
NYISO Management Committee Meeting Minutes

July 21, 2010

10:00 a.m. – 1:30 p.m.

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

Mr. Glen McCartney (Constellation Energy), the Chair of the Management Committee (MC) called the meeting to order at 10:00 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. A quorum was determined.

2. Approval of Meeting Minutes – June 15

Motion #1:

Motion to approve the June 15 meeting minutes.

Motion passed unanimously.

3. President's Report and COO Report

Mr. Steve Whitley (NYISO) thanked everyone for handling the heat wave successfully. He explained the heat wave has had a positive effect on the budget and asked Mary McGarvey to provide an update.

Ms. McGarvey (NYISO) explained that there were over collections in May & June resulting in a \$200,000 under-collection for the year. She added with the July heat wave there is potential for an over-collection by year's end.

Robb Pike (NYISO) provided an update on the FERC Order on Broader Regional Markets, he stated FERC conditionally approved the suite of initiatives proposed and asked questions on project design. Responses to those questions are currently being developed.

Mr. Tom Rumsey (NYISO) presented a proposal to help improve consumer communications as a follow-up to the Joint Board of Directors and Management Committee meeting. He requested feedback on the proposals noted in the presentation. Mr. Howard Fromer (PSEG) asked for clarification on who the Consumer is in this situation. Mr. Bill Heinrich (NYS PSC) explained the goal is to focus on the End Users. Ms. Doreen Saia (GT) asked how the NYISO can retain its independence. Mr. Rumsey explained that under proposal #1 the contractor has no relationship with NYISO Staff and under proposal #2 the position is a technical resource for End Users. Mr. Rumsey requested Management Committee Members to provide feedback to him by August 13.

Mr. Rick Gonzales reviewed the COO report; he explained detailed actions in response to the heat wave will be included in next month's Operations Report. LBMP was up and there was a significant increase in Uplift due to thunderstorm alerts. Mark Younger (Slater Consulting) asked for a comparison of 2006 & 2010 with SCRs included.

4. MPAAS Participation

Mr. Richard DeJong (NYSEG) requested more participation in MPAAS. There are currently no representatives from the Generator or End Use Sectors. Market Participants were requested to contact Mr. DeJong if interested.

5. Strategic Tariff Review Pre-Scheduled Transactions

Mr. Robb Pike (NYISO) reviewed the presentation included with the meeting material.

Motion #2:

The Management Committee (MC) recommends that the NYISO Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the OATT and Market Services Tariff proposed as part of the Strategic Tariff Review to remove Pre-Scheduled Transaction capability, as described in the presentation made to the MC on this date, July 21, 2010. Tariff amendments to effectuate these changes will be shared with the MC members, for approval by the BIC, OC and MC Chairs and Vice chairs, before filing.

Motion unanimously passed with abstentions.

6. Strategic Tariff Review GADS Sanctions

Ms. Kathy Whitaker (NYISO) reviewed the presentation included with the meeting material.

Motion #3:

Motion to approve the proposed Market Services Tariff changes for GADS Sanctions as presented to the Management Committee at its July 21, 2010 meeting.

Motion passed unanimously.

7. Rate Schedule 1: Allocation of NYISO Budget

Ms. Mary McGarvey reviewed the presentation included with the meeting material. She explained that an estimate for the cost of the study is in the range of \$250,000 - \$500,000 but a solid estimate could not be determined until a study scope was developed by Market Participants. Mr. Rich Bolbrock (MEUA) stated it may not make sense to un-bundle at this time. Mr. Chris LaRoe (IPPNY) asked how undertaking the study would affect the 2011 Project Budget, Ms. McGarvey explained that this would not be budgeted through the projects budget.

Motion #4:

WHEREAS: The NYISO's Market Participants approved, at the January, 2009 Management Committee, an extension of the current 80%/20% allocation of NYISO budget and FERC fees to load and supply ("80/20 split") for an additional two years (through December 2011) with conditions, which action is memorialized in Rate Schedule 1 of the OATT at Section 6.1.2.2.1.1.1 and in the Services Tariff at Section 15.1.3.1.1.1

WHEREAS: Pursuant to Rate Schedule 1 in the Services Tariff and the OATT, a vote of the Management Committee will be taken in the third calendar quarter of 2010 on whether a new study should be conducted during late-2010 and 2011 to allow modification of the 80%/20% cost allocation, if warranted by the results of the study, to be implemented by January 1, 2012. A positive vote by 58% of the Management Committee will be required to go forward with the study, but there will no longer be a "material change" standard as was historically applied to the determination of whether a study should be conducted.

WHEREAS: The tariffs provide that if the Management Committee fails to approve the conduct of an unbundling study at this July 21, 2010 meeting, the current 80/20 split in the allocation of NYISO budget and FERC fees shall be extended through at least December 31, 2012.

NOW THEREFORE; the Market Participants at the July 21, 2010 Management Committee agree that the NYISO should undertake a study starting in late 2010 and finishing in 2011.

Motion passed with 67.75% affirmative votes.

8. New Business

Mr. John Bub (NYISO) provided an eTariff Project update; the NYISO was the first ISO to successfully file under the new eTariff System. The FERC public viewer allows viewing the tariff text but the NYISO tariffs are also posted in PDF format on the NYISO website, as they always have been. A file posted on the NYISO website cross references the old section numbering and the new section numbering for each tariff and a FAQ document is also posted.

The meeting adjourned at 2:00 PM