

NYISO Management Committee Meeting

July 18, 2006
The Sagamore
Bolton Landing, NY
10:00 a.m. – 12:00 p.m.

Draft MINUTES OF THE MEETING

1. **Introduction, Meeting Objectives & Chairman's Report**

Mr. Jerry Ancona (National Grid), Chairman, called the meeting to order at 10:00 a.m.

2. **Approval of the Minutes**

Mr. Ray Stalter (NYISO) presented the minutes from the June 28 meeting. No additional comments were provided.

Motion #1:

Motion to approve the June 28, 2006 meeting Minutes.

Motion passed unanimously by show of hands.

3. **President's Report**

Mr. Garry Brown (NYISO) gave the President's Report in place of Mark Lynch, CEO and President. He thanked Ms. Anna Cochran from the Federal Regulatory Energy Commission for taking the time to spend at the meeting to learn about the New York Market and Market concerns.

Mr. Brown announced that the energy demand record peak was broken on Monday, July 17. The previous record was 32,075MW and the new record hit 32,624MW. The forecast for the 18th also called for another high demand. The SCR/EDRP Program was notified but not called and the participants were put on notice again today.

Mr. Brown reported that, as of early July, the NYISO was on a normal final bill schedule, having caught up on the issuance of final bills. He thanked Mr. Charles Garber (NYISO) and his group for their hard work.

Mr. Brown also noted that a number of wind power projects that sought inclusion in the 2006 class year were approved by the Operating Committee. He also reported that Mr. Lynch testified before Congress as a result of FERC's May report on summer readiness, which identified four potential problem areas in the country – Southern Connecticut, Long Island, New York City Area and Ontario. His complete written testimony is posted on the NYISO website. Regarding price corrections, Mr. Brown noted that reservations and price corrections increased

slightly in June. A project to implement a new enhanced price validation has started.

Speaking to the Joint NYISO Board/MC meeting on Monday, he expressed his thanks to all of the companies that donated prizes for the annual Joint Management Committee / Board outing.

Regarding Market Performance Highlights, Mr. Brown noted the following:

- LBMP prices were up in June compared to May but down since last June. Gas prices are helping to lower the LBMP prices.
- Uplift increased fairly significantly in May which is related mostly to a specific set of issues happening on June 1. Mr. Brown gave examples such as simultaneous thunderstorm watch, export considerations, hot weather and a variety of other issues causing high prices in the balancing market with an increase in uplift. He said that this is believed to be an isolated event.

Mr. Tim Bush (representing MEUA) stated his concern regarding the increase in uplift numbers stating that something similar happened last August. He requested that the NYISO investigate. Mr. Brown said that they would do that and would give a full report to the BIC.

Mr. Howard Fromer (PSEG) asked why is there a large deviation between Day Ahead and Real Time prices in the Capital zone. Mr. Brown said he would investigate further.

Mr. Mark Younger (Slater Consulting) requested that sometime in the near future the NYISO do a full analysis of normal peak conditions taking into consideration yesterday and today's load (July 17 -18) since the rest of the forecasting schedule has been shifting up.

Mr. Brown indicated that a review of peak vs. forecasted peak conditions would be undertaken. Ms. Doreen Saia (Mirant) requested that the NYISO give a report on how well the revised load pocket modeling in the Real Time Scheduling System worked during peak conditions. Mr. Brown said they will verify that and bring it back to the next working group meeting.

4. Anna Cochrane (FERC) gave an update on FERC activities. She said that she enjoyed being at this year's meeting, noting that the tone was very upbeat. She said that New York's Market seems to be one that participants are pleased with and that participant's have encouraged the NYISO to promote itself in the industry. She explained the current make-up of the Commission and discussed the role of her office. She reviewed recent activities at the Commission.

5. **Recap on Joint Board/MC Meeting**

Mr. Brown asked the MPs for opinions on the meeting format. Mr. Ancona said that he would rather see questions without presentations. Mr. Stuart Nachmias (Con

Edison) said he had similar comments but suggested that the format include one panel with representatives from each sector. Mr. Brown said that one limitation was that one person rarely represented the spectrum of the sector.

Mr. Jim D'Andrea (Keyspan) suggested that each representative bring a one page list of topics and present them through two or three panels that would go before the Board. Dr. Kevin Jones (LIPA) wanted it on the record that LIPA is very opposed to sector panels.

Mr. Brown also asked the MPs to think about the location they would like to have next year's meeting.

6. Comprehensive Reliability Plan Update – Carl Patka (NYISO)

Mr. Patka provided an update on the development of the 2005 Comprehensive Reliability Plan (CRP). The Electric System Planning Working Group (ESPWG) and the Transmission Planning Subcommittee (TPAS) have held several meetings reviewing and editing the document. The CRP will be scheduled for review and action by the Operating Committee on July 25, 2006. If the OC recommends that the CRP be approved, the CRP would then be presented to a special meeting of the Management Committee in early August. With the recommendation of the MC, the CRP would then be presented to the NYISO Board later in August for approval.

7. MMU Update

Mr. Scott Maves (NYISO) introduced himself to the MC and gave an overview of the current role of the Market Monitoring Unit within the NYISO. He also detailed the MMP plan for 2007 and listed priority project areas.

Mr. D'Andrea reviewed issues that he also brought up during BIC regarding the impact of mitigation on reliability, including lag times for revisions to reference prices. He also discussed the fluctuating thresholds for mitigation in NYC stating that he didn't think that congestion changed that much within a year. Mr. Maves said that without knowing all the history, he would be hesitant to discuss the topic and said that he would appreciate any of those issues being sent through Market Monitoring. Mr. Maves said that it is important to note that the market is always changing and there is a need to continually look at reference prices to make sure they remain level.

Mr. Matt Picardi (Corel Power) asked if Mr. Maves had reviewed how the NYISO is working with bordering markets, particularly Ontario and how efficient Real Time Trading is working with those markets. Mr. Maves said that this was something that is on the department's agenda.

8.) New Business

Mr. Bush readdressed his concern about uplift and listed two issues – manual adjustments in billing and load ratio share allocation. He said that he would like the MC to charge the BIC to begin a process through one of the working groups to review this

issue to develop whatever tariff changes that are needed in order to properly allocate costs to people who are active in the market. Ray Stalter said he would contact Ray Kinney to add this issue as an action item.

Mr. Neil Butterklee (Con Edison) announced that the By-Laws Subcommittee would meet on July 26 to discuss the OATT liability limitation issue.

9.) Adjournment

The meeting was adjourned 11:45 a.m.

New York Independent System Operator - Committee Membership

Management Committee - Attendance July 18, 2006 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
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	Tim Daniels			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	✓ Robert Loughney	Michael Mager	Morgan Parke					
Helmsley-Spear Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos	Edward Strauss	Herb Rose				
IBM Corporation	End Use - Large Consumer	✓ Robert Loughney	Michael Mager	Morgan Parke					
Occidental Chemical Corp.	End Use - Large Consumer	✓ Robert Loughney	Michael Mager	Morgan Parke					
Praxair Inc.	End Use - Large Consumer	✓ Robert Loughney	Michael Mager	Morgan Parke					
Wegmans Food Markets	End Use - Large Consumer	✓ Robert Loughney	Michael Mager	Morgan Parke					
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
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			
Building and Realty Institute	End Use - Small Consumer	Herb Rose	Judith Mondre	Ted Lee	✓ Tariq Niazi				
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	Catherine Luthin	✓ John Dowling	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					
Astoria Energy LLC	Generation Owners	Joseph Swift	Leonard Singer	Chuck McCall					
Calpine	Generation Owners	✓ Brett Kruse	Kris Zadlo	Steve Remillard					
East Coast Power Linden Holding LLC	Generation Owners	Thomas Hoatson	Robert Licato	Kathy Benini					
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					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
KeySpan Ravenswood, LLC	Generation Owners	Jim Brennan	Rich Hohlman	Joe Vignola	✓ Jim D'Andrea	Madison Milhous	Rich Rapp		
Mirant New York, Inc.	Generation Owners	James Mayhew	✓ Doreen Saia	Vicki Lynch					
New Athens Generating Co.	Generation Owners	Jack Breen	✓ Chris Bursaw	Dan DeVinney	✓ Rich Felak				
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Blittig	Steve Kamppila						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Amerada Hess Corporation	Other Suppliers	✓ Hemant Jain	Kevin Laguardia	Blas Hernandez	George Braulke				
Brascan Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Con Edison Energy	Other Suppliers	Ken Bekman	Ivan Kimball						
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple						
Conectiv	Other Suppliers	Bill Fehr	John Foreman						
Constellation Energy Commodities, Inc.	Other Suppliers	Glen McCartney	Dan Allegretti	✓ Sara O'Neill					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine	✓ Sara O'Neill						
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shien				
Coral Power, LLC	Other Suppliers	✓ Matt Picardi	Marc Overdyk	Dave French					
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					
ECOnergy	Other Suppliers	Saul Horowitz	Tom Halleran						
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
Epic Merchant Energy	Other Suppliers	Mike Kinsey	✓ Erik Abend	Wade Sullivan					
Exelon Generation - Power Team	Other Suppliers	Scott Silverstein	Joe Klimaszewski	Jim Verna					
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			
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			
NRG Power Marketing	Other Suppliers	✓ Tim Foxen	Katie Sullivan	Peter Chamberlain					
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	Jim Scheiderich						
Ontario Power Generation Inc.	Other Suppliers	Barry Green	✓ Dave Barr	Ken Lacivita	Scott McArthur	David Barr	✓ Glenn Haake		
Orion Power New York	Other Suppliers	✓ Liam Baker	John Meyer						
PPM Energy	Other Suppliers	Thresa Allen	T.H. Rawls	Tom Shields					
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	✓ Joseph Langan	Sharon Weber					

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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					
TransEnergie U.S. Ltd.	Other Suppliers	Raymond Cox	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	✓ Bob Deasy	✓ William Palazzo	Kim Byham					
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	Edward Smeloff	Larry DeWitt						
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	Terry Agriss	✓ Stuart Nachmias	✓ Neil Butterklee					
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 Pieniazek	Stephen Lynch						
Boundless Energy, L.L.C	Non-voting	John Tompkins	Brian Chernack	Chuck Gilbert					
Caithness 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							
Energy Curtailment Specialists, Inc	Non-voting	Marie Pieniazek	Stephen Lynch						
Fluent Energy	Non-voting	Michael Mastroianni	David Koplak	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	✓ Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						
Stealth Energy	Non-voting	Gad Cohen							
The Structure Group	Non-voting	Bob Furry	Alex Lago						
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Marie Pieniazek	Stephen Lynch						
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
ACENY	Non-voting	Carol Murphy	✓ Valerie Strauss						
zNew Member	Non-voting								
zNew Member	Non-voting								
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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

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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								
Alex Schnell	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
Karen Gach	NYISO								
✓ Carl Patka	NYISO								
✓ Frank Francis	NYISO								
✓ Scott Maves	NYISO								
Kyla Douglas	NYISO								
✓ Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andy Antinori	NYISO								
✓ Anna Cochrane	FERC								

Key:

✓ = In attendance