
NYISO Management Committee Meeting Minutes

February 24, 2010

11:00 a.m. – 12:45 p.m.

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

Mr. Glen McCartney (Constellation Energy), the Chair of the Management Committee (MC) called the meeting to order at 11:00 a.m. and welcomed the members of the MC. Meeting participants introduced themselves and their affiliations. A quorum was determined.

2. Approval of Meeting Minutes – December 22, 2009 and January 20, 2010

Motion #1:

Motion to approve the December 22, 2009 and the January 20, 2010 meeting minutes.

The meeting minutes were approved unanimously.

3. President's Report

Mr. Steve Whitley (NYISO) presented the President's Report (see presentation). He provided an update on the DOE stimulus projects and the Eastern Interconnection Planning Collaborative.

Mr. Whitley reminded the group of the upcoming Committee Sector meetings scheduled to begin next week. To allow more time for Market Participants' lists of topics/concerns, the format has been revised from prior years; the NYISO will only present one topic and the remainder of the meeting will be devoted to the sector submitted topics.

Mr. Whitley also mentioned the Joint Board of Directors and Management Committee, to be held on June 14, 2010, and added that this meeting provides a great opportunity for interaction between Board members and Market Participants.

Ms. Echo Cartwright (NYISO) provided an update on the April 27 NYISO Symposium. This event will be held at the Desmond Hotel and will include three panel sessions: Broader Regional Markets, Carbon Constrained Economy, and Transmission Planning/Eastern Interconnection Planning Collaborative. Mr. Mark Spitzer, FERC Commissioner, has been confirmed as the keynote speaker. Mr. Whitley announced that Mr. Terry Boston and Mr. Gordon Van Wylie would be in attendance for the Broader Regional Markets panel.

Mary McGarvey provided an update on the FERC Metrics and stated that comments from Market Participants were due by March 5. The NYISO is working on capturing performance data on the metrics to ensure accuracy on comparisons. Mr. Whitley Steve informed that group that Chairman Wellinghoff had stated this was an important initiative.

Mr. Rich Dewey provided an update on the new facility. Mr. Howard Fromer (PSEG) asked if the budget has been changed; he suggested that any changes be included in the Management Committee monthly reports.

Mr. Rick Gonzales (NYISO) provided an update on uplift.

4. TCC Offers in Any Rounds

Mr. Chris Watts reported on TCC Offers in Any Round. The NYISO MMA provided the following statement:

The MMA was asked to provide an opinion about whether the proposed TCC rule change would make the TCC market more vulnerable to manipulation. Our opinion is that the proposed rule change would not adversely affect competition or raise substantial new manipulation concerns.

First, allowing firms with TCC holdings to sell into the auction does not provide them with a new means to affect the TCC clearing prices that doesn't already exist. Today, firms can have the same effect on the market by buying a counterflow TCC that offsets the TCC it already holds. The only effect from the proposed rule change is that the collateral requirements would recognize that the firm is not purchasing a new TCC, but rather, selling an existing one.

As a follow-up, Con Ed asked whether this change in the effective collateral requirement for such a transaction would provide firms with additional incentives or opportunities to manipulate prices. Manipulation is using one transaction that loses money to affect a clearing price for the purpose of benefiting the settlement of another transaction. Our opinion is that the current collateral requirements do not significantly inhibit manipulation because that is not their purpose. Rather, the two primary factors that would tend to inhibit or to discourage manipulation are that:

- (1) In a competitive/liquid market, other firms would respond to the manipulative transactions in a manner that would tend to undermine their effectiveness. This response will generally cause the losses incurred by the first transaction to be larger than the profits earned by the second transaction. Hence, it is important to design and operate a market that is liquid and competitive.
- (2) Existing monitoring and enforcement activities serve as a substantial deterrent to this conduct. Such a firm is subject to sizable penalties by FERC under its Anti-Manipulation Rule.

The NYISO monitors for manipulation in the TCC market by screening auction clearing prices against prices in other sub-auctions and DAM congestion prices. If anomalous price differentials between TCC prices or between TCC prices and DAM congestion prices are identified; the following is investigated:

- (1) These can be explained by changes in market information that became apparent after the anomalous prices were determined, and
- (2) There were bids that do not reflect reasonable expectations of congestion that also caused or contributed to the anomalous prices.

MMA was also requested to evaluate the proposed rule change. That review has occurred and our conclusions are consistent with what Potomac Economics just reported. NYISO did not identify any additional issues [introduced by this proposed change] beyond those

that are already present in the current market design. NYISO regularly reviews the TCC auction results and will continue to do so.

Responding to a question on if the NYISO would monitor the TCC market when these changes go in, it was explained the NYISO reviews the auction and given that is a new market feature will be looking at it.

Mr. Rich Miller (Con Edison) repeated his concern expressed at BIC. One lesson of loop flow – the burden should be put on the NYISO to make sure there weren't additional opportunities for market manipulation. It is necessary when new designs are being implemented to watch closer. NYISO should be considering with respect to MMU procedures any changes the need to be made to the TCC markets.

Mr. Howard Fromer (PSEG) mentioned that potentially more difficult issue to unravel in the event that we find a problem in one of the rounds that causes NYISO under current rules to negate offers in the Round.

Mr. Mark Younger requested that the pro's and cons on TCC settlements/shorter time for auction rounds be discussed at a future MIWG meeting.

Motion # 2

The Management Committee (MC) recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the Services Tariff and the OATT as proposed for the Offers in Any Round project pursuant to the presentation made at the February 24, 2010 MC meeting.

Motion approved by show of hands with an abstention

5. Strategic Tariff Review: Revenue Metering Discussion and Vote

Mr. Paul Edmundson reported on Strategic Tariff Review Revenue Metering (see presentation).

Motion # 3

The Management Committee (MC) recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the OATT and Market Services Tariff proposed as part of the Strategic Tariff Review for Revenue Metering, as described in the presentation made to the MC this date, February 24, 2010.

Motion passed unanimously.

6. Strategic Tariff Review: Demand Response

Mr. Dave Lawrence reported on Strategic Tariff Review – Demand Response (see presentation).

Motion # 4

The Management Committee (MC) recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the Market Services Tariff proposed as part of the Strategic Tariff Review for Demand Response, as described in the presentation made to the MC this date, February 24, 2010.

Motion passed unanimously.

7. New Business

There was no new business. The meeting was adjourned at 12:45 p.m.

NYISO Management Committee Meeting

February 24, 2010

NYISO

MOTIONS FROM THE MEETING

Motion #1

The Management Committee approved the meeting minutes from the December 2009 and January 2010 Management meetings.

Passed unanimously.

Motion #2

The Management Committee (MC) recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the Services Tariff and the OATT as proposed for the Offers in Any Round project pursuant to the presentation made at the February 24, 2010 MC meeting.

Passed with an abstention.

Motion #3

The Management Committee (MC) recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the OATT and Market Services Tariff proposed as part of the Strategic Tariff Review for Revenue Metering, as described in the presentation made to the MC this date, February 24, 2010.

Passed unanimously.

Motion #4:

The Management Committee (MC) recommends that the Board of Directors approve for filing under Section 205 of the Federal Power Act, amendments to the Market Services Tariff proposed as part of the Strategic Tariff Review for Demand Response, as described in the presentation made to the MC this date, February 24, 2010.

Passed unanimously.

New York Independent System Operator - Committee Membership

Management Committee - Attendance February 24, 2010 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
NYS Energy Research & Develop. Auth. The City of New York	End Use - Gov. Agency/Aggr. End Use - Gov. Agency/Aggr.	John Williams Michael Delaney	Karl Michael Thomas Simpson	David Coup	✓ Erin Hogan	Christopher Hall			
Alcoa/Reynolds Metals Company	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Atco Properties & Management Inc.	End Use - Large Consumer	David Bomke	George Diamantopoulos						
IBM Corporation	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Occidental Chemical Corp.	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Wegmans Food Markets	End Use - Large Consumer	Robert Loughney	Michael Mager	✓ Garrett Bissell	Kevin Lang				
Metropolitan Transportation Authority	End Use - Large Cons. Gov.	Jesse Samberg	Gary Caplan	Walter McCarroll					
American Sugar Refining, Inc.	End Use - Small Consumer	Quinton George	John Dowling	Catherine Luthin					
Association for Energy Affordability, Inc.	End Use - Small Consumer	David Hepinstall	Jamie Van Nostrand						
Beth Israel Health Care System	End Use - Small Consumer	Catherine Luthin	John Dowling						
Fordham University	End Use - Small Consumer	John Dowling	Catherine Luthin						
Memorial Sloan Kettering Cancer Center	End Use - Small Consumer	John Dowling	Catherine Luthin						
Mount Sinai Medical Center	End Use - Small Consumer	Catherine Luthin	John Dowling						
New York Presbyterian Hospital	End Use - Small Consumer	David Bomke	Doug Elfner	Tariq Niazi					
New York University	End Use - Small Consumer	Catherine Luthin	John Dowling						
NY State Consumer Protection Board	End Use - State Agency	Tariq Niazi	Saul Rigberg						
AES NY	Generation Owners	Christopher Wentlent	Dave Evanoski	Charlie Schaffer	Dan Santelli	Chris LaRoe			
Astoria Energy LLC	Generation Owners	Chuck McCall	Scott Browne	Louis St. Maurice					
Calpine	Generation Owners	Brett Kruse	Seth Berend	✓ John Flumerfelt	Max Garcia	David Webb			
East Coast Power Linden Holding LLC	Generation Owners	Daniel Walsh	Thomas Milillo	Chris Seiple					
Edison Mission Marketing & Trading	Generation Owners	✓ Ray Stalter	Jeff Ellis						
Entergy Nuclear Northeast	Generation Owners	Ron Mackowiak	William Glew						
Horizon Wind Energy	Generation Owners	Brian Lammers	Gary Davidson	Tom Stebbins					
Indeck Energy Services	Generation Owners	Mike Ferguson	John Schrage	✓ Mark Younger					
Innovative Energy Systems Inc.	Generation Owners	Peter Zeliff	Scott Henningham						
Mirant New York, Inc.	Generation Owners	Philip Smith	✓ Doreen Saia	Vicki Lynch					
New Athens Generating Co.	Generation Owners	Jack Breen	✓ Ken DellOrto	Dan DeVinney	Rich Felak				
Noble Environmental Power LLC	Generation Owners	Thomas Swank	Sidney Chang						
Selkirk Cogen Partners, L.P.	Generation Owners	Tim Biittig	Steve Kampplila						
TC Ravenswood	Generation Owners	William Taylor	Jim D'Andrea	Dan Congel	Mike Hachey				
UPC Wind	Generation Owners	David Wilby	Mike Jacobs						
BJ Energy	Other Suppliers	Bing Ni	George Lee						
Brookfield Energy Marketing Inc.	Other Suppliers	✓ Frank Francis	Robert Ricketts	Daniel Whyte					
Bruce Power	Other Suppliers	Chris Loughrens							
Citi Group Energy	Other Suppliers	Lisa Yoho							
Con Edison Solutions	Other Suppliers	Steve Wemple	✓ Norman Mah						
Conectiv	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	✓ Glen McCartney	Tim Daniels						
CPower	Other Suppliers	Marie Pieniasek	Nick Planson	Joe Gatto	Janette Dudley				
Cross Sound Cable Co.	Other Suppliers	John Miller	Brian Reinhart	Bradley Railing	Jose Rotger				
DC Energy	Other Suppliers	✓ Bruce Bleiweis	Chris Carpenter	Andrew Stevens	Matthew Tate	Sadao Milberg	David Kuo		
DTE Energy	Other Suppliers	Gregory Pakela	Raymond Wieszczyk	Paul Norris					
Dynegy	Other Suppliers	Glenn Haake	Barry Huddleston	Dean Ellis					
Energy Curtailment Specialists, Inc	Other Suppliers	Marie Pieniasek	Stephen Lynch	Jim Korczykowski					
Energy Spectrum	Other Suppliers	Gary David	David Ahrens	Carrie Pasch	David Neiburg	Aron Iskovitz	Ruben Brown		
EnerNoc	Other Suppliers	David Brewster	Aaron Breidenbaugh						
Epic Merchant Energy NY, LP	Other Suppliers	Michael Kinsey	Robert Erbrick	Pierre Tournois	Gordon Scott	Arshad Khan			
Exelon Generating Co. LLC	Other Suppliers	Denise Foster	Jack Crowley						
Fortistar/Lockport Energy Associates, L.P.	Other Suppliers	Tom Gesicki	✓ Mark Younger						
FPL Energy	Other Suppliers	David Applebaum	David Applebaum	Fernando DaSilva					
Galt Power	Other Suppliers	✓ Rick Mancini	✓ Alan Ackerman	Caryn Rexrode	Stephen Fernands				
Hess Corporation	Other Suppliers	Dennis Sobieski	Hemant Jain						
HQ Energy Services	Other Suppliers	Yannick Vennes	Mathieu Berube	✓ Scott Leuthauser					
Integrus Energy Services	Other Suppliers	Michael Haugh							
J.P. Morgan Ventures Energy Corporatio	Other Suppliers	David Hernandez	Kyla Douglas						✓ Bob Trejo
Liberty Power Corp.	Other Suppliers	David Hernandez	Kyla Douglas						
Louis Dreyfus Highbridge Energy LLC	Other Suppliers	Xijian Sun	Mei Cheong						

New York Independent System Operator - Committee Membership

Management Committee - Attendance February 24, 2010 - Albany, NY - Parties Checked in Attendance

Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
Morgan Stanley Capital Group	Other Suppliers	Patrick Murray	Karen Kochonies	Levon Kazarian	Doron Ezickson	Nikolai Markarian			
NRG Power Marketing LLC	Other Suppliers	✓ Brad Kranz	David Neal						
Ontario Power Generation Inc.	Other Suppliers	Colin Anderson	Dave Barr	Ken Lacivita	Richard Gell				
PPM Energy	Other Suppliers	Thresa Allen	Eric Thuma	Tom Shields					
PP&L Energy Plus	Other Suppliers	Tom Hyzinski	✓ Brad Weghorst	Sharon Weber					
PSEG Energy Resources & Trade	Other Suppliers	✓ Howard Fromer	Michael LaFalce						
RBS Sempra Commodities	Other Suppliers	Dan Staines	Barry Trayers	Harry Singh	Gerry Binder				
SESCO Enterprises, LLC	Other Suppliers	Mike Schubiger	Jim Thoresen						
Shell Energy North America	Other Suppliers	Matt Picardi	Marc Overdyk	Dave French					
Strategic Energy LLC	Other Suppliers	Read Comstock							
TransCanada Power Marketing	Other Suppliers	William Taylor	Jim D'Andrea	Dan Congel	Mike Hachey				
U.S. Power Generating Co.	Other Suppliers	✓ Liam Baker	John Reese						
Long Island Power Authority	Public Power - Authorities	✓ Kevin Jones	Jim Wittine	Dave Clarke					✓ Mike Cadwalader
New York Power Authority	Public Power - Authorities	✓ William Palazzo	Scott Brown	Maryam Sharif					
American Lung Association	Public Power - Environmental	Jamie Van Nostrand	Michael Seilback						
American Wind Energy Association	Public Power - Environmental	Valerie Strauss	Carol Murphy	Rob Gramlich					
Environmental Advocates	Public Power - Environmental	Jamie Van Nostrand	Jackson Morris	David Gahl	Robert Moore				
Nat'l Resources Defense Council	Public Power - Environmental	Jamie Van Nostrand	Donna Decostanzo						
Pace Energy & Climate Center	Public Power - Environmental	Jamie Van Nostrand	Natara Feller	Dan Rosenblum					
Scenic Hudson	Public Power - Environmental	Jamie Van Nostrand	Frank Radigan						
Bath Electric, Gas & Water Systems	Public Power - Munis & Co-ops	Matthew Benesh	✓ Richard Bolbrock	Mark Cordeiro					
City of Jamestown Board of Pub. Util.	Public Power - Munis & Co-ops	David Gustafson	David Leathers	Steven Kulig	Tom Rudebusch				
Lake Placid Village	Public Power - Munis & Co-ops	Peter Kroha	✓ Richard Bolbrock	Mark Cordeiro					
Municipal Commission of Boonville	Public Power - Munis & Co-ops	Kenneth Stabb	✓ Richard Bolbrock	Mark Cordeiro					
Plattsburgh Municipal Lighting Dept.	Public Power - Munis & Co-ops	William Treacy	✓ Richard Bolbrock	Mark Cordeiro					
Village of Arcade	Public Power - Munis & Co-ops	Larry Kilburn	✓ Richard Bolbrock	Mark Cordeiro					
Village of Fairport	Public Power - Munis & Co-ops	Ken Moore	✓ Richard Bolbrock	Mark Cordeiro					
Village of Freeport	Public Power - Munis & Co-ops	Anthony Fiore	Ted Kimlingen	Tom Rudebusch					
Village of Rockville Centre	Public Power - Munis & Co-ops	Paul Pallas	Thomas Cardile	Tom Rudebusch					
Village of Solway	Public Power - Munis & Co-ops	Judith Mondre	✓ Richard Bolbrock	Mark Cordeiro					
Village of Westfield	Public Power - Munis & Co-ops	Jim Hamilton	✓ Richard Bolbrock	Mark Cordeiro					
Central Hudson Gas & Electric	Transmission Owners	Charles Freni	John Watzka	David Dittmann					
Consolidated Edison	Transmission Owners	Stuart Nachmias	✓ Richard Miller	✓ Neil Butterklee					✓ Paul Gioia
National Grid	Transmission Owners	Terron Hill	Bart Franey	Madison Milhous	✓ Roxane Maywalt				
NY State Electric Gas (NYSEG)	Transmission Owners	Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham	Steve Jeremko		
Orange & Rockland, Inc.	Transmission Owners	None Assigned							
Rochester Gas & Electric	Transmission Owners	Ray Kinney	✓ Patti Caletka	Hank Masti	Cliff Olson	Denis Wickham			
Acciona Wind Energy USA, LLC	Non-voting	Dan DuBois	Pete Zedick						
Ace Energy Company, Inc	Non-voting	Carol Murphy	Valerie Strauss						
ACENY	Non-voting	Carol Murphy	Valerie Strauss						
Anbaric Northeast Transmission	Non-voting	Dan Allegetti	Allyson Smith						
Beacon Power Corporation	Non-voting	John Tompkins	Chuck Gilbert	Rod Lenfest	Charles Pratt	John Dodson			
Boundless Energy, L.L.C	Non-voting	John Tompkins	Chuck Gilbert	Rod Lenfest	Charles Pratt	John Dodson			
Caithness Energy, L.L.C	Non-voting	Ross Ain	Gary Keevill	Mitchell Garber					
CPV Valley LLC	Non-voting		Steven Remillard	Rich Felak					
Customized Energy Solutions	Non-voting	✓ Rick Mancini	Stephen Fernands	Bill Schofield	✓ Alan Ackerman				
Ecogen, L.L.C	Non-voting	Tom Hagner							
Energetix, Inc.	Non-voting	Barney Farnsworth							
Fluent Energy	Non-voting	Michael Mastroianni	David Koplas	Margie Miller					
Gateway Energy Services Corp.	Non-voting	Angela Schorr	Usher Fogel						
GenPower Trading LLC	Non-voting	Chris Bursaw	Steven Remillard						
Hudson River Energy Group	Non-voting	Frank Radigan	Richard Canfield						
Hydro-Quebec TransEnergie	Non-voting	Glenn Sylvain							
Lighthouse Energy Trading Co.	Non-voting	Ibrahim Mqasqas	Bob DeMello						
MAG Energy Solutions INC	Non-voting	Martin Gauthier	Martin Roberge						
New York Regional Interconnect	Non-voting	Chris Thompson	Leonard Singer						
NYS Department of Public Service	Non-voting	Bill Heinrich	Tammy Mitchell	Dave Drexler	Tammy Mitchell				
Sempa Power Systems	Non-voting								
The Structure Group	Non-voting	Ishita Roy	Phung Nguyen						

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Organization	Sector	Representative	Alternate1	Alternate2	Alternate3	Alternate4	Alternate5	Proxy	Guest
zzzz new member	Non-voting								
US Direct Energy Inc.	Non-voting	Stephen Lynch		Glen Smith					
William P. Short	Non-voting	William Short	Marc Schaefer	Joe DeVito	John Brodbeck	Ron Matlock	Paul Savage	Roberto Denis	
zzzz new member	Non-voting								
zzzz new member	Non-voting								
zzzz new member	Non-voting								
zzzz new member	Non-voting								
zzzz new member	Non-voting								
zzzz new member	Non-voting								
zzzz new member	Non-voting								

NYISO and Hunton & Williams Members in Attendance:

Kevin Jones	Hunton & Williams
✓ Rob Fernandez	NYISO
Karen Antion	NYISO
✓ Steve Whitley	NYISO
✓ Mollie Lampi	NYISO
✓ Wayne Bailey	NYISO
✓ Rana Mukerji	NYISO
✓ Elaine Robinson	NYISO
✓ Chris Watts	NYISO
✓ Leigh Bullock	NYISO
✓ Kate Hockford	NYISO
✓ Debbie Eckels	NYISO
✓ Rob Pike	NYISO
✓ Ric Gonzales	NYISO
✓ Kathleen Dalpe	NYISO
✓ Nicole Bouchez	NYISO
✓ Rich Bartlette	NYISO
	NYISO
✓ Pallas VanLeeShicak	Potomac Economics

Key:

✓ = In attendance