

notes

MEETING OF THE BY-LAWS & GOVERNANCE
SUBCOMMITTEE OF THE MANAGEMENT COMMITTEE

June 30, 2003

10:00 a.m. - 3:00 p.m.

Hunton & Williams LLP, NYC

The By-Laws & Governance Subcommittee held an open meeting on June 30, 2003. An agenda was prepared and distributed in advance of the meeting.

In attendance in person were: Neil Butterklee, Paul Gioia, Kim Byham, John Dowling, Jesse Samberg, Elaine Robinson, Jim Parmelee, Kathy Robb and Meredith Winn.

In attendance by teleconference were: Dan Duthie, Keith O'Neill, Tom Halleran, Michael Mager, Bill Schofield, and Jim D'Andrea.

Review of agenda and meeting notes

The Subcommittee reviewed the agenda and agreed to discuss item 4, issues raised at the June 11 teleconference, and an additional item relating to Jim Parmelee's cost impacts proposal before discussing the revisions to the MC By-Laws to be presented at the July MC meeting. The Subcommittee approved the May 30th meeting notes for posting on the NYISO website.

Definition of "action"

The Subcommittee generally agreed that the definition of the term "action" provided in Section 8.01 of the MC By-Laws includes all matters voted on by the Management Committee. Some members of the Subcommittee suggested that motions which are not seconded should be considered actions, and, therefore, appealable to the ISO Board. Other members argued that this proposal should be limited to motions on appeal only. The Subcommittee agreed to revise Section 13.01.1 to provide that a motion appealing an action of a Lower Committee that is not seconded will be deemed defeated by the Management Committee and is appealable to the ISO Board.

Should Section 13.01 refer only to unfriendly amendments?

The Subcommittee discussed whether Section 13.01 should apply only to motions amended by unfriendly amendments and agreed to revise Section 13.01 to provide that if a motion appealing the action of a Lower Committee is amended over the objection of the proponent, the original motion will be deemed defeated by the Management Committee and is appealable to the ISO Board.

Capital long-term budget process amendment

Jim Parmelee distributed a revised proposal regarding the project budgeting process for the MC By-Laws at the meeting. The revised draft provided that the Budget, Standards and Performance Subcommittee (“BSP”) would have an automatic right to place reports or action items on the MC agenda upon request to the MC Chairperson five business days prior to the date of the MC meeting. The Subcommittee agreed to revise the proposal to provide that this automatic right would be available to the BSP, or its chair or vice-chair. The Subcommittee also agreed to revise the proposal to provide that the automatic rights will only be available with respect to reports or action items regarding a BSP issue. A revised draft of the proposal was distributed to the BSP for review and will be presented for approval by Jim Parmelee on behalf of the BSP at the July MC meeting.

Review of By-Laws revisions to be presented at July 24, 2003 MC

The Subcommittee reviewed changes made to Articles III, IV, V, XIII, XIV and XV of the MC By-Laws and suggested changes to several sections: Section 4.09 was revised to clarify that ISO-designated holidays are maintained on the ISO calendar; Sections 15.02 and 15.04 were revised to provide that Members filing a Notice of Appeal or a stay electronically must also provide the Secretary of the MC with a hard copy; Section 15.04 was also revised to provide that a Member must give notice of a motion requesting a stay to all Members directly or by request to ISO staff; Section 15.06.3 was revised to provide that this section is subject to the provisions of Article IV of the MC By-Laws and that proposals on which action was taken, if reversed by the MC, shall be effective without further motions. The Subcommittee approved these Articles as revised for presentation at the July MC meeting.

Review of Power Point presentation

The Subcommittee did not review the draft power point presentation of the changes to the MC By-Laws. The Subcommittee agreed to review a draft power point presentation for the July MC meeting, revised to reflect changes from the June 30 meeting, which will be circulated by email along with a draft of final changes to the MC By-Laws.

Procedures for screening, certification and acquisition of voting rights

The Subcommittee reviewed proposed amendments to Article II regarding the procedures and timeline for application for membership in the ISO. The Subcommittee agreed to revise Section 2.01 and 2.01.1 to eliminate the word “final” before decision and to provide that the ISO shall make its decision regarding an application on the third business day following the submission of an application and allow the new Member to vote on the following day (i.e., a five-day timeline). The Subcommittee agreed to present these procedures as a separate item at the July MC meeting and to include in the presentation an explanation that some members of the Subcommittee supported a one-day timeline and others a ten-day timeline for the application process.

The Chair's discretion to cancel an MC meeting

The Subcommittee reviewed a draft of proposed Section 4.17 regarding the MC Chair's discretion to cancel an MC meeting when the agenda for such meeting is light. The Subcommittee generally agreed to revise the section to provide that the MC Chairperson may convert an MC meeting to a conference call but may not cancel a meeting and to provide that the Chairperson may only convert an MC meeting to a conference call if there are no action items on the agenda. The Subcommittee agreed to present this section as a separate item at the July MC meeting.

Role of Demand Response and distributed Generators in NYISO governance

The Subcommittee reviewed a proposal to clarify the role of Demand Response and distributed generation in NYISO governance. The proposal provided a new definition of "Demand Response Provider" and "Distributed Generator" as well as an amendment to Section 2.02 that would provide that these two entities, if they had less than 50 MW of resources enrolled in the NYISO demand response programs, would be subject to a \$1,000 annual fee. There was no resolution to these issues, and discussion was held over until the July 30, 2003 By-Laws Subcommittee meeting.

Next meeting

The next regular meeting of the By-Laws & Governance Subcommittee is scheduled for Wednesday, July 30, 2003 at 10:00 a.m. at the offices of Hunton & Williams LLP, 200 Park Avenue, 31st Floor, New York City.