

NYISO Business Issues Committee

June 14, 2006

NYSNA

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of the March 27, 2006 and April 5, 2006 BIC meetings.

Motion passed unanimously by show of hands.

Motion #2:

The Business Issues Committee approves payment for the Cross Sound Cable on a comparable basis to Generators and recommends that the corresponding tariff language modifying Rate Schedule 2 of the OATT and Market Services Tariff be submitted to the MC for approval. .

This approach provides for comparable treatment under the NYISO tariffs for the CSC, allows for immediate compensation for its VSS capability upon receiving MC and FERC approval of the relevant tariff provisions.

With respect to the CSC, implementation details that would be included in the Ancillary Services manual include the following:

1. Payment to CSC: Prorated VSS payment for energized hours for VAR capability measured at full real power flow.
2. Lost Opportunity Costs: No lost opportunity cost payments provided that CSC is not required to change real power schedules for purposes of voltage support. Nothing in this motion shall be construed to change existing protocols between the New England ISO and the New York ISO to maintain the reliability of the system.
3. Metering/Testing: CSC to be subject to comparable metering and testing procedures including, interim testing procedures that allow facilities that are not currently reactive power suppliers receiving compensation to test out of period as necessary to qualify for payment.
4. Cost of Energy Consumed: Payment for facility energy consumption at minimum loading if the NYISO were to request that the CSC be energized to provide reactive capability to the NYCA.

Motion passed unanimously by show of hands with the following abstentions:

Multiple Interveners

U.S. Power Gen.

Entergy Nuclear

NYPA

Freeport Electric

Village of Rockville Center

Jamestown BPU

Galt Power

Epic Merchant Energy

Motion #3:

The Business Issues Committee (BIC) hereby approves modifications to the May 17, 2006 BIC motion addressing the NYISO Prepayment Agreement Cure Period. The modifications, as presented to the BIC on June 14, 2006, will reduce the credit risk in the NYISO markets by replacing the true-up collateral with a pro-rated three-day energy collateral. BIC recommends a consolidated proposal be presented to the Management Committee on June 28th for consideration and approval.

Motion passed unanimously by show of hands with the following abstentions:

Multiple Interveners

Edison Mission