

# NYISO Management Committee Meeting

January 7, 2004

Teleconference

## MINUTES OF THE MEETING

### 1. Introduction and Meeting Objectives

Chairman Joe Oates called the meeting to order at 10:07 AM and welcomed the members of the Management Committee ("MC").

Mr. Oates intends to have the February MC meeting as an in-person meeting.

Mr. Oates stated that FERC has approved the filing the NYISO made to permit the presence of co-vice chairs of MC and co-chairs and welcomed Chris Wentlent and Larry Dewitt as co-vice-chairs of the MC.

Mr. Oates stated that there will be a PPT meeting tomorrow, January 8, by conference call.

A roll call established a quorum of participants.

### 2. Approval of October 30, 2003 & December 17, 2003 Minutes

Chuck King of the NYISO presented an overview of comments made by Tim Bush of Navigant Consulting on the draft of the October 30, 2003 MC meeting minutes.

#### **Motion #1:**

Motion to approve the Minutes from the October 30, 2003 MC meeting.

***(Motion passed unanimously by show of hands)***

#### **Motion #2:**

Motion to approve the Minutes from the December 17, 2003 MC meeting.

***(Motion passed unanimously by show of hands)***

### 3. President's Report

Bill Museler stated DAM prices for the last two months have been higher than Real Time ("RT") prices in all zones. Natural gas prices continue to be high. Prices are similar to last year. Price reservations and corrections are down from last year.

Mr. Museler stated that there is an all time high of bids for Multi-Hour Block Transactions (“MHBT”), although megawatts scheduled are low due to economics.

Mr. Museler stated that the interim blackout report should be out by the end of this week. The report does not contain specific recommendations, but the report does point out to the North American Electric Reliability Council (“NERC”) that the NYISO is in compliance with short-term action items.

The NYISO will provide the automated graphics of the blackout and restoration to the MPs upon request. Contact Elaine Robinson ([erobinson@nyiso.com](mailto:erobinson@nyiso.com)) for a CD of the animated graphics file if desired.

Mr. Museler stated that the Federal Energy Regulatory Commission (“FERC”) Interconnection Order NYISO Compliance Filing status would be reviewed at the Transmission Planning Advisory subcommittee (“TPAS”) meeting on January 8th.

Mr. Museler covered the schedule for the new NYISO facilities. Currently there are no exact dates established for the schedule, but the NYISO plans on releasing a tentative schedule by mid-February, or mid-March. In March or April, the NYISO would brief the Board of Directors, and then would meet with the Budget Standards & Performance Subcommittee (“BSP”) and Operating Committee (“OC”). Subsequently the NYISO would meet with the Business Issues Committee (“BIC”), and the MC to cover conceptual views, plans, costs, and other options. In the 3<sup>rd</sup> quarter of 2004, the NYISO would have another review to finalize plans and costs with the Market Participant (“MP”) committees. The NYISO would submit the proposal to Board for approval. Construction and/or modifications could begin in the 4<sup>th</sup> quarter of 2004. The plan would be to migrate to the new facility in the 4<sup>th</sup> quarter of 2005, with the possibly of running into the 1<sup>st</sup> quarter of 2006.

Garry Brown provided a status report on the “Wind Study”. The study covers the effects of intermittent generation on New York State’s electrical grid. A Draft of the 1<sup>st</sup> phase will be available at the end of this week. On January 14<sup>th</sup>, there will be a review of the draft from 1:30 – 4:30 at Albany Nano-Tech building. Comments are due by Jan 20th, and after the comment period, a final preliminary report will be issued by February 2nd. Mr. Brown stated in response to an MP question that he would try to make sure that the meeting will not conflict with the PSC Natural Gas Reliability Advisory Group meeting that is also scheduled for January 14<sup>th</sup>.

In response to a question, Mr. Museler confirmed that Standard Market Design (“SMD”) 2.0 will not be deployed in April. A revised schedule will be released in late January. Mr. Museler stated that the NYISO would ensure that there is adequate opportunity for testing by the MP’s before deployment. The February 4<sup>th</sup> MC meeting will provide an opportunity to review the revised SMD2 deployment plan.

Mayer Sasson of Consolidated Edison asked about anticipated cost impacts regarding incentives with ABB.

Mr. Museler stated that the NYISO does not see overall cost impact on the 2004 budget. The NYISO will assess incentive payments to ABB due to breach of schedule.

Elaine Robinson and Charles King confirmed that the NYISO is assessing the possibility of deploying the Automated Mitigation Procedure ("AMP") 4 prior to SMD2 deployment.

#### **4. Update on Seams and Market Improvement Projects**

Chuck King recapped the 4<sup>th</sup> quarter deliverables. Work on the 7040 Transfer Limit Study has completed. Mr. King noted that follow-up work is underway to assess available margins to support Hour Ahead Market ("HAM") scheduling above the current limits.

Area Control Error ("ACE") Diversity work with the Maritimes was completed. Current quarter deliverables work continues with Facilitated Checkout work. The NYISO is working with ISONE to coordinate Day Ahead Demand Response Programs ("DADRPCs"). NYISO plans to review this with ISO-New England ("ISO-NE") and PJM, and bring back suggested modifications to MC, through the BIC and the Price Responsive Load Working Group ("PRLWG"). If changes are necessary, this will allow the NYISO to have these changes in place by summer of 2004.

Mr. King discussed the Regional Resource Adequacy Model ("RAM") process. The RAM meeting scheduled for today was postponed, and is tentatively rescheduled for February 2<sup>nd</sup> in New England. NYISO does not have a date for the release of the NERA report. The report will be posted to the ICAP and PRLWG portions of the website, and notification will be made to the Technical Information Exchange ("TIE") list.

Mr. King stated that ratepancaking discussions are continuing in New England.

Mr. King reported that Virtual Regional Dispatch ("VRD") work is continuing. Mark Younger, of Slater Consulting, has a draft proposal that is currently under review by NYISO staff. A meeting will be set up in the 1<sup>st</sup> quarter of 2004 to review Mr. Younger's proposal.

Mr. King noted that the NYISO would post the quarterly Seams Report in January. The NYISO would like MP's to review and produce comments on the report to the committee chairs. A coordination meeting will be set up to finalize this report.

Mr. King recapped the process for MP input into the seams process. Seams process meetings will be held with neighboring Control Areas. The scheduled meetings are: January 28<sup>th</sup> at PJM; the February 10<sup>th</sup> at New England, and March 17<sup>th</sup> in New York.

Howard Fromer, of PSE&G, asked about the Congestion Management Proposal regarding the 1385 Norwalk cable. Mr. King said this proposal was still in discussion. The Scheduling and Pricing (S&P) working group will discuss this at their next meeting.

**5. New Business**

No new business.

**6. Adjourn**

The meeting adjourned at approximately 10:44AM.

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### **MOTIONS FROM THE MEETING**

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## New York Independent System Operator - Committee Membership

### Management Committee - Attendance January 7, 2004 - 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	✓ David Coup	Erin Hogan	Chris Hall	John Spath			
The City of New York	End Use - Gov. Agency/Aggr.	Michael Delaney	Gil Quiniones	Scott Butler	Jonathan Wallace				
Alcoa/Reynolds Metals Company	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
ATCO Management Co.	End Use - Large Consumer	Peter DiCapua	Scott Petersen	George Diamantopoulos					
IBM Corporation	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Occidental Chemical Corp.	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Praxair Inc.	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Xerox Corporation	End Use - Large Consumer	✓ Robert Loughney	Michael Mager						
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	✓ Jesse Samberg	Gary Caplan	Walter McCarroll					
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				
Citizens Advisory Panel	End Use - Small Consumer	Gordian Raacke	✓ Larry DeWitt						
CNYC Inc. (Council of NY Coop & Condo)	End Use - Small Consumer	✓ Herb Rose	MaryAnn Rothman	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 Energy Buyers Forum	End Use - Small Consumer	✓ Herb Rose	Ted Lee	David Bomke	✓ Tariq Niazi				
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			
Refined Sugars, Inc.	End Use - Small Consumer	John Gebhard	Quintin George	Catherine Luthin	✓ Tariq Niazi	Jennifer Kearney			
NY State Consumer Protection Board	End Use - State Agency	✓ Tariq Niazi	Doug Elfner						
AES NY	Generation Owners	✓ Christopher Wentlent	Rick Santoroski	Charles Sjoberg					
American National Power, Inc.	Generation Owners	Dorothy Capra	Bill Henson						
Astoria Energy LLC	Generation Owners	Greg Banhazl	Leonard Singer						
Calpine	Generation Owners	Thomas Kaslow	Tracee Bersani	✓ Richard Felak					
East Coast Power	Generation Owners	Thomas Hoatson	Robert Licato	Kathy Benini					
Edison Mission Marketing & Trading	Generation Owners	✓ William Roberts	Robert Agnello	Jeffrey Ellis					
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	James Brennan	Rich Hohlman	Joseph Vignola	James D'Andrea	Terrence Kain	Rich Rapp		
Mirant New York, Inc.	Generation Owners	Susann Felton	✓ Doreen Saia	Vicki Lynch					
Orion Power New York	Generation Owners	John Reese	Bruce Bleiweis						
Sithe Energies, Inc.	Generation Owners	Linda Clarke	✓ David Applebaum	Regina Carrado					
TransCanada Power Marketing	Generation Owners	William Taylor	Elaine Beaudry						
1st Rochdale Cooperative NYC	Other Suppliers	Gregory Wortham							
Advantage Energy, Inc.	Other Suppliers	Kyle Storie							
Agway Energy Services, Inc.	Other Suppliers	Russell Miller	✓ Jim Scheiderich						
Amerada Hess Corporation	Other Suppliers	Hemant Jain	Kevin Laguardia	Blas Hernandez					
Cinergy Capital and Trading	Other Suppliers	Jason Barker	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 New Energy Inc.	Other Suppliers	Peter Duprey	Carrie CullenHitt	Steve Fernands					
Constellation Power Source	Other Suppliers	Daniel Allegretti	✓ Glen McCartney	Mary Lynch	Carrie CullenHitt				
Coral Power, LLC	Other Suppliers	Matt Picardi	Marc Overdyk	Dave French					
Dominion Energy Marketing, Inc.	Other Suppliers	Wes Walker	Lou Oberski	Michael Bekker					
Duke Energy North America, LLC	Other Suppliers	Stacy Dimou	Del Disher						
Dynegy	Other Suppliers	✓ Alan Foster	Jason Cox	Kevin White	Tom May	Steve Vavrik			
ECONergy	Other Suppliers	Saul Horowitz	✓ Tom Halleran						
El Paso Merchant Energy	Other Suppliers	Gary Keevill	Asavari Alvarez	Russel Like					
Exelon Generation - Power Team	Other Suppliers	Linda Clarke	✓ David Applebaum	Regina Carrado					
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Roger Kelley	Tom Gesicki	✓ Mark Younger	✓ Glenn Haake				
FPL Energy	Other Suppliers	Fernando DaSilva							
HQ Energy Services	Other Suppliers	Christian Desilets	Michel Prevost	Paul Norris	Benoit Goyette				
KeySpan Energy Services	Other Suppliers	Terrence Kain	James D'Andrea	Edwin Kichline	James Cross	John Vaughn			
Mirabito Gas & Electric, Inc.	Other Suppliers	Russ Southard	✓ Jim Scheiderich						
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			
NRG Power Marketing	Other Suppliers	Joe DeVito	✓ Tim Foxen	Peter Chamberlain					
NU / Select Energy	Other Suppliers	Gunnar Jorgensen	✓ Jim Scheiderich						

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Ontario Power Generation Inc.	Other Suppliers	✓ Barry Green	Tasos Karatsoreos	Ken Lacivita					
PP&L Energy Plus	Other Suppliers	✓ John Brodbeck		Roland Moor David Smith					
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
Reliant Energy Services, Inc.	Other Suppliers	Bruce Bleiweis	John Reese	✓ Liam Baker					
Sempra Energy Trading	Other Suppliers	✓ Tom Halleran	Dan Staines						
Strategic Energy LLC	Other Suppliers	✓ Francis Pullaro	Michael Swider	Jeffrey Knox	James McCormick	Matt Morais			
Strategic Power Management, Inc.	Other Suppliers	✓ Dan Duthie	Mario DiValentino						
TransEnergie U.S. Ltd.	Other Suppliers	José Rotger	Michael Jacobs						
Williams Energy Marketing & Trading Co.	Other Suppliers	David Singer	Dennis Keener	Robert O'Connell					
Long Island Power Authority	Public Power - Authorities	Jim Parmelee	Bill Killgoar	Seth Hulkower	✓ Kevin Jones				
New York Power Authority	Public Power - Authorities	Robert Hiney	✓ William Palazzo	Kim Byham					
American Wind Energy Association	Public Power - Environmental	David Wooley	✓ Larry DeWitt						
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	Paul Pallas	Matthew Benesh	Jim Hamilton	Jack Brown	Ken Moore	✓ Tim Bush		
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	Michael Darroch	David Gustafson	Wally Haase	✓ Tom Rudebusch				
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	Jack Brown	Paul Pallas	✓ 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						
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Jim Hamilton	Jack Brown	Ken Moore	Matthew Benesh			
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	Paul Pallas	Jack Brown	Jack Brown	Ken Moore	✓ Tim Bush	✓ Tom Rudebusch	
Central Hudson Gas & Electric	Transmission Owners	✓ Charles Freni	✓ John Watzka						
Consolidated Edison	Transmission Owners	✓ Joe Oates	Terry Agriss	✓ Neil Butterklee					
National Grid	Transmission Owners	Jerry Ancona	Wes Yeomans	Peter Flynn	Herb Schrayshuen	Bart Franey	Masheed Rosenqvist		
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			
Caithness Energy, L.L.C	Non-voting	Ross Ain	Jack Feinstein						
Cianbro Corporation	Non-voting	Chuck Hewett	John Tompkins						
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield					
Energetix, Inc.	Non-voting	Barney Farnsworth							
Hudson River Energy Group	Non-voting	Frank Radigan							
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain	Mario Boucher						
NYS Department of Public Service	Non-voting	Penny Rubin	✓ Rajendra Addepalli						
The Structure Group	Non-voting	Bob Furry	Alex Lago						
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	✓ John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							
zNew Member	Non-voting	None Assigned							

#### NYISO and Hunton & Williams Members in Attendance:

Ira Freilicher	Hunton & Williams
Kathy Robb	Hunton & Williams
James Schmidt	Hunton & Williams
Rob Fernandez	NYISO
Bill Museler	NYISO
Chuck King	NYISO
Mollie Lampi	NYISO
Steve Balsler	NYISO
Andy Ragogna	NYISO
Elaine Robinson	NYISO
✓ Kristen Kranz	NYISO
✓ Leigh Bullock	NYISO
✓ Ray Stalter	NYISO
✓ Debbie Eckels	NYISO

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Jim Savitt	NYISO								
Dave Evanoski	NYISO								
Phil Goozee	NYISO								
John Cutting	NYISO								
Jane Lathrop	NYISO								
Ernie Cardone	NYISO								
John Charlton	NYISO								
Kathy Whitaker	NYISO								
Andrew Hartshorn	NYISO/LECG								

**Key:**

✓ = In attendance