

NYISO Business Issues Committee Meeting Minutes – DRAFT

April 5, 2006

The Desmond

660 Albany Shaker Road

Albany, NY 12110

1. Welcome & Meeting Objectives

Mr. Ray Kinney, (NYSEG) Chair of the Business Issues Committee (BIC), called the meeting to order at 10:02 a.m.

2. Approval of minutes:

Mr. Ray Stalter (NYISO) reported that minutes for prior meetings were under review and would be brought to the next BIC meeting for review and approval.

3. Chair's Report

Mr. Ray Kinney, (NYSEG) Chair of the BIC, noted that the working group review process for the NYISO Billing and Accounting Manual needed to be re-started at the BAWG and MSWG. He added that concerns over what topics should be addressed via the Manual, and which should be addressed in the tariffs, need to be discussed so that the revised Manual can be approved at BIC soon.

4. Market Operations Report

Mr. John Buechler (NYISO) provided the monthly Report, noting that the average LBMP decreased in March, while real-time LBMP remained steady. Uplift costs fell from the data reported for February. Mr. Buechler noted that Dr. Patton will be providing his State of the Market Report to the Management Committee on April 26th. In addition, the NYISO has tentatively set a MSWG meeting for April 13th to discuss scarcity pricing issues identified in the SMD Report presented by Dr. Patton. Dr. Patton is expected to be able to participate in that discussion. Mr. Stalter indicated that a meeting notice confirming details would be distributed shortly.

Mr. Buechler went on to note that price corrections for March were in the 2% range. Our internal team has found no new errors which would drive additional price corrections.

5. Regional Market Enhancements

Mr. Buechler reviewed changes to the Seams Report. Mr. Glen McCartney (Constellation) asked about the status of getting to a 60-minute transaction scheduling window. Mr. Buechler responded that this issue is under discussion. Mr. Buechler continued by noting that Dr. Patton has been asked to review potential impacts on the NYISO markets of revisions to the ISO New England capacity markets.

Dr. Kevin Jones (LIPA) asked that the minutes reflect LIPA's concerns with the ISO New England implementation of controllable line scheduling on the 1385 cables.

Mr. Buechler noted that the 7040 Line study status had been discussed at MSWG. Mr. Michele Prevost (HQUS) noted that items 4 and 5 of the seams report, related to the modeling of netted transactions at the HQ interface and multiple proxy buses, needed additional information.

Mr. Howard Fromer (PSEG) asked if the 7040 transfer study took in to account the impact on loop flows from increased transfers on this interface. Mr. Buechler indicated that the NYISO would report back on this concern.

Mr. Norman Mah (Con Ed) asked about the status of adding a second proxy bus to the PJM interface. Mr. Buechler responded that no new information was available on that issue.

6. Working Group Updates

A. Billing and Accounting Working Group (BAWG)

Mr. Dave Hall (NYSEG) noted that the BAWG met on March 16. The BAWG discussed the status of the August 2003 invoice, as well as the Attachment N filing status. The group also discussed the settlements impact of bad debt and recoveries, and the development of a de minimis standard for settlement adjustments Mr. Hall noted that the Working Group had varying views, and did not draw a conclusion on the de minimis standard issue. The issue will be discussed further at the upcoming BPCTF. He added that BAWG was asked by the BPCTF to develop a milestones list for moving to a shortened settlements cycle. BAWG will also be looking at the Billing and Accounting Manual, and will need to work with the MSWG to complete that review for BIC.

B. Electric System Planning Working Group (ESPWG)

Mr. Tariq Niazi (NYS CPB) reported on the March 14th meeting. The Working Group continued to primarily focus on developing a cost allocation methodology. The TOs have made progress on developing a consensus position. ESPWG participants were asked to provide comments on this issue for the upcoming meeting.

In additions, cost recovery language continues to be developed, as well as plans to halt the development of regulated solutions in the event that is necessary.

Mr. Howard Fromer asked if the recent LCR issues had an impact on the RNA analysis. NYISO staff will investigate and advise MPs.

C. ICAP Working Group

Mr. Glenn Haake of IPPNY noted that the Working Group met twice in March in order to address revisions to the ICAP Manual. Mr. John Charlton (NYISO) noted that, as a result of some concerns with the ICAP Manual language approved related to SCR providers, and tariff requirements, that the NYISO would add a footnote to that section reminding participants that tariff language prevails when potential conflicts with Manual language arises. Mr. Alex Schnell (NYISO) added that, due to timing constraints, the NYISO did not want to take the language that was revised at the 3/27/06 special BIC meeting back through the Committee. In order to address the NYISO's concerns about the revisions that BIC approved on 3/27/06 and implement the revisions in time for the upcoming Summer capacity season, the NYISO instead added the footnote.

D. Interconnection Issues Task Force (IITF)

Mr. Haake provided an update to the BIC. Mr. Carl Patka (NYISO) noted that the final report on deliverability had been updated to model Neptune line as a 660 mw line. He added that a substantive agreement was reached on a definition of deliverability. Mr. Stalter added that additional Task Force meetings would be scheduled to address further development of the compliance filing.

Mr. Younger asked that issues coming out of this effort be defined early enough to be incorporated in to the capacity demand curve discussions at the ICAP WG. Mr. Haake responded by noting that the ICAP WG will have an opportunity to review the compliance filing with the IITF.

E. Market Structures Working Group (MSWG)

Mr. Stalter provided update on the MSWG's efforts. He noted that the MSWG held a joint meeting with the SPWG to discuss the status of Combined Cycle Modeling, the Supplier Rules Assessment, E-Tagging and Credit Policy Issues. Mr. Stalter added that revisions to the Ancillary Services Manual were reviewed at the MSWG and would be brought to the BIC in May for approval.

F. Scheduling and Pricing Working Group (S&PWG)

The S&PWG's joint meeting with MSWG was discussed under the MSWG Report.

G. Price Responsive Load Working Group (PRLWG)

Mr. Rick Mancini of Galt Power noted that the PRLWG had not met since the last BIC. The next PRLWG is on April 19.

7. Proposed Revisions to Sections 5.5 and 5.6 of the NYISO Installed Capacity Manual.

John Charlton presented proposed revisions to sections 5.5 and 5.6 of the ICAP Manual. The proposed revisions reflect tariff language addressing the capacity demand curves.

Motion:

The Business Issues Committee (BIC) hereby approves revisions to Sections 5.5 and 5.6 of the NYISO Installed Capacity (ICAP) Manual, as presented during the BIC meeting scheduled for April 5, 2006.

Motion passed unanimously by show of hands with abstentions.

8. New Business

Mr. Patka noted the April 3rd order from FERC addressing voltage support service. He reported that FERC accepted the current rate, and found that the sunset provision was unjust and unreasonable, and made the temporary rate permanent. FERC ordered the NYISO to file a response within 15 days.

Dr. Kevin Jones (LIPA) asked about the impact of this order on the development of a compensation proposal for non-generator VAR sources. Mr. Patka responded by adding that the NYISO will be working with interested stakeholders on further development of a non-generator supplier proposal.

9. Administrative Matters

Mr. Stalter asked BIC members to review the Action Item Report and forward questions to him.

10. Adjournment

11:36 a.m.

Respectfully Submitted,
Debra E. Murley
Recording BIC Secretary

NYISO Business Issues Committee

April 5, 2006

The Desmond Hotel

MOTIONS FROM THE MEETING

Motion #1:

The Business Issues Committee (BIC) hereby approves revisions to Sections 5.5 and 5.6 of the NYISO Installed Capacity (ICAP) Manual, as presented during the BIC meeting scheduled for April 5, 2006.

Motion passed unanimously by show of hands with abstentions.

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance April 05, 2006 - 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	Karl Michael	✓ David Coup	Erin Hogan	Christopher Hall			
The City of New York	End Use - Gov. Agency/Aggr.	Michael Delaney	Gil Quiniones	Thomas Simpson	Jonathan Wallach	Tim Daniels			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Morgan Parke					
Helmstey-Spear Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos	Edward Strauss	Herb Rose				
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					
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Morgan Parke					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ John Dowling	Jennifer Kearney			
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	Larry DeWitt						
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				
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 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			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	Doug Roll	Charles Sjoberg	Christopher Wentlent					
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer						
Calpine	Generation Owners	None Assigned	Thomas Kaslow	Richard Felak					
East Coast Power Linden Holding LLC	Generation Owners	Roy Shanker	Thomas Hoatson	Robert Licato	Kathy Benini				
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Jeffrey Ellis	Peter Brown	Rich Mooney				
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	Rich Hohlman	Joe Vignola	Jim Brennan	Jim D'Andrea	Madison Milhous	Edwin Kichline		
Mirant New York, Inc.	Generation Owners	Vicki Lynch	James Mayhew	✓ Doreen Saia					✓ Phil Smith
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kampilla						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Amerada Hess Corporation	Other Suppliers	Kevin LaGuardia	Blas Hernandez	George Braulke					
Brascan Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Con Edison Energy	Other Suppliers	Stephen Wemple	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Stephen Wemple	Rich Staines						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						
Constellation Energy Commodities, Inc.	Other Suppliers	✓ Glen McCartney	Dan Allegretti	Sara O'Neil					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine	Sara O'Neill						
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shen				
Coral Power, LLC	Other Suppliers	Matt Picardi	Dave French						
DC Energy	Other Suppliers	Bruce Bleiweis	Andrew Stevens	Matthew Tate	Sadao Milberg	Chris Carpenter	Matthew Tate		
Dynegy	Other Suppliers	✓ Barry Huddleston	Jason Cox	Kevin White					
ECONnergy	Other Suppliers	Saul Horowitz	Tom Halleran						
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
Epic Merchant Energy	Other Suppliers	Robert Erbrick	✓ Erik Abend	Wade Sullivan					
Exelon Generation - Power Team	Other Suppliers	Scott Silverstein	Joe Klimaszewski	Jim Verna					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	✓ Glenn Haake				
FPL Energy	Other Suppliers	✓ David Applebaum	Fernando DaSilva	Ron Scheirer					
Galt Power	Other Suppliers	✓ Rick Mancini	Stephen Fernands						
HQ Energy Services	Other Suppliers	✓ Michel Prevost	Paul Norris	Erik Bellavance					
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				
NRG Power Marketing	Other Suppliers	✓ Tim Foxen	Katie Sullivan	Peter Chamberlain					
NU / Select Energy	Other Suppliers	✓ Jim Scheiderich	Gunnar Jorgensen						
Ontario Power Generation Inc.	Other Suppliers	✓ Scott McArthur		Ken Lacivita	Erica Cheung	Scott McArthur	✓ Glenn Haake		
Orion Power New York	Other Suppliers	✓ Liam Baker	John Meyer						
PPM Energy	Other Suppliers	✓ Thresa Allen	T.H. Rawls						
PP&L Energy Plus	Other Suppliers	✓ Joseph Langan	Tom Hyzinski	Roland Moor	David Yannarell	Sharon Weber			
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce	Bob Logan	Dennis Sobieski				

New York Independent System Operator - Committee Membership

Business Issues Committee - Attendance April 05, 2006 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Sempra Energy Trading	Other Suppliers	Dan Staines	Maria Agovino	Scott Englander	Barry Trayers				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Strategic Energy LLC	Other Suppliers	Jason Barker	Jeff Knox	Pamela Melton					
TransEnergie U.S. Ltd.	Other Suppliers	Michael Jacobs	Raymond Cox						
U.S. Power Generating Co.	Other Suppliers	✓ Liam Baker	Mark Sudbey						
Williams Power Company	Other Suppliers	David Singer	Mark Lassman	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Dave Clarke						
New York Power Authority	Public Power - Authorities	✓ William Palazzo	Bob Deasy	✓ Bob Gow	Paul Rougeaux	Kevin Kipers			
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	Ken Moore	✓ Tim Bush	Matthew Benesh	Jim Hamilton	Jack Brown			
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	David Gustafson	Wally Haase	John Oelbracht	Steven Kulig	✓ Tom Rudebusch			
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	✓ Tim Bush						
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb	✓ Tim Bush						
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	✓ Tim Bush	Ken Moore					
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	✓ Tim Bush						
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Tim Bush						
Village of Freeport	Public Power - Munis & Co-ops	Anthony Fiore	Ted Kimlingen	✓ Paul Pallas					
Village of Rockville Centre	Public Power - Munis & Co-ops	Tom Cardile	Ken Moore	Matthew Benesh	Jim Hamilton	Paul Pallas	Jack Brown	✓ Tom Rudebusch	
Village of Solway	Public Power - Munis & Co-ops	Anthony Modafferi	✓ Tim Bush						
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Tim Bush	Ken Moore	Matthew Benesh	Jack Brown			
Central Hudson Gas & Electric	Transmission Owners	James Valleau	✓ Thomas Canino	Jeff May	Rick Greener				
Consolidated Edison	Transmission Owners	Stuart Nachmias	Gerry Dunbar	Neil Butterklee				✓ Norman Mah	
National Grid	Transmission Owners	✓ Bart Franey	Wesley Yeomans	Jerry Ancona	Janet Gail Besser	Terron Hill			
NY State Electric Gas (NYSEG)	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				✓ D. Hall, T. Foster
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	✓ Ray Kinney	✓ Patti Caletka	Steve Jeremko	Hank Masti				
Ace Energy Company, Inc	Non-voting	Marie Pieniasek	Stephen Lynch						
Boundless Energy, L.L.C	Non-voting	Brian Chernack	Chuck Gilbert	Mark Mainetti					
Caitness Energy, L.L.C	Non-voting	Ross Ain	Gary Keevill	Mitchell Garber					
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	Gerald Strassner						
Energy Curtailment Specialists, Inc	Non-voting	Marie Pieniasek	Stephen Lynch						
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
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	✓ Bill Heinrich	David Drexler						
Stealth Energy	Non-voting	Gad Cohen							
The Structure Group	Non-voting	Bob Furry							
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Marie Pieniasek	Stephen Lynch						
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting								
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zNew Member	Non-voting								
zNew Member	Non-voting								
zNew Member	Non-voting	None Assigned							

NYISO and Hunton & Williams Members in Attendance:
 Ira Freilicher Hunton & Williams

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Kevin Jones	Hunton & Williams								
✓ John Charlton	NYISO								
✓ Frank Francis	NYISO								
✓ Alex Schnell	NYISO								
✓ John Buechler	NYISO								
Mike Calimano	NYISO								
✓ Debra Murley	NYISO								
✓ Elaine Robinson	NYISO								
✓ Frank Murray	Environmental Council								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Dave Lawrence	NYISO								

Key:

✓ = In attendance