
NYISO Management Committee Meeting Minutes

June 27, 2008

NYISO – Krey Corporate Center

9:30 a.m. to 11:45 a.m.

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

The Chair of the MC, Mr. Kinney (NYSEG/RG&E), called the meeting to order at 9:30 a.m. and welcomed the members of the MC. The members of the MC then identified themselves and attendance was recorded.

Mr. Kinney initiated business by recognizing MC Members and NYISO staff.

Mr. Kinney noted that the meeting was being recorded.

Mr. Kinney introduced the MC Meeting Agenda (See Agenda).

2. Approval of Minutes

Mr. Kinney presented for approval MC Minutes from the May 23, 2008. Mr. Alcombright (NYISO) reported no comments were received to-date and asked if members had any comments. No comments or questions were raised. The Minutes were approved.

Motion #1:

Motion to approve the Minutes of the May 23, 2008 Management Committee meeting.

Motion passed unanimously.

3. Automation of Minimum Oil Burn – Discussion and MC Action

Ms. Joyce (NYISO) presented and discussed the posted motion and supporting materials (See posted meeting materials).

Ms. Joyce emphasized the complete automation and inclusion of all related items on the initial invoice, given the required data being present. Ms. Joyce noted that a Technical Conference(s) would be held on the topic and that an MP User Acceptance Test (UAT) period would occur prior to implementation.

Motion #2:

The Management Committee hereby approves revisions to the NYISO's Tariffs regarding the Min Oil Burn settlement calculation and process, pursuant to the presentation made to the Management Committee this date and further recommends to the Board that it authorize a Section 205 filing.

Motion passed unanimously.

4. Comprehensive Reliability Plan (CRP) - Discussion and MC Action

Mr. Adams (NYISO) advised the Chair that the CRP had been properly and thoroughly vetted through the stakeholder process over the course of many months and, as such, that the motion be put directly to vote (See posted meeting materials).

Motion #3:

Motion to recommend that the Board of Directors approve the NYISO 2008 Comprehensive Reliability Plan as presented by the NYISO to the Management Committee at its June 27, 2008 meeting. The 2008 CRP was the subject of prior review and action by the Operating Committee at its June 19, 2008 meeting, and was the subject of prior review by the Electric System Planning Working Group and the Transmission Planning Advisory Subcommittee.

Motion passed unanimously with abstentions.

Following the vote, Mr. Younger (Slater Consulting) emphasized that Dr. Patton's memo is critical to the CRP, pointing to the call for Forward Capacity Markets (FCMs). Mr. Bush (IPPNY) echoed Mr. Younger's point.

Mr. Mager (Multiple Intervenors) stated that his interpretation of Dr. Patton's letter was different and that it does not call for FCMs in the NY market.

5. Approval of Amendments to OATT Attachments S & X – Discussion and MC Action

Ms. Gach (NYISO) presented and discussed the posted motion and supporting materials (See posted meeting materials).

Ms. Gach noted that there were originally ten separate items being discussed for change under this topic. Nine of the ten items had been successfully approved at the Operating Committee (OC). The one item that did not receive OC approval was not brought to this MC meeting.

Ms. Gach noted that because eight of the nine items were easily passed at the OC and only one was more of a contested item, the MC would be voting on eight items (Items 3 - 10) as part of a single package and the other, more contested item (Item 2) on its own.

Motion #4:

Motion to approve amendments to Attachments X and S as identified in Issues 3-10 of the "June 20 Table of Proposed Tariff Amendments to Attachments X and S" and presented at the June 27, 2008 Management Committee meeting.

Motion passed unanimously.

Motion #5:

Motion to approve amendment to Attachment X to require a Developer to pay the reasonable, actual costs incurred by the NYISO and Transmission Owner in furtherance of Interconnection Studies, including costs associated with the Scoping Meeting, and to apply the initial deposit towards those costs even if a project withdraws before executing a study agreement as presented at the June 27, 2008 Management Committee meeting.

Motion passed with 59.69% affirmative votes.

6. New York Regional Interconnect's Appeal of Motions 4 and 4a from May 22, 2008 Operating Committee (SRIS) – Discussion and MC Action

Mr. Kinney explained the protocol and process associated with the appeal. Mr. Kinney noted that the process would include each of the following:

- Brief introduction and overview of the SRIS process and document by Mr. Smith (NYISO) – 5 mins
- NYRI presentation and/or discussion – 10 mins
- Con Edison rebuttal – 5 mins
- Con Edison presentation and/or discussion – 10 mins
- NYRI rebuttal – 5 mins
- Open MC discussion
- MC Vote on NYRI Appeal

(See posted meeting materials)

Overview

Mr. Smith (NYISO) provided an overview of the SRIS process.

NYRI Presentation

Mr. Singer noted that the NYRI SRIS proposal was the result of a high-integrity process and that it had followed the normal procedural path. Mr. Singer stated that the SRIS should be evaluated on its merits and not for other peripheral reasons, such as economic motivations.

Mr. Singer noted that issues with Central Hudson were covered within the SRIS process and, accordingly, that NYRI and Central Hudson had reached agreement regarding the concerns noted in the SRIS (See *Meeting Materials – NYRI- Central Hudson Statement of Agreement* under New Business section).

Central Hudson (Mr. Wright) confirmed that it has reached agreement with NYRI and that the agreement addresses the issues raised in the SRIS.

Mr. Singer noted that ConEd's issues with the Appeal were based upon thermal limits, but that it is actually voltage limits, not thermal limits, that are in need of address with respect to the project.

Ms. Saia requested clarification on cost allocation, specifically re the NYRI - Central Hudson agreement and its potential impact to other MPs and/or the public.

Mr. Singer and Ms. Gach noted that the costs being discussed are the sole responsibility of the Developer.

Con Edison Presentation

Mr. Butterklee (Con Edison) stated Con Edison viewed a decrease in transfer limits as a possible degradation to reliability and, as such, Con Edison remains in disagreement with NYRI and its proposal.

Mr. Butterklee noted that NYRI's stance was not necessarily based upon the latest information and that thermal limits do exist, and that the issues was not simply voltage limited, as NYRI had stated. Mr. Butterklee stated that if thermal limits are impacted negatively, so is reliability. Further, Mr. Butterklee stated that issues caused by thermal limits are not easily corrected (unlike those related to voltage limits). Mr. Butterklee pointed out that the Millwood capacity banks were not properly considered in the NYRI project.

Mr. Butterklee asked that the record reflect that it was Con Edison and not the OC in general that thought the NYRI project would have a negative impact on reliability. Mr. Baker, who had previously noted the issue, accepted the statement as sufficient correction.

NYRI Rebuttal

Mr. Singer stated that the Millwood capacity banks were not in the NYRI project scope, as they became an issue after the SRIS and the project had moved forward and thus, were outside of scope. Mr. Singer noted that the impact of these (Millwood capacity banks) is, in fact, considered in the Feasibility Study, but not in the SRIS. Mr. Singer said that ConEdison's representation that this (Millwood) should be considered as part of SRIS is inappropriate.

Mr. Singer stated that NYRI disagrees with Con Edison and that it is possible to "dispatch around" a thermal limit.

Con Edison Rebuttal

Mr. Butterklee said that the Tariff does not intend for SRIS to be inaccurate or contain incomplete results. As such, thermal limits need to be addressed and Millwood should be included in the SRIS and any/all projects.

Mr. Butterklee questioned whether the NYRI-Central Hudson agreement results in a sole investment by NYRI and whether or not it assumes costs will be allocated to other MPs as well.

Open Discussion

Significant debate took place across the MC Membership.

Mr. Kinney clarified the motion language (See Motion) and brings the question of NYRI SRIS Appeal to the committee as a roll call vote.

Motion #6:

It is hereby moved that the appeal by NYISO Staff of the Operating Committee's May 22, 2008 action denying approval of the New York Regional Interconnect Inc.'s System Reliability Impact Study ("SRIS") be granted and the NYRI SRIS is approved.

Motion passed with 84.25% affirmative votes.

7. New Business**NYISO Website**

Mr. Younger noted that the NYISO had recently upgraded its Committee Support website and that the improvements were significant. Mr. Alcombright demonstrated the new user-interface on the presentation screen.

Metering

Mr. Kinney announced the formation of a new metering task force/ working group that aimed as a follow up to the recent NYISO True Grid symposium and the topics related to it. The team will report directly to the Management Committee. More details will follow.

Meeting Recordings

Several Market participants expressed interest in receiving the committee meeting recordings. Several others expressed significant concern.

Mr. Alcombright clarified that, for the time being, the recordings are used only by NYISO personnel for clarification and are not saved beyond 10 days.

The NYISO stated that it would consider the comments and report back.

Meeting Materials – NYRI- Central Hudson Statement of Agreement

NYRI agrees to be responsible to accomplish the addition of two 345 kV circuit breakers and associated equipment at the Consolidated Edison East Fishkill 345 kV substation to prevent the loss of the Roseton - East Fishkill 345 kV line and an East Fishkill 345/115kV transformer under stuck breaker conditions. NYRI agrees to be responsible to accomplish the installation of the two circuit breakers and associated equipment completed by the time of the initial operation of the Project.

Uplift

Several Market Participants, including Mr. Bolbrook (for NY Municipal Power Agency), raised concerns re 2008 uplift costs and requested that the NYISO treat this topic with the utmost urgency in order to address rising costs and report back regularly on its progress.

Mr. Fernandez (NYISO) noted that the NYISO Management shares (Mr. Bolbrook's) concern and is actively monitoring the issue.

Mr. Alcombright added that the NYISO will provide updates regularly.

Notification of Tariff Waiver

Mr. Haake requested that whenever the NYISO files for a Tariff waiver, MPs be provided with advanced notification.

Ms. Lampi (NYISO) stated that those involved in the most recent such request were informed via BAWG and had been involved throughout the process.

8. Adjournment

Noon.