

NYISO Management Committee Special Meeting

October 1, 2004

Teleconference
10:00 AM – 10:30 AM

Draft MINUTES OF THE MEETING

1. Introductions, Meeting Objectives & Chairman's Report

The meeting objective was to discuss and take action on the Voltage Support Service Program.

2. Report on Voltage Support Service Program

The issue was presented by Mike Calimano of the NYISO. Mr. Calimano reviewed results and recommendations of ongoing reactive studies. The gross MVAR capability has increased to almost 15,000 MVAR. A number of voltage support related issues have been identified and are being reviewed. Near term refinements are planned to ensure that the NYCA has sufficient lagging and leading reactive capability during light, mid, and peak load conditions. The NYISO is proposing net capability as a better indication of the contribution to the system, and the annual review of the rate must consider changes in the accounting method. The proposal to be acted on today would maintain the current rate of \$3919.

Ray Kinney of NYSEG asked for a ballpark estimate of the total dollar increase that MP's might see even though the rate is remaining the same.

Mr. Calimano responded that he did not have a specific number, but he is expecting 1700 MW's of new generation coming online next year (with dates to be determined) and 1000 to 1100 additional MVAR on the system. Mr. Calimano noted that there will be some retirements as well in the next year reducing the total by about 200 MVAR. Mr. Calimano commented that MWhr's including wheel-throughs will continue to grow at a rate of about 2%. Mr. Calimano was unclear if there will be any excess revenues in this year. He commented that the NYISO will try to work on those assumptions going forward and will work to refine them, but baseline numbers should be about the same.

Mr. Kinney suggested there may be a 7-10% increase in supply, and noted that increase in load may offset some of that. Mr. Kinney asked that if we have 60 million dollars total today, then would 7-10% be a reasonable estimate.

Mr. Calimano responded that the generation additions will be staggered so the 1100 MVar addition will be prorated through the year and would be closer to the lower bounds of such an estimate.

Howard Fromer of PSEG questioned the fact that there is no timeline beyond the 1st quarter of '05 and wanted to know what expectation MPs should have on when they might be voting on some of these other issues.

Mr. Calimano said he couldn't give a timeframe of when we expect these additional issues to be back, and stated that once everyone agrees on the requirements then we can move forward on a proposed timeline. Development of a proposal will take some time. Any Criteria changes would also need to be reviewed by the New York State Reliability Council. Some of the work is beginning now and will continue in '05.

Mayer Sasson noted that the draft Phase 1 NYISO Load Power Factor Report should remain a draft. A Phase II analysis will be conducted based on more recent data and the methodology recommendations from the Phase 1 report.

Motion #1:

The Management Committee (MC) approves the proposed tariff amendments to extend the provisions of Rate Schedule 2 of the Services Tariff for calendar year 2005 as presented to the Special Business Issues Committee meeting on September 16, 2004 and the Special MC meeting on October 1, 2004 and recommends to the Board of Directors that the NYISO should be authorized to submit the applicable tariff modifications to the FERC, pursuant to Section 205 of the Federal Power Act. The MC also directs the appropriate working group to report back to the MC by the end of the first quarter of 2005 on the cost impacts, scope, and testing issues related to the near-term proposals described in the NYISO staff presentation presented at the special meeting of the MC on 10/1/2004.

(Motion passed unanimously with abstentions.)

2. New Business

Carol Murphy of the NYISO reported that the OASIS graphs are scheduled to be deployed early next week. She thanked MP's for the input in developing the new screens. Mrs. Murphy advised the MC members to watch for a notice announcing the deployment sometime next week.

Mr. Kinney stated that a phone call to discuss the results of the SMD2 simulation has been set up for Monday. Mr. Kinney stated that the Market did not know whether the billing information would be available by Monday. The NYISO will look into it and send out an email notifying market participants.

Mr. Oates stated the next MC meeting will be October 14th.

3. Adjourn

Meeting adjourned at approximately 10:30 AM.

NYISO Management Committee Meeting

October 14, 2004

Albany, NY

MOTION FROM THE MEETING

Motion #1:

Motion to approve the Minutes from the September 1, 2004 MC meeting.

(Motion passed unanimously by show of hands)

Motion #2:

The Management Committee approves the final draft dated September 16, 2004 of the "NYISO Initial Planning Report" as modified at the September 23, 2004 Operating Committee meeting.

(Motion passed unanimously by show of hands with abstentions)

****Vice Chair Election deadlock: A majority vote of 58% was not achieved for either candidate. The election of Management Committee Vice Chair is deferred to the next Management Committee meeting with the same slate of candidates.**

New York Independent System Operator - Committee Membership

Management Committee - Attendance October 14, 2004 - Albany, NY - Parties Checked in Attendance

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

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PP&L Energy Plus	Other Suppliers	Tom Hyzinski	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					✓ Glenn Haake	
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	James McCormick	Matt Morais			
Strategic Power Management, Inc.	Other Suppliers	Dan Duthie	✓ Mario DiValentino						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Energy Marketing & Trading Co.	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			✓ Tariq Niazi	
Environmental Advocates	Public Power - Environmental	Anne Reynolds	Larry DeWitt					✓ Tariq Niazi	
Nat'l Resources Defense Council	Public Power - Environmental	Dale Bryk	Larry DeWitt					✓ Tariq Niazi	
Pace University	Public Power - Environmental	Edward Smeloff	Larry DeWitt					✓ Tariq Niazi	
Scenic Hudson	Public Power - Environmental	Larry DeWitt						✓ Tariq Niazi	
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	✓ Joe Oates	Terry Agriss	Neil Butterklee	✓ Rebecca Craft				
National Grid	Transmission Owners	✓ Jerry Ancona	✓ Wes Yeomans	Peter Flynn	Herb Schrayshuen	Bart Franey	Masheed Rosenqvist		
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						
The Structure Group	Non-voting	Bob Furry	Alex Lago						
Tom Halleran	Non-voting	Tom Halleran							
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
- ✓ Belinda Thornton NYISO
- ✓ Mollie Lampi NYISO
- ✓ Brad Kranz NYISO
- ✓ Andy Ragogna NYISO
- ✓ Elaine Robinson NYISO
- ✓ Kristen Kranz NYISO
- ✓ Leigh Bullock NYISO
- ✓ Ray Stalter NYISO
- ✓ Debbie Eckels NYISO
- ✓ Tim Schmehl NYISO
- ✓ Mike Jaeger NYISO

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✓ Dave Lawrence	NYISO								
John Cutting	NYISO								
✓ Jane Lathrop	NYISO								
✓ Ernie Cardone	NYISO								
John Charlton	NYISO								
✓ Kathy Whitaker	NYISO								
Andrew Hartshorn	NYISO/LECG								

Key:

✓ = In attendance