

NEW YORK INDEPENDENT SYSTEM OPERATOR BOARD OF DIRECTORS DELAYS BID CAPS ACTION;

Wholesale Electric Market Participants Appeal Management Committee Recommendation.

June 20, 2000, New York City...The Board of Directors of the New York Independent System Operator, the entity responsible for management of the wholesale electric market and operation of the New York power grid, today delayed consideration of a recommendation of the NYISO's Management Committee to impose a bid cap of \$1000 on energy and ancillary services and \$1100 for regulation services. The Committee, composed of participants in the wholesale electric market, voted June 5 to ask the NYISO Board to seek approval of the Federal Energy Regulatory Commission (FERC) for the cap structure to be effective until October 31, 2000.

However, several Market Participants availed themselves of the NYISO's appeals process, asking to be heard on the issue of bid caps. The Board agreed that the importance of the issue, coupled with the recommendation being the result of a Market Participant committee, merits a presentation on the appeals prior to Board action. As a result, the Board took no action on either the Management Committee Motion or the associated Appeals.

Several Notices of Appeal have been filed with the Governance Committee of the Board of Directors. The Governance Committee will meet on June 29 to consider issues emanating from appeals and recommend a decision to the Board. The Board will meet on June 30 to take action on any appeals and determine how the Board will proceed on the issue of bid caps.

NYISO Chairman of the Board Richard Grossi stated that "This is a significant issue of importance to all participants in the New York wholesale electric market, as well as the NYISO. In light of that, the Board is anxious to hear the views of participants prior to taking action on the Management Committee motion."