

NYISO Management Committee Meeting Minutes

July 25, 2007

Conference Call

10:00 a.m. to 10:30 a.m.

DRAFT Minutes of the Meeting

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

Mr. Picardi (Coral Power) called the meeting to order at 10:00 AM and welcomed the members of the MC. The members of the MC then identified themselves by market sector.

2. Approval of Minutes

Mr. Ray Stalter (NYISO) presented for approval the MC minutes from the June 12, 2007 meeting. He reported that no comments were received on these minutes distributed for MC review prior to the meeting, and asked if members had any comments. No comments or questions were raised. The minutes were then approved.

Motion #1:

Motion to approve the Minutes of the June 12, 2007 MC meeting.

Motion passed unanimously.

3. President's Report.

Mr. Mark Lynch, President and CEO of the NYISO, discussed his monthly report, starting with the Price Correction Statistics pages. He noted that substantial progress has been made in June, with only 12 reservations and 2 corrections, while July through the 18th showed only 1 reservation and 1 correction. He ascribed this performance to transmission constraint pricing, improved operating procedures, and especially improved telemetry coverage. He also credited the efforts of the NYISO's Price Correction Elimination Team, which has worked to eliminate the root causes of price corrections.

Mr. Lynch then thanked those who participated in last month's joint NYISO Board/MC meeting and noted that the NYISO had received a lot of positive feedback with respect to the format, the location, and the NYISO's conduct of the meeting.

Mr. Lynch continued by noting that the NYISO will, over the next few months, be moving some large items through the governance process, and so will be seeking cooperation and input from the Market Participants (MPs). Examples of these issues include the demand curve reset, the FERC Order 890 Compliance Filing, the 2007 CRP and the 2008 RNA.

Mr. Howard Fromer (PSEG) expressed concern regarding the FERC 890 Compliance Filing and the NYISO's timeframe for meeting that obligation. He opined that it was unrealistic to expect that tariff language would be completed by the first week of October, which is the FERC deadline. He said it would be helpful for everyone involved to decide on the best course of action, as it wasn't likely that a good product could be developed in such a short time. Mr. Lynch responded by saying that Mr. Fromer's concerns were duly noted, but the NYISO felt it had a certain obligation with regards to compliance filings for FERC. Mr. Lynch noted this is one of the reasons he is soliciting the assistance of MPs for this and the other issues listed, but the intent of the NYISO is, by working with its stakeholders, to attempt to meet the associated deadlines.

Mr. Stuart Nachmias (Con Ed) said he agreed with what Mr. Lynch was saying, but that he also wanted to support Mr. Fromer to some degree. He said he thought they were relatively further along on reliability cost allocation, while some of the other components are more at the

“framework” level rather than the tariff language level. He opined that it wasn’t clear that all of the elements had to be delivered at the tariff language level, and that perhaps the NYISO could make some determination as to what is required, so that reasonable goals could be developed for the October deadline. Mr. Lynch responded by saying that, as the NYISO worked through the stakeholder process, these types of issues could be explored; however, it was the NYISO’s understanding the FERC would be looking for tariff language.

Dr. Kevin Jones (LIPA) said he agreed with Mr. Fromer and he was offering similar comments with regard to the “In-City Mitigation Order”, and that there were a number of MPs who wanted to stay out of that proceeding as much as possible. He said he hoped that the NYISO’s response to FERC is focused on In-City issues, with other NY areas left to the stakeholder process. Mr. Rob Fernandez (NYISO) said that has been the NYISO’s intent all along, but that he heard Dr. Jones’ concerns.

Mr. Neil Butterklee (Con Ed) said he believed that the NYISO’s October FERC filing could be improved by having more stakeholder meetings specifically on what the markets will look like in the future. Mr. Fernandez replied that the comments received on this issue will be examined, and if it appears that face-to-face meetings would be productive they would be considered. He emphasized that what FERC was expecting was a fully supported filing, i.e., supported by evidence, economic theory, and the facts, and not merely a 58% vote. He concluded by repeating that whether one or more meetings were needed would be decided upon review of the comments received. Mr. Lynch noted that he had discussed this with Mr. Fernandez previously and that he supported this position.

4. Proposed Changes to Rate Schedule 2 of the NYISO Market Services Tariff re: Voltage Support Services (VSS)

Mr. Carl Patka (NYISO) presented his posted presentation on Voltage Support Service Rate Schedule 2 tariff cleanup changes. The intent, he noted, was to remove outdated and surplus language in the NYISO’s Market Services Tariff (MST), the continuation of which could lead to confusion. No changes would be made to payments and associated agreements.

Mr. Patka discussed the history and details of the now outdated language. He continued by reading the two deleted MST passages on Slides 6 and 7, and concluded by noting that certain provisions no longer apply.

Other affected provisions are

- Most Purchase Power Agreements under PURPA and NY State Law have expired; (VSS payments now go directly to the generator).
- TOs that retain control over Non-Utility Generator (NUG) operations and related NYISO payments for NUG output become Financially Responsible Parties for the NUG (payments are made to TOs directly under these arrangements, not the Tariff).

The motion was moved and seconded.

Motion #2:

The Management Committee (MC) hereby recommends that the NYISO Board of Directors authorize the NYISO to file with the Federal Energy Regulatory Commission, pursuant to Section 205 of the Federal Power Act, Tariff revisions to VSS Rate Schedule 2 of the NYISO Market Service Tariff, as presented to the MC on July 25, 2007.

Motion passed unanimously with abstentions.

5. Budget & Priorities Working Group Update

Mr. Nachmias presented an update of the BPWG. At the most recent meeting in June, Mr. Rich Dewey of the NYISO presented an overview of the projects in the queue for 2008 and beyond. Work was continued on the project priorities list and the related budget impacts. Updates were given on the activities and needs of the different NYISO departments. Mr. Nachmias noted that the next meeting will be September 10, 2007, which is a change from the original schedule. The reason for this change is that is the date when the NYISO will have the first view of the 2008 budget. Mr. Nachmias expressed hope that as many MPs participate as possible in the fall meetings on the 2008 NYISO budget.

6. Board Selection Subcommittee Update

Mr. Picardi said that a list of potential board candidates was presented by the BSSC's consultant, Spencer Stuart. A list of candidates to be interviewed has been developed by the BSSC from the first list, with the interview dates to be in early August. Mr. Picardi concluded by saying the BSSC expects to have a list of three candidates for the MC to approve and thereby recommend to the NYISO Board at the August 29 meeting of the MC.

8. New Business

None submitted.

9. Adjourn

Meeting adjourned at 10:30 AM.

Respectfully Submitted,
Bill Porter
Recording MC Secretary

NYISO Management Committee Meeting

July 25, 2007

Teleconference

MOTIONS FROM THE MEETING

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Motion passed unanimously with abstentions.

New York Independent System Operator - Committee Membership

Management Committee - Attendance July 25, 2007 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
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	Craig Wilson			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	Michael Mager	Cara Lewis					
Atco Properties & Management Inc.	End Use - Large Consumer	David Bornke	George Diamantopoulos						
IBM Corporation	End Use - Large Consumer	Robert Loughney	Michael Mager	Cara Lewis					
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	Michael Mager	Cara Lewis					
Praxair Inc.	End Use - Large Consumer	Robert Loughney	Michael Mager	Cara Lewis					
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	Michael Mager	Cara Lewis					
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 DeVitt						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	John Dowling	Jennifer Kearney	✓ Tariq Niazi	Doug Elfner			
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	David Bornke	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	Dave Evanoski				
Calpine	Generation Owners	Brett Kruse	Kris Zadio	Brent Hebert					
East Coast Power Linden Holding LLC	Generation Owners	Andy Keleman	Mark Mellana	Kurt Schreder					
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					
Horizon Wind Energy	Generation Owners	Patrick Doyle	P.J. Saliterman	✓ Charlie Turlinski	Tod Nash	Karen Dressel	Richard McMichael		
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
Innovative Energy Systems Inc.	Generation Owners	Carol Muessigbrodt	Peter Zeliff						
KeySpan Ravenswood, LLC	Generation Owners	Jim Brennan	Rich Hohlman	Joe Vignola	Jim D'Andrea	Madison Milhous	Rich Rapp		
Mirant New York, Inc.	Generation Owners	✓ Philip Smith	Doreen Saia						
New Athens Generating Co.	Generation Owners	Jack Breen	Chris Bursaw	Dan DeVinney	Rich Felak				
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Liz Grisaru						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kamppila						
TransCanada Power Marketing	Generation Owners	William Taylor	Elaïne Beaudry						
UPC Wind	Generation Owners	Steve Vavrik	Mike Jacobs						
AB Energy Inc.	Other Suppliers	Andrew Bachert							
Advantage Energy, Inc.	Other Suppliers	Mark Hess							
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez	George Braulke				
Brookfield Energy Marketing Inc.	Other Suppliers	Robert Ricketts	Daniel Whyte						
Cinergy Capital and Trading	Other Suppliers	John Deeds	Walt Yeager						
Con Edison Solutions	Other Suppliers	Ken Bekman	Stephen Wemple						
Connectiv	Other Suppliers	Robert Steele	Tony Gabrieli	Gloria Ogenyi					
Constellation Energy Commodities, Inc.	Other Suppliers	✓ Glen McCartney	Dan Allegretti	Tim Daniels					
Constellation New Energy Inc.	Other Suppliers	Michael Constantine							
Consumer Powerline	Other Suppliers	Vinay Gupta	Mike Gordon	Ray Stirbys	Chau Shen	Pamela Quinlin			
Coral Power, LLC	Other Suppliers	✓ Matt Picardi	Marc Overdyk	Dave French					
Cross Sound Cable Co.	Other Suppliers	John Miller	Brian Reinhart	Bradley Railing	Jose Rotger				
DC Energy	Other Suppliers	Bruce Bleiweis	Bruce Bleiweis	Andrew Stevens	Sadao Milberg	Chris Carpenter	Matthew Tate		
Dynegy	Other Suppliers	✓ Barry Huddleston	Jason Cox	Kevin White					
Energy Curtailment Specialists, Inc	Other Suppliers	Glen Smith	Stephen Lynch	Marie Pieniasek	Robert Boyle				
Energy Spectrum	Other Suppliers	Gary David	Henry Hartstein	Aron Iskowitz	Ruben Brown	Arthur Pearson			
EnerNoc	Other Suppliers	David Brewster	Aaron Breidenbaugh						
Epic Merchant Energy NY, LP	Other Suppliers	Michael Kinsey	Robert Erbrick	Pierre Tournois	Erik Abend	Gordon Scott	Wesley Anderson		
Exelon Generating Co. LLC	Other Suppliers	Denise Foster	Jack Crowley						
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			
Liberty Power Corp.	Other Suppliers	David Hernandez							
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			

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NRG Power Marketing	Other Suppliers	✓ Brad Kranz	Lee Davis	Jim Mayhew					
Ontario Power Generation Inc.	Other Suppliers	Barry Green	Dave Barr	Ken Lacivita	Scott McArthur	✓ David Barr	✓ Glenn Haake		
PPM Energy	Other Suppliers	Thresa Allen	T.H. Rawls	Tom Shields					
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	✓ Joseph Langan	Sharon Weber					
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					
TransÉnergie U.S. Ltd.	Other Suppliers	Raymond Coxé	Michael Jacobs						
U.S. Power Generating Co.	Other Suppliers	Liam Baker	Mark Sudbey					✓ Kevin Lang	
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	✓ William Palazzo	Robert Gow	Kim Byham	Scott Brown				
American Lung Association	Public Power - Environmental	Peter Iwanowicz	✓ Christopher Young						
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	Christopher Young	Fred Zaleman						
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						✓ Richard Wright
Consolidated Edison	Transmission Owners	✓ Stuart Nachmias	✓ Neil Butterklee	Deidre Facendola					
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 Pieniasek	Stephen Lynch						
ACENY	Non-voting	Carol Murphy	Valerie Strauss						
Boundless Energy, L.L.C	Non-voting	John Tompkins	Brian Chernack	Chuck Gilbert					
Caitness 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							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain							
NU / Select Energy	Non-voting	Gunnar Jorgensen	Chris Dubay						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						
The Structure Group	Non-voting	Bob Furry	Ishita Roy	Kevin Dunlap					
Tom Halleran	Non-voting	Tom Halleran							
US Direct Energy Inc.	Non-voting	Marie Pieniasek	Stephen Lynch						
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
DTE Energy	Non-voting	Gregory Pakela	Raymond Wieszczyk						
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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✓ Rick Gonzales	NYISO								
✓ Rich Dewey	NYISO								
✓ Rob Fernandez	NYISO								
✓ Mark Lynch	NYISO								
✓ Diane Egan	NYISO								
✓ Mollie Lampi	NYISO								
✓ Frank Francis	NYISO								
✓ Rana Mukerji	NYISO								
✓ Ernie Cardone	NYISO								
✓ Carl Patka	NYISO								
✓ Leigh Bullock	NYISO								
✓ Ray Stalter	NYISO								
✓ Debbie Eckels	NYISO								
✓ Mary McGarvey	NYISO								

Key:

✓ = In attendance