

NYISO Management Committee Meeting Minutes

June 12, 2007

The Sagamore, Bolton Landing, New York

10:00 a.m. to 11:15 a.m.

EDR -- DRAFT Minutes of the Meeting

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

Mr. Matt Picardi (Coral Power), Chairman, called the meeting to order at 10 AM and welcomed the members of the MC. He noted that the only actions items for this meeting were the approval of the minutes for April 30 and May 21, 2007. The members of the MC, NYISO staff, and representatives of FERC and the PSC then identified themselves.

2. Approval of the Minutes

Mr. Ray Stalter of the NYISO presented the MC minutes from both the April 30, 2007 conference call and May 21, 2007 MC meeting for approval. He noted that the April 30 minutes distributed prior to this meeting contained comments recently received. He asked for additional comments from the Committee on both sets of minutes. No additional comments were provided. Both sets of minutes were then jointly moved for approval.

Motion #1:

Motion to approve the Minutes of the April 30, 2007 and May 21, 2007 MC meetings.

Motion passed unanimously.

3. President's Report

Mr. Garry Brown of the NYISO presented the Report for Mr. Mark Lynch, who was attending the NYISO Board of Directors meeting. He thanked the companies who donated prizes for the events of the prior day. He then went on to discuss the NYISO's new Conference Center at Krey Boulevard (the KCC), and the notification process for attending meetings at that facility. In response to questions from multiple members, a discussion was held regarding what to expect with respect to gaining entrance to the KCC without 24 hours notice. Mr. Brown and Mr. Stalter noted that with the requested 24-hour RSVP the system for creating badges should run smoothly, but also that the NYISO was open to suggestions for improvements. Mr. Stalter asked that suggestions should be sent via email to him.

For the President's Report, Mr. Brown noted that all the usual information such as the price correction and market performance highlights were in the Report, and asked if there were any comments. None were offered.

Mr. Bruce Bleiweis of DC Energy asked if uplift was to be discussed as it was a topic of concern at the most recent BIC meeting. Mr. Stalter responded that the issue was still under review and would be followed up on at an upcoming meeting.

4. Recap on Joint Board/MC Meeting

Mr. Brown discussed the genesis of the format used this year which allowed for more members to participate than in past meetings and then asked for comments:

Mr. Bleiweis said that one thought would be to have the social events on the first day, with a longer panel session on the second day to allow for more discussion of the issues.

Mr. Glenn Haake of IPPNY said he liked the give-and-take nature of yesterday's session, but would have preferred to have covered more of the issues and questions listed. A discussion followed about possible adjustments for next year's meeting.

5. FERC Update

Mr. Larry Gasteiger of the FERC thanked the members for their hospitality and noted that any comments he would be making were his alone and would not necessarily reflect the views of FERC.

After reviewing his professional background, Mr. Gasteiger discussed some of the broader themes of FERC activities. The paramount issues were those related to competition in the energy markets. He went on to say that competition in the wholesale markets has not been a creation of FERC policy, but rather a national policy for the past couple of decades, and has been subject to extensive regulation. A primary focus of FERC has been to support and improve competitive markets where they exist.

Other FERC efforts have included reforming the pro-forma OATT, which culminated in Order 890. Associated compliance filings are and will continue to be sent into FERC throughout the course of this year.

Another area that FERC is taking a hard look at is Market-Based Rates (MBR). The Commission has modified its test for MBR authority and has shown a willingness to revoke MBR authority for entities found to have market power.

Infrastructure improvements, i.e., building more transmission facilities, are another high priority for FERC, which has provided incentives to that end, such as CWIP and higher ROE's (Return On Equity), Mr. Gasteiger noted.

Continuing, Mr. Gasteiger said that reliability of the grid has been and will continue to be a priority for FERC, which has certified NERC as the ERO, and established regional entities to work with FERC for enforcing reliability rules.

As for enforcement authority, Mr. Gasteiger noted that FERC has not been shy about using its new penalty authority, (granted in EAct 2005), in appropriate circumstances, which could be expected to continue to into the future.

The last subject he covered was the interaction between market participants and his office. He encouraged everyone to meet with him and his staff prior to either Section 205 filings or Section 206 complaints, which he said was beneficial to all sides and also saves time through improved communication.

Mr. Picardi asked about "self-reporting" and the associated penalties which he opined have been the subject of some concern in the market. Mr. Gasteiger responded that he did not work in the enforcement area at FERC, and so could not provide insight as to how the penalties were arrived at. He said that there is a related policy statement that FERC put forth, and his personal observation was that without the self-reporting, penalties would have been higher.

Mr. Stuart Nachmias of Con Ed asked about transmission development versus generation and demand-side management alternatives. Mr. Gasteiger said that FERC did not have any particular view as to what the mix of such projects should be for any particular region; Order 679 was specific regarding incentives for transmission projects only.

Mr. Brown asked about capacity structures as developed within the different ISOs/RTOs and consistency of market rules. Mr. Gasteiger said his only response was that FERC sought to be flexible, and that it was important to be able to fully explain to FERC how you developed your market rules, especially in light of the thin straw-man proposals seen in other regions.

Mr. Howard Fromer of PSEG said he thought it would be helpful if Mr. Gasteiger could convey to the Commission a sense of urgency regarding the "in-city" capacity markets and the associated FERC procedural order, as without clarity there is a negative effect on the market. Mr. Gasteiger said that he would take back the comment as a procedural comment.

6. NYS PSC Update

Mr. Raj Addepalli of the New York State Department of Public Service (PSC) gave an update on key PSC electric cases via his posted presentation.

The first case had to do with pricing for retail customers. The PSC decided that utilities should continue to provide stable rates for mass market customers. They should develop price volatility metrics and guidelines for limiting volatility, and provide aggregate supply portfolio price information on a quarterly basis. Also, the value of hedges entered into by utilities should be flowed through utility commodity rates. This case is now in a compliance phase.

In another case, the PSC issued 11 questions for comment regarding the role of integrated, statewide resource planning and long-term contracts. Comments on the questions and issues were filed by 28 parties on June 5, 2007, with reply comments due June 25, 2007. Mr. Addepalli continued on these subjects in some detail. The three major themes include; should there be a statewide long-term resource planning process, should the PSC encourage long-term contracts by utilities and others to facilitate new generation, and how would such a process harmonize with the current NYISO market.

The third case was the Energy Efficiency Portfolio Standards case, wherein the PSC instituted a proceeding in May 2007 to establish an energy efficiency portfolio standard, with the goal of reducing New York's electricity usage by 15% by 2015. PSC staff is directed to immediately prepare energy efficiency program design proposals, with a report from the ALJ by June 29, 2007.

Other cases presented by Mr. Addepalli included the Revenue Decoupling Mechanism Case, which would develop ways to encourage utilities to develop energy efficiency, renewable technologies, and distributed generation through improved rate designs. Separately, work on Mandatory Hourly Pricing for certain rate classes continues, and utilities have filed related studies in preparation for implementation, past and future.

Also, there was the Advanced Metering Initiative Case (2006), where a policy was developed to encourage customer meter ownership, and competitive electric meter services, among other changes.

The Review of Retail Access Policies Case included a proceeding in April to review retail access policies and practices intended to foster the development of competitive retail energy markets. This review includes examining the costs and benefits of these policies and practices. Comments from the parties in the case are due June 21, 2007.

Mr. Addepalli concluded with the status of the Renewable Portfolio Standard (RPS) and its associated milestones related to energy projects, with the goal of 25% of the state's electricity being produced by renewable energy resources.

There followed a short discussion on energy efficiency v. reliability planning, long-term contracts, and the need for a comprehensive planning process, as well as the expected timeframes for associated PSC decisions.

7. Board Selection Subcommittee (BSSC) Update

Mr. Picardi provided an update on the BSSC activities. He noted that the expectation was to provide the NYISO Board with a list of recommended candidates by September 1, 2007. At the direction of the BSSC, he and Mr. Stalter interviewed a two search firms, and reported the findings of those discussions to the Subcommittee. The BSSC has chosen a search firm, and will announce that choice after an agreement with the firm is reached. Mr. Brown reminded the MC that the search was for a candidate with electric utility experience. Mr. Picardi concluded by noting that the public notice period for potential candidates to submit resumes would only be about 2-3 weeks, and asked the Committee if there were any concerns with that timeframe. No concerns were raised by the Committee.

6. New Business

None

7. Adjourn

Meeting adjourned at 11:15 PM.

Respectfully Submitted,
Bill Porter
Recording MC Secretary

NYISO Management Committee Meeting

June 12, 2007

The Sagamore

MOTIONS FROM THE MEETING

Motion #1:

Motion to approve the Minutes of the April 30, 2007 and May 21, 2007 MC meetings.

Motion passed unanimously.

New York Independent System Operator - Committee Membership

Management Committee - Attendance June 12, 2007 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
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	Craig Wilson			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Cara Lewis					
Atco Properties & Management Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos						
IBM Corporation	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Cara Lewis					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Cara Lewis					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Cara Lewis					
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	✓ Michael Mager	Cara Lewis					
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			
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	David Bomke	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	Christopher Wentlent	Rick Santoroski	Charles Sjoberg	Dave Evanoski				
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer	Chuck McCall					
Calpine	Generation Owners	✓ Brett Kruse	Kris Zadlo	Brent Hebert					
East Coast Power Linden Holding LLC	Generation Owners	Andy Keleman	Mark Mellana	Kurt Schreder					
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					
Horizon Wind Energy	Generation Owners	Patrick Doyle	P.J. Salterman	Charlie Turlinski	Tod Nash	Karen Dressel	Richard McMichael		
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
Innovative Energy Systems Inc.	Generation Owners	Carol Muessigbrodt	Peter Zelfiff						
KeySpan Ravenswood, LLC	Generation Owners	Jim Brennan	Rich Hohlman	Joe Vignola	Jim D'Andrea	✓ Madison Milhous	Rich Rapp		
Mirant New York, Inc.	Generation Owners	✓ Philip Smith	Doreen Saia						
New Athens Generating Co.	Generation Owners	Jack Breen	✓ Chris Bursaw	Dan DeVinney	✓ Rich Felak				
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Liz Grisaru						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Bittig	Steve Kampilla						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
UPC Wind	Generation Owners	Mike Jacobs	Steve Vavrik						
AB Energy Inc.	Other Suppliers	Andrew Bachert							
Advantage Energy, Inc.	Other Suppliers	Mark Hess							
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez	George Braulke				
Brookfield Energy Marketing Inc.	Other Suppliers	✓ Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple						
Conectiv	Other Suppliers	Robert Steele	Tony Gabrieli	Gloria Ogenyi					
Constellation Energy Commodities, Inc.	Other Suppliers	✓ Glen McCartney	Dan Allegretti	Tim Daniels					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine							
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shen	Pamela Quinlin			
Coral Power, LLC	Other Suppliers	✓ Matt Picardi	Marc Overdyk	Dave French					
Cross Sound Cable Co.	Other Suppliers	John Miller	Brian Reinhart	Bradley Railing	Jose Rotger				
DC Energy	Other Suppliers	✓ Bruce Bleiweis	Dean Wilde	Andrew Stevens	Sadao Milberg	Chris Carpenter	Matthew Tate		
Dynegy	Other Suppliers	✓ Barry Huddleston	Jason Cox	Kevin White					
Energy Curtailment Specialists, Inc	Other Suppliers	Glen Smith	Stephen Lynch	Marie Pieniazek	Robert Boyle				
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
EnerNoc	Other Suppliers	David Brewster	Aaron Breidenbaugh						
Epic Merchant Energy NY, LP	Other Suppliers	Michael Kinsey	Robert Erbrick	Pierre Tournois	✓ Erik Abend	Gordon Scott	Wesley Anderson		
Exelon Generating Co. LLC	Other Suppliers	Denise Foster	Jack Crowley						
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			
Liberty Power Corp.	Other Suppliers	David Hernandez							
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			

New York Independent System Operator - Committee Membership

Management Committee - Attendance June 12, 2007 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NRG Power Marketing	Other Suppliers	Jim Mayhew	Lee Davis						
Ontario Power Generation Inc.	Other Suppliers	Barry Green	✓ Dave Barr	Ken Lacivita	Scott McArthur	✓ David Barr	✓ Glenn Haake		
PPM Energy	Other Suppliers	Thresa Allen	T.H. Rawls	Tom Shields					
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	✓ Joseph Langan	Sharon Weber					
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
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					
TransÉnergie U.S. Ltd.	Other Suppliers	Raymond Coxé	Michael Jacobs						
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	Jim Wittine	Dave Clarke					
New York Power Authority	Public Power - Authorities	✓ William Palazzo	Robert Gow	Kim Byham					
American Lung Association	Public Power - Environmental	Christopher Young	Peter Iwanowicz						
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	Larry DeWitt	Douglas Ward	Mike Jacobs	Carol Murphy			
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	Christopher Young	Fred Zaleman						
Scenic Hudson	Public Power - Environmental	Larry DeWitt							
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Matthew Benesh	Tim Bush	Jim Hamilton	Ken Moore	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						
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	Tim Bush						
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	✓ Tom Rudebusch					
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 Solvay	Public Power - Munis & Co-ops	Anthony Modafferi	Tim Bush						
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Tim Bush	Matthew Benesh	Jack Brown	Ken Moore			
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	✓ Stuart Nachmias	✓ Neil Butterklee	Deidre Facendola					
National Grid	Transmission Owners	✓ Jerry Ancona	Wes Yeomans	Janet Gail Besser	Herb Schrayshuen	✓ Bart Franey	Terron Hill		
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			
Ace Energy Company, Inc	Non-voting	Marie Pieniasek	Stephen Lynch						
ACENY	Non-voting	Carol Murphy	Valerie Strauss						
Boundless Energy, L.L.C	Non-voting	John Tompkins	Brian Chernack	Chuck Gilbert					
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							
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							
NU / Select Energy	Non-voting	Gunnar Jorgensen	Chris Dubay						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						
The Structure Group	Non-voting	Bob Furry	Ishita Roy	Kevin Dunlap					
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								
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

New York Independent System Operator - Committee Membership

Management Committee - Attendance June 12, 2007 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Kevin Jones	Hunton & Williams								
James Schmidt	Hunton & Williams								
Rob Fernandez	NYISO								
Mark Lynch	NYISO								
John Buechler	NYISO								
✓ Mollie Lampi	NYISO								
Brad Kranz	NYISO								
Rana Mukerji	NYISO								
✓ Elaine Robinson	NYISO								
✓ Bill Porter	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Debra Murley	NYISO								
✓ Carl Patka	NYISO								
✓ Frank Francis	NYISO								
Charles Garber	NYISO								
✓ Jodi Fansler	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andy Antinori	NYISO								

Key:

✓ = In attendance