

# NEW YORK INDEPENDENT SYSTEM OPERATOR

## By-Laws

### Of

## The Operating Committee

#### **Article I. Relationship to ISO Agreement**

- 1.01 The Operating Committee of the New York Independent System Operator (the “ISO”) is established pursuant to the ISO Agreement, dated December 1, 1999 (the “ISO Agreement”). These By-Laws, as they may be amended from time to time by the Operating Committee, shall at all times be consistent with the ISO Agreement, as the ISO Agreement is amended from time to time.<sup>1</sup>
- 1.02 Capitalized terms used in these By-Laws and not defined herein shall be as defined in the ISO Agreement.
- 1.03 These By-Laws are adopted pursuant to the ISO Agreement.<sup>2</sup> Unless otherwise noted, all references to section numbers refer to section numbers within these By-Laws.
- 1.04 The Operating Committee shall submit proposed changes to these By-Laws to the Management Committee for approval.

#### **Article II. Membership of Operating Committee; Representatives and Proxies**

- 2.01 Each Party to the ISO Agreement shall be a Member of the Operating Committee.<sup>3</sup> In order to become a Party to the ISO Agreement, a person or entity must (i) submit to the ISO an application certifying, to the satisfaction of the ISO Board, that such person or entity satisfies the requirements for participation in the sector (and subsector, if applicable) in which such person or entity wishes to participate, (ii) sign the ISO Agreement, and (iii) pay the annual fee for each Party.<sup>4</sup> If applicable, a

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<sup>1</sup> ISO Agreement, Article 4. (All footnotes contained in these By-Laws are references to supporting authority in the ISO Agreement.)

<sup>2</sup> Section 7.12, as incorporated by Section 8.03.

<sup>3</sup> *Cf.* Article 4; Section 7.01.

<sup>4</sup> Section 2.02.

person or entity must also, on the same day that it submits its application for membership to the ISO, designate a representative pursuant to Section 2.02 of these By-Laws.<sup>5</sup> On the business day following submission of the application, written notice of the pending application shall be provided to each Member by electronic mail directed to the address designated by such Member or by any other electronic method generally available to each Member, including by posting on a general or secure web site. On or before the fifth business day after an application is submitted, any Member that has concerns about the application may notify the NYISO of their specific concerns about the application. The NYISO shall evaluate these concerns in their decision on the application. On the eighth business day after the day an application is submitted, the ISO shall either approve or deny the application, notifying an applicant of the ISO's decision on that same day by telephone, fax, and/or electronic mail. On the business day following a decision of the ISO approving the application of a person or entity, such person or entity shall be deemed a Party to the ISO Agreement and may vote at Operating Committee meetings held after the date of the ISO's decision.

2.01.1 A Member may challenge at any time the right of a person, entity or Party to participate in a sector or subsector pursuant to the procedures set forth in Section 2.02 of the ISO Agreement;<sup>6</sup> however, challenges brought after the ISO has made a decision regarding an application of a Party shall not, if successful, affect any Operating Committee action or Member vote that occurred prior to the date on which the ISO upheld a challenge.

2.02 A Member of the Operating Committee may designate any person to represent the Member at meetings of the Operating Committee. A Member that is not a natural person must be represented by a representative (or alternate representative or proxy, as provided in these By-Laws). A Member who is a natural person may appear in person at any time or, in the Member's absence, be represented by a representative (or alternate representative or proxy, as provided in these By-Laws). As the context of these By-Laws may require, "representative" shall mean a Member who is a natural person, a person designated as the representative of a Member, or an alternate representative or proxy acting in the stead of either the Member or a representative.

2.02.1 Once designated, a representative shall exercise the powers of the Member (including the right to name one or more alternate representatives and give proxies) and be allowed to represent the Member until replaced by the Member by written notice to the Secretary of the Operating Committee.<sup>7</sup>

2.02.2 A Member may designate up to seven alternate representative(s). Any

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<sup>5</sup> Section 7.03.

<sup>6</sup> Section 2.02.

<sup>7</sup> Section 7.03, as incorporated by Section 8.03.

alternate representative shall have all the powers of the representative, including, the power to attend and speak at meetings of the Operating Committee and, when the representative is absent, the power to vote; *provided, however*, that the alternate representative shall not at any time have the power to serve as Chairperson or Vice-Chairperson of the Operating Committee, or the officer of any subcommittee thereof, solely by virtue of the absence of the representative holding such an office. If a Member designates more than one alternate representative, the notice shall designate the order in which each is empowered by the Member to exercise the Member's voting power in the absence of the representative.

2.02.3 If, at any time after becoming a Party to the ISO Agreement and designating a representative pursuant to Sections 2.01 and 2.02, a Member designates a different representative or alternate representative, the Member must provide advance written notice of such designation to the Secretary of the Operating Committee no later than the day before the date of the Operating Committee meeting. This section does not limit provisions relating to appointment of a proxy set forth in Section 2.05.

2.02.4 Members may designate, by written notice to the Secretary of the Operating Committee, the addresses and telephone, fax, and/or electronic mail addresses to which all notices required by these By-Laws shall be made. Absent such notice, the Secretary shall satisfy all notice obligations by giving notice to the person who signed the ISO Agreement as the Member or on behalf of the Member.

2.03 One or more non-voting representatives of each of the ISO Board, the Federal Energy Regulatory Commission, and the Public Service Commission of New York may attend and participate in discussions at meetings of the Operating Committee including executive sessions, in accordance with the ISO Agreement.<sup>8</sup>

2.04 Representatives may attend meetings in person or to the extent practicable, as determined by the Chairperson, by telephone or any other method that permits all persons participating to communicate in real time. A person may be empowered to be the representative, or alternate representative, of more than one Member pursuant to Section 2.02, in which case attendance by any method, including by proxy, shall be deemed to be attendance by each Member for whom that person is the representative or alternate representative.<sup>9</sup>

2.05 A Member shall also be deemed to be in attendance by proxy, so long as the representative gives notice (by mail, fax, telephone, electronic mail, hand delivery, or other means acceptable to the ISO) of the existence of the proxy to the Secretary of the Operating Committee as soon as possible and before the taking of any vote to

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<sup>8</sup> Section 7.03, as incorporated by Section 8.03.

<sup>9</sup> Section 7.03, as incorporated by Section 8.03.

which the proxy will apply, indicating which other representative is entitled to exercise the Member's rights. The notice shall include proper verification as determined by the ISO. The proxy shall stay in effect until it is revoked by another such notice or until by its terms it expires. A proxy may also be given for only one or more agenda items on any agenda distributed pursuant to Article V; *provided, however*, that such a proxy shall be sufficiently particular as to allow the Secretary to determine whether the proxy is entitled to vote on any particular issue. In case of doubt as to the authority of a proxy to vote in any particular case, the Secretary shall disallow the exercise of the proxy.<sup>10</sup>

- 2.06 The Chairperson shall allow alternate forms of attendance identified in Sections 2.04 and 2.05, with reasonable safeguards, to the extent practicable, and consistent with the need to maintain order during meetings and security of voting.

### **Article III. Chairperson, Vice Chairperson, and Secretary**

- 3.01 The Operating Committee shall have a Chairperson and a Vice-Chairperson, each of whom shall serve for a one-year term that begins on December 1. The first terms shall begin on the date of election by the Operating Committee and shall run until November 30, 2000. The Operating Committee shall also have a non-voting Secretary. The Chairperson, Vice-Chairperson, and Secretary shall each have the powers and duties enumerated herein, and such other powers and duties as are reasonably necessary to perform the functions of their offices.<sup>11</sup> The Vice-Chairperson shall exercise the duties of the Chairperson at such times as the Chairperson is absent from a meeting or otherwise unable to perform the duties of the office.
- 3.02 Upon expiration of the one-year term of the Chairperson, the Vice-Chairperson shall become Chairperson of the Operating Committee for the next succeeding one-year term.<sup>12</sup>
- 3.03 The Secretary shall be nominated by the President of the ISO from among the ISO staff. The President of the ISO may remove the Secretary at will, and shall nominate a replacement Secretary whenever the office of Secretary is vacant. In the event a nominee for Secretary of the Operating Committee is not elected by a 58% percent vote, the President of the ISO may withdraw the nomination and make another nomination at the same or any following meeting. The Secretary may from time to time appoint a Deputy Secretary from among the ISO staff, for such a term as the Secretary deems fit, to whom the Secretary may delegate the duties of Secretary at such times as the Secretary is absent from a meeting, or otherwise unable to perform the duties of the office.

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<sup>10</sup> Section 7.03, as incorporated by Section 8.03.

<sup>11</sup> Section 7.11(a) , as incorporated by Section 8.03.

<sup>12</sup> Section 7.11(a) , as incorporated by Section 8.03.

- 3.04 The initial Chairperson and each Vice-Chairperson and Secretary shall be elected by a vote representing at least 58% of the total votes cast by the Operating Committee, in accordance with these By-Laws.<sup>13</sup>
- 3.04.1 The first ballot for each election of a Vice-Chairperson (and the first ballot for the election of the initial Chairperson) shall be from the slate of candidates reported by the Nominating Subcommittee for the relevant election. In the event of the failure to elect a relevant officer with a 58% vote, a second ballot shall be taken from the slate of candidates reported by the Nominating Subcommittee for the relevant election.
- 3.04.2 In the event of the failure of any nominee for Vice-Chairperson (or for the initial Chairperson) to gain at least 58% of the votes on the second ballot, such additional ballots shall be taken until one candidate achieves a 58% majority or, in the reasonable opinion of the Chairperson, a voting deadlock has been reached. In the event a three or more candidate ballot fails to elect an officer with a 58% vote on a second or later ballot, the Chairperson shall remove from the slate for the following vote the candidate with the lowest percentage of votes.
- 3.04.3 In the event the Chairperson determines a voting deadlock has been reached among the slate of candidates reported by the Nominating Subcommittee (as reduced by the Chairperson pursuant to Section 3.04.2), the Chairperson shall entertain any of the following motions from the floor:
- 3.04.3.1 A motion to take additional ballots from the slate of candidates reported by the Nominating Subcommittee at that time;
- 3.04.3.2 A motion to defer the election to the following meeting of the Operating Committee, using the same slate of candidates reported by the Nominating Subcommittee;
- 3.04.3.3 A motion to accept nominations for the office from the floor, and take additional ballots at that time; and/or
- 3.04.3.4 A motion to refer the list of candidates back to the Nominating Subcommittee with directions to report back a slate of candidates seven business days prior to the next Operating Committee meeting.
- 3.04.4 In the event of a voting deadlock under Sections 3.04.2 and 3.04.3, the election for the same office shall automatically be included on the agenda for the following meeting and the provisions of these By-Laws related to election of the relevant officer (including the provisions related to the duties of the Nominating Subcommittee to propose a slate of candidates) shall apply. If necessary, the relevant provisions of Section 3.11 shall also apply.

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<sup>13</sup> Section 7.11(a) , as incorporated by Section 8.03.

- 3.05 Representatives may be the Chairperson or Vice-Chairperson of the Operating Committee.
- 3.06 The Chairperson and Vice-Chairperson of the Operating Committee shall be representatives from different sectors and may not be representatives of the same Member or its Affiliates. For purposes of determining whether the Chairperson and Vice-Chairperson are from different sectors, the following provisions shall apply separately as to each officer or candidate; (together “officer”), to determine the officer’s sector attribution(s):
- 3.06.1 Where the officer is a Member or the officer is a voting representative of only one Member, the officer’s sector attribution shall be the sector in which the relevant Member’s vote is cast.
- 3.06.2 Where the officer is a voting representative of more than one Member, the officer’s sector attributions shall be the sectors in which the officer casts the relevant Members’ votes.
- 3.06.3 Where the officer is a non-voting representative of a Member, the officer’s sector affiliation shall be the sectors in which the non-voting representative participates.
- 3.06.4 Where the officer is a representative of a total of two or more voting and non-voting Members, the provisions of this Section 3.06 shall be applied to each of the officer’s representations to determine the officer’s sector affiliations.
- 3.07 No representative shall be elected to a term (or the remainder of a term under Section 3.10) as Vice-Chairperson of the Operating Committee if during the same term another representative of the Member or its Affiliates would hold the office of Chairperson or Vice-Chairperson of either the Management Committee or the Business Issues Committee; *provided, however*, that if the Management Committee or the Business Issues Committee have not elected a Vice-Chairperson for the same term of office, this provision shall not limit the Operating Committee’s ability to elect a Vice-Chairperson from among otherwise qualified candidates.
- 3.08 The Nominating Subcommittee shall report its slate of candidates for Vice-Chairperson on or before September 20 of each year or, in the event of either (i) a vacancy occurring during the term of a Chairperson or Vice-Chairperson or (ii) a deadlock occurring as described in Section 3.04.4, on the schedule prescribed by the Chairperson or the Acting Chairperson, if any. Voting shall then occur as provided in Section 3.04 at the next meeting of the Operating Committee occurring seven or more business days after the Nominating Subcommittee reports its slate of candidates; provided, however, that elections of Chairperson or Vice-Chairperson shall be conducted only by secret ballot vote.
- 3.09 In the event the Chairperson resigns from office, dies or otherwise becomes unable to perform the duties of Chairperson, ceases to be a Member or the Member for

which the Chairperson is the representative ceases to be a Member, or ceases to be the representative of the Member for which the person was the representative at the time of election as Vice-Chairperson (or, in the case of the initial Chairperson, at the time of election as Chairperson), or when a Vice-Chairperson is elected while an Acting Chairperson is holding office as provided in Section 3.11.2, below, the Vice-Chairperson shall assume the office of Chairperson for the remainder of the former Chairperson's (or Acting Chairperson's) one-year term, and shall continue as Chairperson for the next succeeding one-year term.

- 3.10 In the event the Vice-Chairperson assumes the position of the Chairperson as provided in Section 3.09, resigns from office, dies or otherwise becomes unable to perform the duties of Vice-Chairperson, ceases to be a Member or the Member for which the Vice-Chairperson is the representative ceases to be a Member, or ceases to be the representative of the Member for which the person was the representative at the time of election as Vice-Chairperson, the Operating Committee may elect a new Vice-Chairperson, as provided in Section 3.08, to serve the remainder of the former Vice-Chairperson's term.
- 3.11 In the event and for so long as the Operating Committee fails to elect a Vice-Chairperson to replace a Vice-Chairperson who has become Chairperson under Section 3.09 or to fill a vacancy in the office of the Vice-Chairperson described under Section 3.10, the ISO President shall appoint one of the ISO Board representatives to the Operating Committee to be the acting Vice-Chairperson (the "Acting Vice-Chairperson") for the next one-year term, subject to the provisions of Section 3.11.1 below. In the event the Operating Committee has not elected a new Vice-Chairperson before the Chairperson's term expires or the Chairperson earlier leaves office, the Acting Vice-Chairperson shall become the Acting Chairperson of the Operating Committee for each successive one-year term or the remainder of the previous Chairperson's term, as the case may be, subject to the provisions of Section 3.11.2 below. If necessary, the Acting Chairperson may appoint a deputy chairperson (the "Deputy Chairperson") from among the representatives to the Operating Committee for so long as an ISO Board representative is Acting Chairperson; a Deputy Chairperson shall perform the functions of a Vice-Chairperson, but not have the right to assume the office of Chairperson at the end of the then-current one-year Acting Chairperson's term of office. The ISO Board may change the person who is the Acting Vice-Chairperson or Acting Chairperson at any time.
- 3.11.1 When at any time the Operating Committee elects a new Vice-Chairperson while the ISO Board representative is Acting Vice-Chairperson, the ISO Board representative shall cease being the Acting Vice-Chairperson, and the elected Vice-Chairperson shall assume the duties of Vice-Chairperson until
- (i) the end of the then-current one-year term, at which time the Vice-Chairperson shall become Chairperson as provided in Section 3.02 above or
  - (ii) the Vice-Chairperson becomes Chairperson as provided in Section 3.09.

- 3.11.2 When at any time the Operating Committee elects a new Vice-Chairperson while the ISO Board representative is Acting Chairperson, the ISO Board representative shall cease being the Acting Chairperson, and shall resume the position of Acting Vice-Chairperson, subject to the provisions of Section 3.11.1 above.
- 3.12 The Chairperson, Vice-Chairperson, or Secretary may be removed from office upon a 58% majority of the total votes cast by the Operating Committee, in accordance with these By-Laws.

#### **Article IV. Procedures for Meetings**

- 4.01 Regular meetings of the Operating Committee shall be held monthly unless the Operating Committee determines that it should meet more frequently or less frequently.<sup>14</sup>
- 4.02 Except to the extent inconsistent with the ISO Agreement or these By-Laws, the Chairperson may prescribe other such reasonable procedural rules and do all such acts as are appropriate for the fair, proper, and orderly conduct of the meeting. This authority shall include the power to limit debate by individual representatives, or to limit debate to fixed times, subject to Section 4.03 of these By-Laws.
- 4.03 All procedural rulings of the Chairperson may be challenged by motion, which, if seconded, shall be subject to an immediate vote without further debate.
- 4.04 Representatives may be accompanied at meetings by counsel and advisors. Except as provided in Section 4.14.1, no Member shall allow any person other than its representative, alternate representative, proxy, counsel, and advisor to attend any Operating Committee meeting by telephone or any method (other than in person) allowed under Section 2.04. Any Member found by the Chairperson to have allowed any such other person to attend by telephone or any other alternative method shall thereafter not be allowed to attend or have its representative, alternate representative, proxy, counsel, and advisors attend, except in person until a motion is passed by a 58% vote of the total votes cast by the Operating Committee to restore the Member's ability to attend by telephone or any other alternative method.
- 4.05 Special meetings may be called at the discretion of the Chairperson, and shall be called by the Chairperson at the request of either a quorum of Members from three sectors or the chairperson of the ISO Board<sup>15</sup> in accordance with Sections 4.07 and 4.09 of this Article. In exercising this discretion to call a special meeting, the Chairperson shall consider whether there are urgent circumstances that warrant consideration of an item at a special meeting, whether the item was considered at a prior meeting of a Lower Committee or the Management Committee, the amount of time between receipt of a request for a special meeting and the next regular meeting

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<sup>14</sup> Section 7.11(b), as incorporated by Section 8.03.

<sup>15</sup> Section 7.11(b), as incorporated by Section 8.03.



of the Operating Committee, the efficient operation of the Operating Committee, and the burdens imposed on Members of the Operating Committee by calling a special meeting.

- 4.06 Requests for special meetings must be made in writing and submitted to the Chairperson and the Secretary of the Operating Committee by regular mail, fax, electronic mail, courier or overnight delivery. Requests for special meetings shall contain a complete description of the item to be heard at the special meeting and a statement explaining how consideration of such item would be prejudiced if it were not heard by the Operating Committee before the date of the next regular meeting of the Operating Committee.
- 4.07 Written notice of each request for a special meeting shall be provided on the first business day following Operating Committee receipt of such request to each Member by electronic mail directed to the address designated by such Member. To the extent practicable, in the opinion of the Chairperson, notice may also be given by any other electronic method generally available to each Member, including by posting on a general or secure website.
- 4.08 The Operating Committee shall meet at such a place, within the State of New York or within any state or province in an adjacent ISO, as the Chairperson may, from time to time, fix.
- 4.09 Five business days' written notice must be given for each regular or special meeting of the Operating Committee. Such notice must be given to each Member by electronic mail directed to the address designated by such Member. To the extent practicable, in the opinion of the Chairperson, notice may also be given by any other electronic method generally available to each Member, including by posting on a general or secure web site. Each such notice shall include a full and complete agenda for the scheduled meeting.<sup>16</sup> For purposes of calculating the notice period required in this Section 4.09, the day on which the relevant meeting is to be held shall be included, but the day on which notice is given shall not be included. Intermediate Saturdays and Sundays, legal holidays, and weekdays on which the ISO is closed to business shall be excluded from the computation. As used in this section, "legal holiday" includes New Year's Day, the Birthday of Martin Luther King, Jr., Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday by the President or the Congress of the United States or by New York State. NOTE:

[Example: For a meeting to be held on Friday, June 8, notice of the meeting must be sent out no later than Friday, June 1. Notice of a meeting to be held on Wednesday, June 13, must be sent out no later than Wednesday, June 6.]

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<sup>16</sup> Section 9.01.

NOTE: On August 14, 2003, the Operating Committee approved a revision to this section that will replace legal holidays with ISO-designated holidays. Upon approval of a parallel change to the ISO Agreement, the Operating Committee By-Laws will be updated to include this revision.

- 4.10 Any representative may request that additional or supplemental information or documentation, either supplied by the representative or from the existing ISO files that is not subject to the confidentiality provisions of the ISO's Code of Conduct, be disseminated prior to any Operating Committee meeting by ISO personnel and/or through ISO communications media, including, but not limited to, the ISO web site.
- 4.11 As provided in the ISO Agreement,<sup>17</sup> the ISO Board shall cause its staff to cooperate with the Operating Committee regarding dissemination of information prior to any meeting.
- 4.12 The Operating Committee, through the Secretary, shall keep written records of all actions taken at Operating Committee meetings, including actions taken in executive session, and shall keep written minutes of all meetings, including the names of each representative present at each meeting, and whether present in person, by proxy, or in any other way allowed under Section 2.04.
- 4.13 Any action taken by the Operating Committee at any meeting shall not become effective until 30 days after the Operating Committee has acted; provided, however, that with respect to a particular action of the Operating Committee, if no appeal has been timely filed in accordance with Section 13.01, then that action shall become effective one business day after the time for a timely appeal has passed.<sup>18</sup>
- 4.14 The Secretary shall give notice of Operating Committee actions to each Member as soon as reasonably practicable, which shall be within 24 hours of the conclusion of each session of a Operating Committee meeting or, if the 24-hour period is interrupted by a holiday or weekend, by noon on the next business day following the relevant session. The Secretary shall make copies of the Operating Committee's records prepared under Section 4.12 available to all Members on the ISO web site or in any other manner reasonably convenient to the Members.
- 4.15 Any meeting of the Operating Committee may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are adopted as part of the adjournment motion. If the meeting is reconvened on a day or at a place other than that announced in the agenda of the original meeting, notice of a reconvened meeting shall be given to all Members to the extent practicable. The agenda of such a reconvened meeting shall be a continuation of the agenda for the original meeting. A reconvened meeting may not take place more than seven days after the adjournment.
- 4.16 Guests of Members and the public may attend meetings of the Operating Committee, subject to the following conditions:
- 4.16.1 Representatives who are attending the meeting by a method other than in person shall announce their guests at the beginning of the meeting. The Secretary shall keep a list of all guests so announced with the minutes of the meeting.

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<sup>17</sup> Section 7.11(e), as incorporated by Section 8.03.

<sup>18</sup> Section 7.11(f), as incorporated by Section 8.03.

- 4.16.2 The public may only attend in person and shall register with the Secretary before entering the meeting. Guests of Members who attend with the representative in person shall also register with the Secretary before entering the meeting. The Secretary shall keep a list of those who register with the minutes of the meeting.
- 4.16.3 The public shall not be allowed to participate in meetings of the Operating Committee. A guest of a Member may be allowed to participate in a meeting at the request of the Member, with the consent of the Chairperson.
- 4.16.4 Guests and the public in attendance at any meeting must leave the meeting if the Operating Committee goes into executive session under Section 6.01, but may be invited to return to the executive session pursuant to Section 6.03. Following the end of the executive session, registered guests and the public may return to the meeting.
- 4.17 The Chairperson, at his or her discretion, may propose, when the Operating Committee agenda is posted, that a regular meeting of the Operating Committee be converted to a conference call. The Chairperson shall consider comments of the Members, if any, in determining whether to convert an Operating Committee meeting to a conference call. In proposing a conference call, the Chairperson shall consider the Operating Committee's preference for in-person meetings and whether converting the meeting to a conference call would adversely affect the conduct of such meeting. The Chairperson shall provide Members with notice three days in advance of an Operating Committee meeting if such meeting has been converted to a conference call.

## **Article V. Agenda Procedures**

- 5.01 Except in the case of a special meeting called by request of three or more Sectors or by the chairperson of the ISO Board under the provisions of Section 4.05, the Chairperson may establish the agenda for each Operating Committee meeting.
- 5.02 The agenda for each scheduled meeting of the Operating Committee shall include a specific list of items to be considered at the meeting, together with any proposed motion and the supporting documentation provided by the proponent of an agenda item.<sup>19</sup> If the item will be voted on, the description of the agenda item, together with the proposed motion and any supporting material, must be sufficient to provide Members reasonable notice of the item to be considered. Additional documentation may be submitted to the Operating Committee at any time prior to or during the Operating Committee meeting.
- 5.03 No final Operating Committee action may be taken on a matter that was not specifically listed on the agenda.<sup>20</sup>
- 5.04 Each agenda shall include a "new business" item where a representative can propose

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<sup>19</sup> Section 7.11(d).

<sup>20</sup> Section 7.11(d), as incorporated by Section 8.03.

agenda items for the next meeting. If a proposed agenda item is seconded by any other representative, and voted for by a majority of the votes of any Sector, then the item shall be included on the agenda for the next meeting.

- 5.05 In the case of a meeting called by request of three or more Sectors or by the chairperson of the ISO Board under the provisions of Section 4.05, the first items of the agenda shall be the items listed in the request of representatives or the chairperson of the ISO Board, as applicable. The Chairperson may include additional items.
- 5.06 Items shall be added to the agenda upon a request to the Chairperson by any five representatives and/or by representatives constituting the majority of any one Sector, upon 10 business days advance notice prior to the Operating Committee meeting.
- 5.07 The Chairperson may propose a “consent agenda” item in any agenda established under Section 5.01. The consent agenda may include one or more items that shall be subject to a single vote of adoption, without debate. Any voting representative may remove any item from the consent agenda by notice to the Chairperson, either prior to the relevant meeting or prior to the vote on the consent agenda at the relevant meeting. Any item so removed from the consent agenda shall be subject to consideration as a regular agenda item at that meeting.

## **Article VI. Executive Session**

- 6.01 The Operating Committee may hold meetings, or portions of meetings, in “executive session” upon notice issued by the Chairperson with any agenda distributed in advance of a regular or special meeting or upon motion during such a meeting when passed by a vote of the Operating Committee representing 58% of the total votes cast. Motions to enter executive session, if seconded, shall be subject to an immediate vote without debate.<sup>21</sup>
  - 6.01.1 The non-voting representatives of the ISO Board (including the Secretary and members of the ISO staff and their counsel and advisors), the Federal Energy Regulatory Commission, and/or the Public Service Commission of New York and counsel, advisors, and/or guests of Members may be excluded from an executive session if it is determined by a 58% majority vote of the Members, as determined in accordance with Sections 8.02 and 8.03 of these By-Laws, that one or more of these representatives should be excluded from an executive session.
  - 6.01.2 Motions to exclude the non-voting representatives of the ISO Board, the Federal Energy Regulatory Commission, and/or the Public Service Commission of New York and counsel, advisors, and/or guests of Members may be made anonymously to the Chairperson at any time before the beginning of an executive session, and shall not require a second. Votes to exclude shall be taken by secret ballot.

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<sup>21</sup> Section 7.03, as incorporated by Section 8.03.

- 6.02 Seven business days advance notice shall be given, whenever practicable, before an executive session is held. When such advance notice is given, attendance at executive sessions of Operating Committee meetings will be only in person, by representatives who may be accompanied by alternate representatives. Unless otherwise excluded pursuant to Section 6.03, representatives may also be accompanied in executive session by counsel, advisors, proxies, and guests.
- 6.02.1 When no advance notice is given of an executive session pursuant to Section 6.02 or when a meeting goes into executive session upon vote of 58%, attendance at the executive session by telephone or other similar electronic means may be permitted, for so long as, in the Chairperson's discretion, adequate security and confidentiality can be maintained. When a meeting goes into executive session without advance notice, as described in this Section 6.02.1, the executive session may be attended by any person attending the meeting other than members of the public, unless otherwise excluded pursuant to Section 6.03.
- 6.03 Upon entering an executive session, the representatives shall vote on any motions to exclude, made pursuant to Section 6.01.2, announced by the Chairperson. The Chairperson may then entertain motions to invite other persons to the executive session who may have information or opinions the Operating Committee requires for the matter under consideration. Such persons may join the executive session upon a vote of the Operating Committee in executive session representing 58% of the total votes cast.
- 6.04 Upon motion, representatives may vote by 58% majority to leave executive session and return to regular session.
- 6.05 Executive sessions shall be confidential, and matters discussed during executive sessions shall not be subject to comment following the conclusion of the executive session. Brief minutes of executive session shall be kept but shall not include any confidential information disclosed in the executive session.
- 6.06 If any Member breaches the confidentiality of an executive session, the Chairperson shall exclude the relevant Member and its representative, alternate representatives, and any proxy from attendance at future executive sessions for a period of one year from the date of discovery of the breach. Any Member excluded according to this Section 6.06 shall maintain the right to attend and participate in meetings until such exclusion is ratified by a 58% majority of the Management Committee.
- 6.07 The Chairperson shall take such measures as are warranted, in the Chairperson's discretion, to ensure that confidentiality is maintained by all persons who are not representatives of Members that are in attendance at any executive session. The measures may include the requirement that each such person signs a confidentiality agreement before being admitted to the executive session.

## **Article VII. Quorums; Voting Absent a Quorum**

- 7.01 The attendance, by any means allowed by Section 2.04 of these By-Laws, of a quorum of Members of at least three Sectors shall constitute a quorum for action by the Operating Committee. No action may be taken by the Operating Committee

unless a quorum of the Operating Committee is present. The Chairperson shall confirm, directly or through the Secretary, that a quorum as defined in these By-Laws is present and that the required notice of the meeting has been served in accordance with Article IV.<sup>22</sup> The existence or non-existence of a quorum shall be determined at the beginning of a meeting and, if found present, shall be presumed to continue until a quorum call is requested at which time the Chairperson must determine if a quorum exists. If, following such a quorum call, it is determined that a quorum is no longer present, then formal voting business of the Committee is concluded, provided, however, that discussion of issues may continue and the Chairperson may continue the meeting to another day by providing notice as required by Section 4.15.

- 7.02 A quorum of a Sector shall be the lesser of five Members of a Sector or 50% of the Members in that Sector.<sup>23</sup> Allocations of authority to cast votes given under Section 10.04 shall have no effect in determining whether a quorum is present.
- 7.03 Where a Operating Committee quorum is reached under Section 7.01, Members in a sector that has achieved a quorum under Section 7.02 shall be entitled to cast the entire vote allocated to their Sector.<sup>24</sup>
- 7.04 Except as provided in Section 7.04.1 for the Small Consumer subsector, in a sector that is divided into subsectors, if there is a quorum for the sector the Members in each subsector shall exercise the full voting share allocated to their subsector.<sup>25</sup>
- 7.04.1 Notwithstanding the provisions of Section 7.04, the provisions of this Section 7.04.1 shall apply to the Small Consumer subsector. A quorum of the Small Consumer subsector shall be five (5) members of the subsector. If there is a quorum for the End-Use Consumer sector and a quorum for the Small Consumer subsector, the Members in the Small Consumer subsector shall exercise the full voting share allocated to that subsector. If there is a quorum for the End-Use Consumer sector but there is not a quorum for the Small Consumer subsector, the Members in the Small Consumer subsector who are present and eligible to vote shall be entitled to cast individual Member votes in accordance with the provisions of Section 7.05, and the remaining voting share of the Small Consumer subsector shall be reallocated to the other subsectors of the End-Use Consumer sector on a proportional basis according to the relative voting weight of the subsectors.
- 7.05 Members in a sector that have not achieved a quorum shall be entitled to cast individual Member votes, which shall have a weight in the Operating Committee

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<sup>22</sup> Section 7.08, as incorporated by Section 8.03.

<sup>23</sup> Section 7.08, as incorporated by Section 8.03.

<sup>24</sup> Section 7.08, as incorporated by Section 8.03.

<sup>25</sup> Section 7.08, as incorporated by Section 8.03.

vote equal to the fraction  $1/N$  times the voting share allocated to the Member's sector or subsector where  $N$  is the number of Members in the sector or subsector.<sup>26</sup>

- 7.06 In the event a Member's sector or subsector is inactive, the Member's vote shall be counted and shall have a weight equal to the fraction  $1/N_m$  times the voting share allocated to the Member's sector or subsector voting percentage where  $N_m$  is the number of Parties to the ISO Agreement.<sup>27</sup>
- 7.07 If a quorum of the Operating Committee is not present, the representatives in attendance shall have the power to adjourn the meeting from time to time until a quorum is present.<sup>28</sup>

### **Article VIII. Operating Committee Action; Effect of Abstentions**

- 8.01 All matters to be acted on by the Operating Committee shall be brought up for a vote or approval in the form of a motion, which must be seconded. Only one substantive motion, and one motion to amend the substantive motion, may be pending for discussion at one time, although procedural motions, including motions to table the substantive motion, may be raised at any time. Substantive motions (and motions to amend substantive motions) that have been tabled shall not be considered pending for purposes of initiating any other substantive motion or an amendment to the pending substantive motion.<sup>29</sup>
- 8.02 The sum of affirmative votes necessary to pass the pending motion shall be 58% of the total votes cast by the representatives pursuant to the rules set forth under Article XII, including all votes cast by individual representatives in sectors or subsectors that have not become active or that have failed to achieve a quorum, as provided for in Sections 7.05 and 7.06.<sup>30</sup>
- 8.03 Representatives not in attendance at a meeting, in any manner provided for in Section 2.04, or in attendance but abstaining on any vote shall not have their unexercised votes counted as affirmative or negative votes.<sup>31</sup>

### **Article IX. Scope of Responsibilities and Powers**

- 9.01 The Operating Committee shall be responsible for the following:

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<sup>26</sup> Sections 7.08 and 7.09, as incorporated by Section 8.03.

<sup>27</sup> Section 7.09, as incorporated by Section 8.03.

<sup>28</sup> Section 7.08, as incorporated by Section 8.03.

<sup>29</sup> Section 7.10(a), as incorporated by Section 8.03.

<sup>30</sup> Section 7.10(b), as incorporated by Section 8.03.

<sup>31</sup> Section 7.10(c), as incorporated by Section 8.03.

- 9.01.1 Establishment of procedures related to the coordination of the operations of the NYS Power System;<sup>32</sup>
- 9.01.2 Establishment of procedures related to the safe and reliable operation of the NYS Power System;<sup>33</sup>
- 9.01.3 Ensuring that all ISO rules, procedures, and practices are consistent with the Reliability Rules, and serving as liaison to the NYSRC;<sup>34</sup>
- 9.01.4 Oversight and coordination of operating and performance studies;<sup>35</sup>
- 9.01.5 Review and approval of operating limits;<sup>36</sup>
- 9.01.6 Establishment of procedures for coordinating the maintenance schedules for the NYS Power System in order to maintain system reliability;<sup>37</sup>
- 9.01.7 Determination, taking into consideration the local capacity needs of New York State, of the minimum system Operating Reserves required to be available within the NYS Power System and establishing methods of allocating a portion thereof to responsible entities as minimum Operating Capacity;<sup>38</sup>
- 9.01.8 Establishment of procedures for determining Operating Reserve requirements and, if experience or the results of studies indicate the desirability of change, recommending changes thereto to the Management Committee;<sup>39</sup>
- 9.01.9 Development of Local Installed Capacity Requirements, consistent with the Reliability Rules, Local Reliability Rules, the ISO/TO Agreement, and the ISO Agreement;<sup>40</sup>
- 9.01.10 Establishment of by-laws, subject to approval by the Management Committee; and,<sup>41</sup>

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<sup>32</sup> Section 8.01(a).

<sup>33</sup> Section 8.01(b).

<sup>34</sup> Section 8.01(c).

<sup>35</sup> Section 8.01(d).

<sup>36</sup> Section 8.01(e).

<sup>37</sup> Section 8.01(f).

<sup>38</sup> Section 8.01(g).

<sup>39</sup> Section 8.01(h).

<sup>40</sup> Section 8.01(i).

<sup>41</sup> Section 8.01(j).



- 9.01.11 Any additional responsibilities assigned by the Management Committee.<sup>42</sup>
- 9.02 The Operating Committee shall implement the transmission system expansion process described in Article 18 of the ISO Agreement. The Operating Committee shall review and approve ISO staff assessments of proposed projects that impact transmission capability to confirm that those projects meet all applicable reliability criteria.<sup>43</sup>
- 9.02.1 The Operating Committee shall review and approve the NYS Transmission Plan prepared by the ISO staff and reliability assessments performed using such NYS Transmission Plan, to ensure conformance with the Reliability Rules.<sup>44</sup>
- 9.02.2 The Operating Committee shall review and approve illustrative NYS Transmission System expansion options developed by ISO staff in response to PSC requests.<sup>45</sup>
- 9.02.3 The Operating Committee, at the request of a Committee member, may review the adequacy of cost recovery mechanisms for transmission expansion.<sup>46</sup>
- 9.03 Operating Committee actions that involve the anticipated expenditure of \$500,000 or more shall require additional approval of the Management Committee.

**Article X. Allowed Methods of Voting**

- 10.01 Voting shall be by show of hands unless a roll call vote or secret ballot vote is called for pursuant to Sections 10.02 or 10.03; provided, however, that all elections of officers of the Operating Committee shall be conducted only by secret ballot vote.
- 10.02 Any representative may make a motion for a roll call vote, or any similar electronic method, and, if any other representative seconds such motion, the Chairperson shall direct the Secretary to conduct a roll call vote for that matter.
- 10.03 Voting shall be by a show of hands or a roll call (in accordance with Sections 10.01 and 10.02) unless any representative requests a secret ballot. If a representative seconds the request for a secret ballot then the Chairperson shall ask the Members if there is any opposition to a secret ballot. If a Member opposes the request for a secret ballot, there shall be a roll call vote on the procedural issue of whether to have a secret ballot, provided, however, that if three representatives request that the vote on a secret ballot be conducted by secret ballot then the procedural vote on whether

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<sup>42</sup> Section 8.01(k).

<sup>43</sup> Section 8.02.

<sup>44</sup> Section 8.02.

<sup>45</sup> Section 8.02.

<sup>46</sup> Section 8.02.

to have a secret ballot shall be conducted by secret ballot. If a vote is required, a vote by a majority of the weighted voting shares (i.e., greater than 50%) shall be required to grant a request for a secret ballot.

10.03.1 All Members are encouraged to provide advance notice to the Chairperson of their intent to request a secret ballot.

10.04 A representative may allocate the casting of part or all of its vote to one or more of its Member's non-voting Affiliates' representatives, with advance notice, and subject to limitations as provided in this Section 10.04 and Article XI.

10.04.1 For any ballot taken by voice vote by roll call, a voting representative who is present in person at the meeting may, by open declaration at the time of voting, allocate part or all of the casting of its vote to a non-voting Affiliate's representative.

10.04.2 For any meeting, or any agenda item at a meeting, when a voting representative who will be present in person wants to allocate the casting of part or all of its vote to a non-voting Affiliate's representative, the voting representative may make the allocation by giving written (on the Member's, or its representative's, business letterhead), signed notice (by mail, fax, or hand delivery) of the allocation to the Secretary of the Operating Committee before the taking of any vote to which the allocation will apply.

10.04.3 For any meeting, or agenda item at a meeting, when a voting representative will not be in attendance in person, or where an allocation to cast votes is to be for a period longer than one meeting, the voting representative may make the allocation by giving seven business days advance written notice to the Secretary of the Operating Committee.

10.04.3.1 If a non-voting representative who has been allocated the casting of a vote is absent, the voting representative in attendance may cast the vote, unless the notice provided under 10.04.2 or 10.04.3 above provides otherwise.

10.04.3.2 An allocation to cast votes shall be sufficiently particular as to allow the Secretary to determine whether the non-voting representative is entitled to cast any portion or all of the voting representative's vote on any ballot. In case of doubt as to an allocation in any particular case, the Secretary shall disallow the exercise of the allocation, and the voting representative shall be allowed to cast the vote.

10.04.4 In no event shall an allocation to cast votes be construed so as to make the non-voting Affiliate a voting Member, nor the representative of a non-voting Affiliate a representative of a voting Member, for purposes of any other provision of these By-Laws.

**Article XI. Divisions of Members into Sectors**

- 11.01 Sector choices made by Members in accordance with the provisions of the Management Committee By-Laws regarding division of Members into Sectors for voting purposes shall govern voting procedures for and participation in the Operating Committee.

**Article XII. Allocation of Voting Shares by Sector and Subsector; Activation of Sectors and Subsectors**

- 12.01 The provisions of the Management Committee By-Laws regarding allocation of voting shares by sector and subsector and for activation of sectors and subsectors shall apply to the Operating Committee.

**Article XIII. Appeals from Operating Committee Decisions**

- 13.01 Any Member of the Operating Committee as well as the ISO Board representative to the Operating Committee may appeal an action of the Operating Committee to the Management Committee by filing a written Notice of Appeal with the Secretary of the Management Committee within ten business days following the provision of notice to the Members of the action appealed from.<sup>47</sup> A Notice of Appeal will be deemed timely filed if it is delivered to the Secretary of the Management Committee or his designee as posted on the NYISO website on or before the last day for filing during regular business hours by regular mail, fax, electronic mail, courier or overnight delivery. As used in these By-Laws, “regular business hours” shall mean Monday through Friday between the hours of 9:00 a.m. and 6:00 p.m. and shall not include holidays. A Member filing a Notice of Appeal by electronic mail must also send a hard copy of the Notice of Appeal to the Secretary of the Management Committee.
- 13.02 The written Notice of Appeal shall set forth in concise detail the name of the party or parties appealing the action, a description of the action appealed from, and the grounds for the appeal.<sup>48</sup>
- 13.03 The appealing party or parties shall be available to appear at the Management Committee meeting at which the appeal will be considered and shall be prepared to support the appeal.<sup>49</sup>
- 13.04 Any Member may request a stay of action pending appeal to the Management Committee by filing a written motion with the chairperson of the Stay Review Subcommittee, the Chairperson of the Operating Committee, the ISO Board, and

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<sup>47</sup> Section 7.13(a).

<sup>48</sup> Section 7.13(a).

<sup>49</sup> Section 7.13(a).

the ISO Staff.<sup>50</sup> A request for a stay shall state the action against which the stay is sought (including a copy of any writing showing the action), include a copy of the notice of appeal to the Management Committee from that action (which may be filed with the Management Committee at the same time the request for a stay is sought), state briefly the grounds for the appeal, and show what irreparable harm would result if the stay is not granted. The moving Member must give notice of the motion to all Members directly or through ISO staff. A stay will be deemed timely filed if it is delivered to the Secretary of the Management Committee or his designee as posted on the NYISO website on or before the last day for filing a Notice of Appeal during regular business hours by regular mail, fax, electronic mail, courier or overnight delivery. A Member filing a stay by electronic mail must also send a hard copy of the stay to the Secretary of the Management Committee. A stay does not act to toll the time period for calculating the effective date under Section 4.13 of the Management Committee By-Laws.

#### **Article XIV. Subcommittees; Nominating Subcommittee; Working Groups**

14.01 The Operating Committee may form such subcommittees as from time to time it may deem appropriate.

14.01.1 Each subcommittee shall establish procedures as are provided for in the enabling motion for the subcommittee at the time the subcommittee is created. In the event such procedures are not specified by the enabling motion, the Chairperson of the Operating Committee may prescribe such procedures.

14.01.2 Written notice of each meeting of a subcommittee shall be provided not less than three business days prior to the date of the meeting to each member of the subcommittee by electronic mail directed to the address designated by such member.

14.01.3 Subcommittees may adopt their own By-Laws, subject to review by the Operating Committee. Subcommittees may use or amend the By-Laws of the Operating Committee in developing their own By-Laws.

14.01.4 Except as expressly provided in the enabling motion of the subcommittee or the subcommittee By-Laws, the chairperson and vice-chairperson of a subcommittee or working group of the Operating Committee shall each serve a term that coincides with the term of the Chairperson of the Operating Committee. This section does not prevent the incoming Chairperson of the Operating Committee from reappointing any such subcommittee or working group chairperson or vice-chairperson for a new term.

14.01.5 At the request of the Chairperson or if so provided in the enabling motion for a subcommittee, the President of the ISO shall appoint a non-voting secretary from among the ISO staff to a subcommittee.

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<sup>50</sup> Section 7.02(c).

- 14.02 There shall be a subcommittee of the Operating Committee, called the “Nominating Subcommittee,” that shall report to the Operating Committee prior to the meeting of the Operating Committee at which elections are scheduled to be held, as provided in these By-Laws, its recommendation of at least two candidates for Vice-Chairperson for the following one-year term (or, in the event of a vacancy in the office of Vice-Chairperson, for the remainder of the current Vice-Chairperson’s term); provided, however, that if the Committee receives a nomination for only one qualified candidate, the Committee shall send a notice to all Parties stating that the position is available and encouraging further nominations, and if after a reasonable time following the notice there remains only one qualified candidate for Vice-Chairperson, the Nominating Subcommittee may recommend only one candidate for Vice-Chairperson to the Operating Committee. The Nominating Subcommittee shall also make a recommendation for the initial Chairperson and Vice-Chairperson as provided in Section 14.02.4 below.
- 14.02.1 The Nominating Subcommittee shall consist of 5 representatives, with one representative designated by each Sector. The representatives shall serve one-year terms, subject to redesignation by the relevant Sector. The Nominating Subcommittee representatives shall be voting Members, or representatives or alternate representatives of voting members, who cast votes in the sector the representative represents, *provided however*, that no representative and alternate representative of the same or affiliate Members may be members of the Nominating Subcommittee.
- 14.02.2 The members of the Nominating Subcommittee shall elect a chairperson, and the President of the ISO shall appoint a non-voting secretary, whom the President of the ISO may remove at will.
- 14.02.3 The chair shall rotate, on an annual basis, among all five sectors. The chairperson shall not be the representative of a given sector more than once in a five year period, beginning on the date of election of the first chair and repeating every five years thereafter.
- 14.02.4 The Nominating Subcommittee shall make a recommendation to the Operating Committee of one candidate for the initial Chairperson and one candidate for the initial Vice-Chairperson. The Nominating Subcommittee shall make its recommendations for the initial Chairperson and initial Vice-Chairperson at the first Operating Committee meeting.
- 14.03 The Operating Committee may form such working groups, through enabling motion passed by the Operating Committee or by declaration of the Chairperson, as from time to time it may deem appropriate. Each working group formed under this Section 14.03 shall exist only during the term of the Chairperson of the Operating Committee in office at the time the working group is formed unless the working group is authorized by the succeeding Chairperson to continue.
- 14.03.1 Each working group shall establish procedures as are provided for in the enabling motion for the working group at the time the working group is created. The procedures established shall include a process for reporting on the activities of the working group to the Operating Committee. Such reports shall include a minority opinion section when applicable. In the

event such procedures are not specified by the enabling motion, the Chairperson of the Operating Committee may prescribe such procedures.

- 14.03.2 The Chairperson of the Operating Committee shall appoint a chairperson of each working group.
- 14.03.3 Participation in working groups, unless designated otherwise in the enabling motion for the working group, may be of voting or non-voting Members, representatives designated under Section 2.02 or alternate representatives designated under Section 2.02.1, employees of Members, and guests of Members.
- 14.03.4 Written notice of each meeting of a working group shall be provided not less than three business days prior to the date of the meeting to each member of the Operating Committee by electronic mail directed to the address designated by such member.
- 14.03.5 The President of the ISO shall provide technical staff support as appropriate to each working group. The President of the ISO may appoint a non-voting secretary from among the ISO staff to any working group.
- 14.03.6 The ISO Board shall cooperate with each working group regarding dissemination of information prior to any meeting.

**Article XV. Revisions to By-Laws**

- 15.01 These By-Laws of the Operating Committee shall not be amended, modified, revised, revoked, or repealed except by a 58% vote of the Operating Committee at a regular meeting and subject to approval of the Management Committee.<sup>51</sup>
- 15.02 The Chairperson shall cause a review of these By-Laws and, if necessary, the preparation of draft revisions to these By-Laws for consideration by the Operating Committee, upon each amendment to the ISO Agreement.

I HEREBY CERTIFY that the foregoing is a full, true, and correct copy of the By-Laws of the Operating Committee of the New York Independent System Operator, as in effect on the date hereof.

WITNESS my hand this \_\_\_\_ day of \_\_\_\_\_, 2003:

\_\_\_\_\_  
Secretary of the Operating Committee

<sup>51</sup> Section 7.12, as incorporated by Section 8.03.