

Minutes
New York State Reliability Council, L.L.C. (“NYSRC”)
Executive Committee
Conference Call #2 - February 24, 2000

Members and Alternates:

Richard J. Bolbrock	Long Island Power Authority (“LIPA”) - Chairman
William H. Clagett	Unaffiliated Member - Vice Chairman
Roger E. Clayton	Wholesale Sector, PG&E Generating
Mark J. Cordeiro	Municipals, PLM, Inc
Joseph C. Fleury	New York State Electric & Gas Corporation - Secretary
H. Kenneth Haase	New York Power Authority (“NYPA”)
John Hauber	Rochester Gas & Electric Corporation
George C. Loehr	Unaffiliated Member
Kenneth A. Mennerich	Central Hudson Gas & Electric Corporation (“CHG&E”)
Larry Eng	Niagara Mohawk Power Corporation (Alternate)
Mayer Sasson	Consolidated Edison Co. of New York, Inc. (“Con Edison”)

Others

John M. Adams	New York Independent System Operator (“NYISO”) (Alternate)
Alan M. Adamson	Consultant - Acting Treasurer
Paul L. Gioia	LeBoeuf, Lamb, Greene & MacRae (“LLG&M”) - Legal Counsel
Keith O’Neal	New York Public Service Commission (“PSC”)
Frank J. Vitale	Consultant

Agenda Items

1.0 NYSRC Insurance Requirements

Mr. Gioia noted that he received comments from the Committee on the revised proposal received from Marsh, Inc., dated February 9, 2000, for NYSRC insurance requirements. Mr. Casazza had faxed a note providing a summary of the coverage provided to another similar organization, to some of the Committee Members, suggesting that the latest proposal was still too expensive and too much coverage. After discussion by the Committee, Mr. Gioia was asked to obtain a final quote from Marsh, Inc. for Commercial General Liability Coverage of \$1M, Excess Liability Coverage of \$25M, and Directors and Officers (“D&O”) Coverage for the NYSRC

Members/Managers of \$10M. Mr. Gioia shall forward the information to the Secretary upon receipt - AI #CC2-1.

2.0 Inclusion of White Paper and Other Material Proposed for Inclusion in Meeting Minutes

Regarding the Minutes for Committee Meeting No. 10, the Committee agreed that the Secretary will include a note in the Minutes indicating that Mr. Sasson provided to the Secretary a copy of a Con Edison White Paper dated January 31, 2000, in lieu of attaching the White Paper to the Minutes. The Minutes will also state that a copy of the White Paper will be available upon request from the Secretary. The documents subsequently submitted by Mr. Casazza by email dated February 3, 2000, and by Mr. Vitale, by email dated February 22, 2000 will not be mentioned in the Minutes since they were submitted after the January 31, 2000 Committee meeting.

The Committee also agreed that the Secretary shall summarize the comments made by the Committee Members during the Open Session vote on the NYSRC Resolution to lower the statewide IRM, and include them in the Draft Minutes. Everyone will be able to review and comment on the Draft Minutes.

The Committee discussed and agreed that for all future Committee meetings, if someone wants a document or other material to be considered or discussed during a meeting, they must send the document or material to the Committee by email no later than seven (7) days prior to the meeting, and also notify the Secretary that the document should be placed on the Agenda for discussion. Members may also request at the beginning of the Committee meetings, during the Closed Session, that they have an issue or document they would like the Committee to consider to be added to the Agenda.

1 Millennium Gas Pipeline Proceeding - NYSRC Filing at FERC

The Committee discussed Mr. Gioia's latest draft NYSRC filing in the FERC proceeding on the proposed project. Additional comments were received and discussed and will be incorporated into a final draft by Mr. Gioia and sent to the Committee for final review on February 25, 2000. Mr. Gioia will request Members to provide comments ASAP so that the filing can be made the week of February 28, 2000 - AI# CC2-2.

4.0 Reliability Rules Subcommittee Request

The Committee discussed and approved the Reliability Rules Subcommittee's ("RRS") request to allow Mr. Adamson to proceed with an assessment of compliance of the NYSRC's Initial Reliability Rules with the NERC and NPCC standards. The assessment will take approximately 20 hours to complete at a cost of about \$2,000.

1 .Other Issues

2 .Request for Staff to Complete Duties of the RCMS

3.

Mr. Bolbrock noted that Mr. Casazza sent a memo dated February 23, 2000 regarding the need for staff to accomplish the duties of the Reliability Compliance Monitoring Subcommittee. This item will be placed on the Agenda for the next Committee Meeting.

1 .NYSRC Funding

Since FERC rejected the NYSRC funding proposal, the Committee agreed that Mr. Adamson shall issue a call for funds for \$50,000 for each of the months of April, May, and June, 2000. The Members shall submit the payments by the first of each month, starting with April 1st.

The Committee also agreed to proceed with proposing a motion for consideration by the NYISO Management Committee to file the NYSRC funding mechanism proposal. The motion will require 58% of the vote to be passed. Messrs. Gioia and Bolbrock shall contact Mr. Museler, Mr. Rana, and NYISO Counsel - **AI #CC2-3**.

1 .Installed Reserve Margin

Mr. Gioia noted that the NYSRC's filing changing the Statewide Installed Reserve Margin to 18% was submitted at FERC on February 22, 2000. Mr. Gioia shall send the filing to the Committee by email - **AI #CC2-4**.

Mr. Adams stated to the Committee that the NYISO Staff has supported the results of the NYSRC's IRM studies and report in discussions and presentations to the NYISO Board.

Mr. Adams noted that the NYISO is in the process of completing its locational capacity requirements study and will be presenting the results showing the transmission district IRM requirements at the next Operating Committee meeting.

Mr. Adams indicated that the preliminary diversity numbers indicate a 2.5% diversity.

5.4 NYISO Dispatcher Training Program

The NYISO has requested a brief (30-60 minute) presentation on the NYSRC at each of its six Dispatcher Training Programs that will be conducted starting in early March. The Committee agreed that Messrs. Adams, Adamson, and Vitale will conduct the NYSRC sessions. Mr. Adams shall contact D. Mahlmann at the NYISO to finalize - **AI #CC2-5**.

1 .Meeting Schedule Change

The date for Meeting No. 11 was changed by the Committee from March 16, 2000 to March 24, 2000. The meeting will remain at the NYISO Power Control Center in Guilderland, starting at 9:30 A.M.

The Committee Conference Call No. 2 was adjourned at 4:20 P.M.

Completed By: Joseph C. Fleury - Secretary
Final Issue Date: March 24, 2000