
DRAFT**NYISO Management Committee Meeting Minutes****December 15, 2010 (Teleconference)****10:00 a.m. – 1:45 p.m.**

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

Mr. Stu Nachmias (Consolidated Edison), the Chair of the Management Committee (MC), called the meeting to order at 10 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. There was a quorum.

2. Approval of November MC Minutes**Motion:**

Motion to approve the Minutes of the November 17, 2010 Management Committee.

Motion passed unanimously.

3. President and CEO Report**Status of ISO/RTO metrics report**

Mr. Steve Whitley (NYISO) stated the ISO/RTO Council recently released the ISO/RTO Metrics Report. FERC requested that the ISOs/RTOs come up with measurements on key categories such as: reliability, markets, planning, and business operations. FERC wanted to get standardization among the ISOs/RTOs. The next steps are for each ISO to make a presentation at NARUC in February 12. FERC has started the process for non-ISO regions so that they can spread best practices more broadly. Mr. Whitley added that the report was 18 months in the making and we are pleased with the input from MPs and staff on this issue.

Data Center Outage

Mr. Rick Gonzales (NYISO) reviewed the Market Performance presentation.

Mr. Gonzales reported on the Krey Blvd. Alternate Control Center (ACC) and Data Center power outage that occurred on Thursday, December 2, 2010 at 2:55 PM. At that time, the NYISO experienced a loss of electrical power resulting in the shutdown of the Alternate Control Center and backup data center facilities. Business continuity plans were initiated to restore functionality to the ACC, and by approximately 5:30 PM, power was restored to enable full implementation of the Krey Blvd. ACC restart sequence.

Mr. Gonzales stated that all NYISO reliability based functions were maintained at the Guilderland Primary Control Center (PCC) throughout the event. However, there was some loss of NYISO market capabilities as a result of the loss of connectivity to the backup data center. The NYISO has determined that the root cause of the market application failures was a software error that has been corrected. The power disruption was initiated by the fire alarm system maintenance vendor who was performing a planned software upgrade to the Krey Blvd. fire alarm system. The design of the fire protection system is being reviewed to determine what changes can be made to protect from this type of event in the future.

Mr. Gonzales indicated that the HB15 RTD posted prices on the NYISO OASIS and used for settlements were confirmed to be consistent with the generating unit dispatch schedules, so no price corrections were required for HB15. In the absence of updated bid data for HB16 through HB18, the Real-Time Market evaluation (five minute RTD generating unit schedules and prices) operated based on the HB15 bids. All HB16 through HB18 RTD prices posted on the NYISO OASIS and used for settlements were confirmed to be consistent with the generating unit dispatch schedules during those hours. For HB19, in the process of restoring the market systems to normal operation, all gas turbine resources were incorrectly marked as unavailable in the Real-Time Market evaluation. As a result, the HB19 RTD prices that were posted on the NYISO OASIS were corrected because the status of the gas turbine generators was inaccurate.

Mr. Mark Younger (Slater Consulting) asked whether the HB19 generation schedules were consistent with the original (non-corrected) HB19 prices. Mr. Gonzales responded that the original (non-corrected) HB19 prices did not reflect the availability of all gas turbine resources and therefore inaccurately reflected actual system operating conditions. Mr. Gonzales then agreed with Mr. Younger's request to provide more information regarding the HB19 price corrections at an upcoming January 2011 MIWG meeting.

Mr. Gonzales then reported on the Market Problem Notice that the NYISO provided to Market Participants on Friday, December 10. As reported in the notice, on Monday evening, December 6, the NYISO's process for retrieving updated fuel price information from its vendor, Argus, did not function as expected. Normally, the NYISO retrieves the data automatically for each business day for use in its reference level development process. On Monday, December 6, Argus switched from its main server and the NYISO believes that the switchover may have affected the fuel price retrieval process.

Mr. Gonzales indicated that, consistent with the Tariff, in the absence of updated fuel price information data, the NYISO reference level calculation process used the best fuel price information that was available to it for establishing fuel index generator reference levels for the December 8 Day-Ahead Market, and for HB0 - HB16 of the December 7 Real-Time Market (RTM). No other market days/hours were affected by this problem.

Mr. Gonzales stated that the NYISO has also modified its internal process to supplement the existing Argus failover communications process by adding an additional step for Market Mitigation and Analysis staff to manually retrieve and input updated fuel cost information for use in the reference level process, should the automated failover process not function properly in the future.

Additionally, Mr. Gonzales reported that the NYISO has notified FERC and is working with its Market Monitoring Unit to prepare an estimate of the economic impacts of this issue. A discussion of those findings will take place at an upcoming MIWG meeting in January 2011. Finally, as indicated in the notice to MPs on Friday, owners and bidders of gas-fired generators that were mitigated in the December 8 or the December 7 RTM are invited to initiate consultation for the affected market days/hours.

Mr. Liam Baker (US Power Gen) asked what the timing was for MPs to request conferences with the MMU. Mr. Tim Duffy (NYISO) said as soon as practicable, but within the standard 15 days.

EIPC

Mr. John Buehler (NYISO) provided an update of the EIPC stakeholder steering committee. He spoke of the collaborative planning process that encompasses each regional entity's plans. In NY, no transmission or generation facilities were excluded. Mr. Nachmias requested the NYISO distribute the link to the EIPC information to Stakeholders.

4. 2010 CRP

Mr. Howard Tarler (NYISO) reviewed the presentation included with the meeting material. The 2010 CRP focuses on the risks to the system; there are no reliability concerns for the 10 year horizon. The 2010 CRP was developed with local TO plans to identify new risks and uncertainties.

Mr. Jackson Morris (PACE) asked if the state's 15x15 policy is on track. Mr. Tarler said we reviewed the EEPS program and what we expect to be the achievements of that program is consistent with our conservative estimate.

Mr. Younger expressed concern with the NYISO's forecast. Mr. Tarler said our load forecasting process was discussed at ESPWG and is overall on track.

Motion #2:

The Management Committee recommends that the Board of Directors approve the NYISO 2010 Comprehensive Reliability Plan (CRP) as presented by the NYISO to the Management Committee at its December 15, 2010 meeting. The 2010 CRP was the subject of prior review and action by the Operating Committee at its November 18, 2010 meeting, at which the Operating Committee voted in favor of a motion recommending that the Management Committee recommend approval by the Board of Directors. The 2010 CRP was also the subject of prior review by the Electric System Planning Working Group and the Transmission Planning Advisory Subcommittee.

Motion passed unanimously with an abstention.

5. Amendment to MST Attachment F Bid Restrictions

Mr. Robert Pike (NYISO) reviewed the presentation included with the meeting material. Mr. Pike explained the change to the Tariff is removing a previous revision brought to the MC. The reason for the update is the completion of software validation that has confirmed that ability to support \$1000.00 / MW-hr, therefore the Tariff was corrected to maintain the original bid cap of \$1,000.00 / MW-hr.

Motion:

The Management Committee (MC) recommends that the filing of the Energy Strategic Tariff Review under Section 205 of the Federal Power Act incorporate the correction to Attachment F of the Services Tariff, as described in the presentation made to the MC on this date, December 15, 2010.

Motion passed unanimously.

6. Grandfathered Rights – Attachments K and L

Mr. Gregory Williams (NYISO) reviewed the presentation included with the meeting material.

Mr. Paul Goia (Dewey & LeBeouf representing the NYTOs) asked Mr. Williams to confirm that there haven't been any changes since the November MC. Mr. Williams said that is correct.

Motion:

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 pertaining to Grandfathered TCCs and Grandfathered Rights as described in the presentation made to the MC on this date, November 17, 2010.

Motion passed unanimously with abstentions.

7. Proposed Interconnection-Related Tariff Changes

Mr. Steve Corey (NYISO) reviewed the presentation included with the meeting material.

Motion:

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 as described in the presentation entitled, "Proposed Interconnection-Related Tariff Changes," made to the MC on this date, December 15, 2010.

Motion passed unanimously with abstentions.

8. New Business

There was no new business.

Meeting adjourned at 11:35