

**Management Committee**  
August 30, 2006 Meeting  
Motion - Agenda # 5

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**Motion:**

The Management Committee (“MC”) hereby approves the capacity market monitoring and mitigation measures (the “Capacity Mitigation Measures”) presented at its August 30, 2006 meeting. The MC hereby recommends that the NYISO Staff develop appropriate tariff language to implement the Capacity Mitigation Measures. The MC further recommends that the NYISO Board approve the Capacity Mitigation Measures and file them with FERC under Section 205 of the Federal Power Act.

The Capacity Mitigation Measures, which were approved by the Business Issues Committee, establish a conduct and impact test that compares the capacity bid of an In-City generator, in the demand curve spot auction, with that of its reference bid to determine if the bid of such generator is inconsistent with competitive market design. The Capacity Mitigation Measures provide standards to be used to develop individualized reference bids for each generator in the In-City market. Further, the Capacity Mitigation Measures contain an alternate plan, which applies the conduct and impact test to the In-city generation specified in Section 4.5B of Attachment H of the Market Services Tariff, until these generators develop individualized reference bids.