
| ✓ Jonathan Mayo | NYISO |
| ✓ John Cutting | NYISO |
| ✓ Leigh Bullock | NYISO |
| ✓ Art Dessell | NYISO |
| ✓ Peter Lemme | NYISO |
| Jim Savitt | NYISO |

Key:

- ✓ = In attendance
- ✓ = In attendance by teleconferencing

New York Independent System Operator

Business Issues Committee - October 19, 2000

Motion: Motion to resolve that the Phrase "For the Summer 2000 Capability period" be deleted from section 4.8 .8 of the ICAP manual, so that existing municipally-owned generation may continue to qualify as a special case resource.

Result: Motion Passed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	0.00	3.00	6	0.00	21.50	
Other Suppliers	21.5	✓	✓	21.50	6.00	0.00	6	21.50	0.00	
Transmission Owners	20.0	✓	✓	20.00	5.00	0.00	0	20.00	0.00	
End Use Consumers			✓							
Large Consumers	9.0	✓		9.00	5.00	0.00	1	10.33	0.00	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00	
Small Consumers	4.5	✓		4.50	1.00	0.00	1	5.17	0.00	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	1.00	0.00	0	4.50	0.00	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	0.00	0	0.00	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	2.00	0.00	0	9.07	0.00	
Munis and Coops	7	✓		7.00	6.00	0.00	0	7.93	0.00	
Environmental	2	✓		2.00	0.00	0.00	5	0.00	0.00	
				5	100.00	26.00	3.00	19	78.50	21.50
					100.00	Normalized to 100% :			78.50	21.50

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Motion

Motion to resolve that the Phrase "For the Summer 2000 Capability period" be deleted from section 4.8.8 of the ICAP manual, so that existing municipally-owned generation may continue to qualify as a special case resource.

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.					
End Use - Gov. Agency/Aggr.	The City of New York					
End Use - Large Consumers	Amerada Hess Corporation	Michael DiBella		y		
End Use - Large Consumers	ATCO Management Co.					
End Use - Large Consumers	IBM Corporation	Jim King		y	1.00	
End Use - Large Consumers	Occidental Chemical Corp.	Jim King		y	1.00	
End Use - Large Consumers	Praxair Inc.	Jim King		y	1.00	
End Use - Large Consumers	Reynolds Metals Company	Jim King		y	1.00	
End Use - Large Consumers	Xerox Corporation	Jim King		y	1.00	
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumers	Aaron Breidenbaugh	Aaron Breidenbaugh		y		
End Use - Small Consumers	Association for Energy Affordability, Inc.					
End Use - Small Consumers	Building and Realty Institute					
End Use - Small Consumers	Caithness Energy, L.L.C					
End Use - Small Consumers	Citizens Advisory Panel					
End Use - Small Consumers	CNYC Inc. (Council of NY Coop & Condo)					
End Use - Small Consumers	Hudson River Energy Group					
End Use - Small Consumers	New York Energy Buyers Forum	John Dowling		y	1.00	
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y	1.00	
Generation Owners	AES NY	Charles Sjoberg		y		
Generation Owners	CH Resources		y			
Generation Owners	East Coast Power	Roy Shanker	y	y		
Generation Owners	Indeck Energy Services	Mark Younger		y		1.00
Generation Owners	KeySpan Ravenswood, Inc	Dick Ackerson		y		1.00
Generation Owners	NRG Energy	Paul Savage		y		
Generation Owners	Orion Power New York	Mary Lynch		y		
Generation Owners	PG&E Generating	Steve McDonald		y		
Generation Owners	Public Service Electric & Gas Company					
Generation Owners	Sithe Energies, Inc.	Timothy Bush		y		
Generation Owners	Southern Energy of NY	Vicki Lynch		y		
Generation Owners	TransCanada Power Marketing	Elaine Beaudry		y		1.00
Non-voting	NYS Department of Public Service	Bill Heinrich	y	y		
Other Suppliers	1st Rochdale Cooperative NYC	Phyllis Kessler		y	1.00	
Other Suppliers	Advantage Energy, Inc.	Kyle Storie		y	1.00	
Other Suppliers	Aquila Energy Marketing Corp.	Pamela VanHorn		y		
Other Suppliers	Automated Power Exchange (APX)	Glen McCartney		y		
Other Suppliers	Cinergy Capital and Trading		y			
Other Suppliers	Cinergy Services					
Other Suppliers	Con Edison Energy	Stephen Wemple		y		
Other Suppliers	Con Edison Solutions	Stephen Wemple		y		
Other Suppliers	Constellation Power Source	David Taylor		y		
Other Suppliers	Dynegy					
Other Suppliers	Econnergy					
Other Suppliers	Edison Mission Marketing & Trading					
Other Suppliers	Energetix, Inc.		y			
Other Suppliers	Enron Power Marketing Inc.	Howard Fromer		y	1.00	
Other Suppliers	HQ Energy Services	Michel Prevost		y	1.00	
Other Suppliers	KeySpan Energy Services	Ronald Lukas	y	y		
Other Suppliers	Merchant Energy Group of the Americas					
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	New Energy Inc.	Stephen Fernands	y	y		
Other Suppliers	Niagara Mohawk Energy Marketing	Marc Overdyk	y	y		
Other Suppliers	NU / Select Energy	James Scheiderich		y	1.00	
Other Suppliers	Ontario Power Generation Inc.	Scott McArthur		y		
Other Suppliers	PECO Energy Company					
Other Suppliers	PP&L Energy Plus					
Other Suppliers	PP&L Inc.		y			
Other Suppliers	PSEG Energy Technologies Inc.	Bob Logan		y		
Other Suppliers	Sempra Energy Trading	Russel Like		y		
Other Suppliers	Southern Company Energy Marketing	Marty Matijasich	y	y		
Other Suppliers	Strategic Energy LLC	Jace Cochrane		y	1.00	
Other Suppliers	Strategic Power Management, Inc.					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	James Parmelee		y	1.00	
Public Power - Authorities	New York Power Authority	Dave Wang		y	1.00	
Public Power - Environmental	Adirondack Council	Larry DeWitt		y		
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y		
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y		
Public Power - Environmental	Pace University	Larry DeWitt		y		
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y		
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Ken Moore		y	1.00	
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y	1.00	
Public Power - Munis & Co-ops	Town of Massena	Ken Moore		y	1.00	
Public Power - Munis & Co-ops	Village of Fairport	Ken Moore		y	1.00	
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Ken Moore		y	1.00	
Public Power - Munis & Co-ops	Village of Westfield	Ken Moore		y	1.00	
Transmission Owners	Central Hudson Gas & Electric	Thomas Canino		y	1.00	
Transmission Owners	Consolidated Edison	Michael Forte		y	1.00	
Transmission Owners	Niagara Mohawk Power Company	Jerry Ancona		y	1.00	
Transmission Owners	NY State Electric Gas (NYSEG)	Rick Mancini		y	1.00	
Transmission Owners	Orange & Rockland, Inc.	Gary Rozmus	y	y		
Transmission Owners	Rochester Gas & Electric Co.	Laurie King-Pirchner		y	1.00	
Non-voting	New Member					

New York Independent System Operator

Business Issues Committee - October 19, 2000

Motion: Motion to amend the motion to support continuing to permit existing municipal-owned generation to qualify as a special case resource for purposes of supplying installed capacity through the Winter 2001/2002 capability period.

Result: Motion Failed

Sector with base percent	%	Active	Quorum	Adj. Percent	For	Against	Abstain	% For	% Against	
Generation Owners	21.5	✓	✓	21.50	6.00	0.00	3	21.50	0.00	
Other Suppliers	21.5	✓	✓	21.50	2.00	3.00	6	8.60	12.90	
Transmission Owners	20.0	✓	✓	20.00	1.00	3.00	1	5.00	15.00	
End Use Consumers			✓							
Large Consumers	9.0	✓		9.00	1.00	5.00	0	0.98	9.35	
Large Cons. Gov. Agency	2.0	✓		2.00	0.00	0.00	0	0.00	0.00	
Small Consumers	4.5	✓		4.50	0.00	1.00	1	0.00	5.17	
Gov. State-wide Cons. Advocate	2.7	✓		2.70	0.00	1.00	0	0.00	4.50	
Gov. Sm. Cons. & Retail Aggr.	1.8	✓		1.80	0.00	0.00	0	0.00	0.00	
Public Power			✓							
State Power Authorities	8	✓		8.00	0.00	2.00	0	0.00	8.00	
Munis and Coops	7	✓		7.00	0.00	6.00	0	0.00	7.00	
Environmental	2	✓		2.00	5.00	0.00	0	2.00	0.00	
				5	100.00	15.00	21.00	11	38.08	61.92
					100.00	Normalized to 100% :		38.08	61.92	

New York Independent System Operator

Business Issues Committee - October 19, 2000

Motion

Motion to amend the motion to support continuing to permit existing municipal-owned generation to qualify as a special case resource for purposes of supplying installed capacity through the Winter 2001/2002 capability period.

Sector	Organization	Representative	Affiliate	Present	For	Against
End Use - Gov. Agency/Aggr.	NYS Energy Research & Develop. Auth.					
End Use - Gov. Agency/Aggr.	The City of New York					
End Use - Large Consumers	Amerada Hess Corporation	Michael DiBella		y	1.00	
End Use - Large Consumers	ATCO Management Co.					
End Use - Large Consumers	IBM Corporation	Jim King		y		1.00
End Use - Large Consumers	Occidental Chemical Corp.	Jim King		y		1.00
End Use - Large Consumers	Praxair Inc.	Jim King		y		1.00
End Use - Large Consumers	Reynolds Metals Company	Jim King		y		1.00
End Use - Large Consumers	Xerox Corporation	Jim King		y		1.00
End Use - Large Cons. Gov.	Metropolitan Transportation Authority					
End Use - Small Consumers	Aaron Breidenbaugh	Aaron Breidenbaugh		y		
End Use - Small Consumers	Association for Energy Affordability, Inc.					
End Use - Small Consumers	Building and Realty Institute					
End Use - Small Consumers	Caithness Energy, L.L.C.					
End Use - Small Consumers	Citizens Advisory Panel					
End Use - Small Consumers	CNYC Inc. (Council of NY Coop & Condo)					
End Use - Small Consumers	Hudson River Energy Group					
End Use - Small Consumers	New York Energy Buyers Forum	John Dowling		y		1.00
End Use - State Agency	NY State Consumer Protection Board	Tariq Niazi		y		1.00
Generation Owners	AES NY	Charles Sjoberg		y	1.00	
Generation Owners	CH Resources		y			
Generation Owners	East Coast Power	Roy Shanker	y	y		
Generation Owners	Indeck Energy Services	Mark Younger		y	1.00	
Generation Owners	KeySpan Ravenswood, Inc	Dick Ackerson		y	1.00	
Generation Owners	NRG Energy	Paul Savage		y	1.00	
Generation Owners	Orion Power New York	Mary Lynch		y	1.00	
Generation Owners	PG&E Generating	Steve McDonald		y		
Generation Owners	Public Service Electric & Gas Company					
Generation Owners	Sithe Energies, Inc.	Timothy Bush		y	1.00	
Generation Owners	Southern Energy of NY	Vicki Lynch		y		
Generation Owners	TransCanada Power Marketing	Elaine Beaudry		y		
Non-voting	NYS Department of Public Service	Bill Heinrich	y	y		
Other Suppliers	1st Rochdale Cooperative NYC	Phyllis Kessler		y		
Other Suppliers	Advantage Energy, Inc.	Kyle Storie		y		
Other Suppliers	Aquila Energy Marketing Corp.	Pamela VanHorn		y		
Other Suppliers	Automated Power Exchange (APX)	Glen McCartney		y		
Other Suppliers	Cinergy Capital and Trading		y			
Other Suppliers	Cinergy Services					
Other Suppliers	Con Edison Energy	Stephen Wemple	y	y		
Other Suppliers	Con Edison Solutions	Stephen Wemple	y	y		
Other Suppliers	Constellation Power Source	David Taylor		y		
Other Suppliers	Dynegy					
Other Suppliers	Econergy					
Other Suppliers	Edison Mission Marketing & Trading					
Other Suppliers	Energetix, Inc.		y			
Other Suppliers	Enron Power Marketing Inc.	Howard Fromer		y		1.00
Other Suppliers	HQ Energy Services	Michel Prevost		y	1.00	
Other Suppliers	KeySpan Energy Services	Ronald Lukas	y	y		
Other Suppliers	Merchant Energy Group of the Americas					
Other Suppliers	Morgan Stanley Capital Group					
Other Suppliers	New Energy Inc.	Stephen Fernands	y	y		
Other Suppliers	Niagara Mohawk Energy Marketing	Marc Overdyk	y	y		
Other Suppliers	NU / Select Energy	James Scheiderich		y		1.00
Other Suppliers	Ontario Power Generation Inc.	Scott McArthur		y		
Other Suppliers	PECO Energy Company					
Other Suppliers	PP&L Energy Plus					
Other Suppliers	PP&L Inc.		y			
Other Suppliers	PSEG Energy Technologies Inc.	Bob Logan		y	1.00	
Other Suppliers	Sempra Energy Trading					
Other Suppliers	Southern Company Energy Marketing	Marty Matijasich	y	y		
Other Suppliers	Strategic Energy LLC	Jace Cochrane		y		1.00
Other Suppliers	Strategic Power Management, Inc.					
Other Suppliers	TransEnergie U.S. Ltd.		y			
Other Suppliers	Williams Energy Marketing & Trading Co.					
Public Power - Authorities	Long Island Power Authority	James Parmelee		y		1.00
Public Power - Authorities	New York Power Authority	Dave Wang		y		1.00
Public Power - Environmental	Adirondack Council	Larry DeWitt		y	1.00	
Public Power - Environmental	Environmental Advocates	Larry DeWitt		y	1.00	
Public Power - Environmental	Nat'l Resources Defense Council	Larry DeWitt		y	1.00	
Public Power - Environmental	Pace University	Larry DeWitt		y	1.00	
Public Power - Environmental	Scenic Hudson	Larry DeWitt		y	1.00	
Public Power - Munis & Co-ops	Bath Electric, Gas & Water Systems	Ken Moore		y		1.00
Public Power - Munis & Co-ops	City of Jamestown Board of Pub. Util.	Michael Darroch		y		1.00
Public Power - Munis & Co-ops	Town of Massena	Ken Moore		y		1.00
Public Power - Munis & Co-ops	Village of Fairport	Ken Moore		y		1.00
Public Power - Munis & Co-ops	Village of Freeport					
Public Power - Munis & Co-ops	Village of Rockville Centre	Ken Moore		y		1.00
Public Power - Munis & Co-ops	Village of Westfield	Ken Moore		y		1.00
Transmission Owners	Central Hudson Gas & Electric	Thomas Canino		y		
Transmission Owners	Consolidated Edison	Michael Forte		y		1.00
Transmission Owners	Niagara Mohawk Power Company	Jerry Ancona		y		1.00
Transmission Owners	NY State Electric Gas (NYSEG)	Rick Mancini		y		1.00
Transmission Owners	Orange & Rockland, Inc.	Gary Rozmus	y	y		
Transmission Owners	Rochester Gas & Electric Co.	Laurie King-Pirchner		y	1.00	
Non-voting	New Member					