

NYISO Business Issues Committee Meeting Minutes

June 18, 2008

Teleconference Meeting

1. Welcome and Chairman's Report

Mr. Stuart Nachmias (Con Edison) chaired the Business Issues Committee (BIC) in lieu of Mr. Glen McCartney (Constellation). Mr. Nachmias called the meeting to order at 10:00 A.M. and welcomed the members of the BIC meeting. Meeting participants introduced themselves and their affiliations.

2. Approval of Minutes for May 16th, 2008

Motion #1: Motion to approve minutes of May 16th BIC meeting.

Motion passed unanimously.

3. Market Operations Report

Mr. Rana Mukerji (NYISO) provided the update for the Market Operations Report. A handout was provided detailing the latest information. (See posted meeting materials)

4. Seams Report

Mr. Mukerji provided the update for the Seams Report. A handout was provided for members and was posted on the NYISO website. (See posted meeting materials)

5. Attachment S & X Update

Ms. Karen Gach (NYISO) provided a summary on the updates to the Attachment S & X. A summary chart graph of the presentation was provided. This subject was scheduled to be voted on at the June 19th OC meeting. (See posted meeting materials)

6. Uplift Presentation

Dr. Nicole Bouchez (NYISO) and Mr. Rick Gonzales (NYISO) reported on the changes in uplift. A handout on the presentation was provided and posted on the NYISO website.

Mr. Gonzales explained that through 2007 the scheduled flows were predominantly counterclockwise. Early in 2008 it was observed that the actual power flows were greater than scheduled power flows, as measured at the NY Ontario interface, and that there was a dramatic increase in clockwise circulation. This increased clockwise circulation which exacerbated west-to-east transmission congestion and affected balancing market uplift.

The change in flow pattern, and the reason behind it is being investigated. Dr. Bouchez indicated that NYISO has been working with neighboring control areas to see what has caused this change.

Also being explored would be whether or not a change should be made to the day-ahead modeling process, or whether or not a more frequent review than the 3-month rolling average should be considered. Mr. Gonzales indicated that any actions taken to adjust the Lake Erie loop flow assumptions used in the Day-Ahead Market outside of the normal process would be made public via a TIE list posting.

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Conversation continued regarding the monthly variability of the loop flows as compared to 2007. Mr. Gonzales and Dr. Bouchez explained that much of circulation had to do with interregional power flows among ISOs and that circulation by itself is not a good or bad thing but simply an attribute of interconnection operation. In response to a request to have a “full” report prepared on the uplift and provided to Market Participants, Dr. Bouchez explained that there was limited information that could be shared due to confidentiality restrictions.

7. Automation of Min Oil Burn Settlement

Ms. Janet Joyce (NYISO) presented and discussed the posted motion and supporting materials (See posted meeting materials). She discussed the background of the program and benefits of automating it.

Motion #2:

The Business Issues Committee hereby recommends that the Management Committee approve revisions to the NYISO’s Tariffs regarding the Min Oil Burn settlement calculation and process, as is more fully described in the presentation made to this BIC meeting on June 18, 2008.

Motion passed unanimously.

8. Working Group Updates

- A. Billing and Accounting – Kathy Logan provided an update for Billing and Accounting. There have been conversations regarding shortening the settlement cycle and/or weekly invoicing. The Billing and Price Correction task force will meet on June 26th.
- B. Electric System Planning (Join OC/BIC WG) – Tariq Niazi discussed the recent topics and summaries of the ESPWG. There was no new business raised. The next meeting is scheduled for August 8th.
- C. Installed Capacity Working Group – Glenn Haake advised that there were many topics covered in two back-to-back ICAP meetings. He advised that John Charlton proposed a change concerning the Run of the River Hydro Units and receipt of ICAP credit. Frank Francis provided a counterpoint to the ISO proposal, which may end up at a future BIC meeting soon. The group discussed changes to Section 4 of the ICAP manual that will be scheduled for a BIC vote in July. Kathy Whitaker followed with a discussion on Special Case Resource and Emergency Demand Response Program reporting.
- D. Interconnection Issues Task Force – Glenn Haake reviewed the most recent updates with the IITF. The next meeting scheduled is for June 20th.
- E. Market Issues Working Group – Mr. Norman Mah provided updates regarding MIWG. The group was presented with a concept proposal for netting of bilaterals. Also discussed was a proposal to update virtual transactions credit requirements. Ms. Janet Joyce presented automation of min oil burn

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settlement. . Additional topics included Bid Production Cost Guarantees for Imports, preliminary study of wind plants in zones D and E, wind resource management, start-up- shutdown tech bulletin 146, market rules assessment and situation specific generator settlement rules.

- F. Price Responsive Load Working Group – Ms. Leigh Bullock (NYISO) advised that the next meeting for PRLWG will be rescheduled from June 25th to another date, due to a conflict.

9. **New Business**

There was no new business.

The Meeting was adjourned at 12:00.