

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 171 – July 12, 2013**  
**Albany Country Club, Voorheesville, NY**

**Members and Alternates**  
**in Attendance:**

Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Chair
Curt Dahl	LIPA – Alternate - Phone
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Scott Leuthauser	HQ US - Alternate - Phone
Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Vice Chair
Peter Altenburger	National Grid, USA – Member
Arnie Schuff	New York Power Authority – Member
Tom Duffy	Central Hudson Gas & Electric – Member - Phone
George Smith	Unaffiliated Member
Paul DeCotis	LIPA - Member
Ray Kinney	New York State Electric & Gas/RG&E - Member

**Others:**

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
John Adams	New York Independent System Operator (NYISO)
Chris Sharp, Esq.	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)*
Edward Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Greg Drake	New York Independent System Operator (NYISO)*
Henry Chao	New York Independent System Operator (NYISO)

**Visitors – Open Session:**

Herb Schrayshuen	Power Advisors, LLC - Phone
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Jim Scheiderick	
Rick Brophy	New York State Electric & Gas/RG&E
Erin P. Hogan, PE	NYSERDA

“\*” Denotes part-time

**Agenda Items – (Item # from Meeting Agenda)**

**I. Executive Session** – An Executive Session was requested to discuss compensation.

**II. Open Session**

**1.0 Introduction** – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.171 to order at 9:30 A.M. on July 12, 2013 at the Albany Country Club, Voorheesville, NY.

**1.1 Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance.

**1.2 Visitors** – See Attendee List, page 1.

**1.3 Requests for Additional Agenda Items** – None

**1.4 Declarations of “Conflict of Interest”** – Mr. Ellsworth declared that he has been asked to consult in a court case involving a subsidiary of NYSEG. The litigation pertains to its gas distribution system in New Hampshire. The Executive Committee concluded that Mr. Ellsworth’s participation would not constitute a “conflict of interest” regarding his obligations as a member of the Executive Committee of the NYSRC.

**1.5 Executive Session Topics** – See item I above.

**2.0 Meeting Minutes/Action Items**

**2.1 Approval of Minutes for Meeting No. 170 (June 10, 2013)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Additional clarification was provided by Mr. Gioia. Following further discussion, Mr. Clagett moved for approval of the draft minutes contingent upon inclusion of Mr. Gioia’s comments. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #171-1**.

**2.2 Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
166-6	Members and officers were selected at the June 13, 2013 Executive Committee meeting.
167-4	Superseded by AI #170-3.
168-2	Written instructions were provided with the June 2013 Call-For-Funds.

**3.0 Organizational Issues**

**3.1 NYSRC Treasurer’s Report**

**i. Summary of Receipts & Disbursements** - Mr. Adamson provided the Summary of Receipts and Disbursements which showed a balance of \$121,000 at the end of June 2013. He noted receipt of two payments to date toward the 3<sup>rd</sup> Quarter Call-For-Funds of \$25,000 per TO. One of these payments was received via the new electronic payment option. Also, Mr. Adamson reminded the TOs (Executive Committee members) using the electronic payment option to send him an email after each payment indicating the date and amount of the payment –**AI #169-2**.

- ii. **Proposed 2014 Budget** – Mr. Adamson provided a Proposed 2014 Budget of \$761,000 which included the newly approved compensation for 2014. The proposal is 1.2% above the current budget. Following discussion, Mr. Loehr moved for approval of the proposed budget. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).
- iii. **Funding Mechanism** – Mr. Adamson provided a proposed NYSRC Funding Mechanism For 2014. The proposed funding mechanism emulates the funding mechanism used in previous years. Following discussion, Mr. Altenburger moved for approval of the proposed budget. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

### 3.2 Other Organizational Issues -

- i. **Electronic Payments** – See 3.1i.

### 4.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

- 4.1 **ICS Chairman’s Report** – Mr. Adamson (subbing for Mr. Boyle) reported that ICS met on June 26, 2013 and that the Base Case Assumptions Matrix was the primary item for discussion. He reminded the Executive Committee that as a result of discussion following last year’s IRM Study, it was agreed to revise the milestone dates for various input assumptions. As a result, the Assumption Matrix for approval today is preliminary. This preliminary Assumptions Matrix will be used for the Parametric Analysis, determining the preliminary IRM, and carrying out the sensitivity Studies. Mr. Adamson added that the preliminary Assumptions Matrix was unanimously approved by ICS for presentation to the Executive Committee.

The “lockdown” date for final assumptions is the October 4, 2013 Executive Committee meeting at which time the final Assumptions Matrix will need to be approved by the Executive Committee – **AI #171-2**.

- 4.2 **Assumptions Matrix** – Mr. Adamson highlighted the following assumptions from a matrix of more than 30 assumptions:

- (a) Peak Load – The “Gold Book” forecast is used until the final forecast is available on October 1, 2013.
- (b) Load Shape – The 2002 load shape will be used initially, but replaced by the Multiple Load Shape Model in the final Assumptions Matrix. The Multiple Load Shape Model was approved at the June 13, 2013 Executive Committee meeting.
- (c) Load Forecast Uncertainty – The NYISO Zonal model will be used for all LSEs except for ConEd. ConEd’s LSEs will be represented by last year’s models.
- (d) Forced and Partial Outage Rates – A rolling five-year average of GADS data will be represented for each unit.
- (e) Summer Maintenance – Nominal xx Mws divided between equally between upstate and downstate will be used in the final IRM Study based on summer 2013 data.
- (f) Wind Shape – Data will be based on the NYISO white paper, Evaluation of Wind Modeling in Probabilistic Resource Adequacy Studies.
- (g) Interface Limits – The limits have been provided and approved by ICS.
- (h) New Transmission – No new transmission.
- (i) Special Case Resources – The number of registrations has declined significantly and the efficiency has declined slightly.
- (j) Environmental Initiatives – No estimated impacts based on a review of existing rules and retirement trends by Mr. Carney (NYISO).

Following additional discussion, Dr. Sasson moved for approval of the preliminary Assumptions Matrix contingent on the inclusion of Executive Committee comments. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee – (13 to 0).

### 5.0 Reliability Rules Subcommittee Status Report/Issue

**5.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on June 27, 2013. Two separate meetings were held, each with its own agenda and minutes. Mr. Clayton introduced the List of Potential Reliability Rule Changes and reported that PRR #97, BPS Facilities; B-R6 & B-M4 is under development. He presented a partial draft template for PRR #116, System Restoration G-M1 & LRR, which addresses the identification of Black Start Resources needed for an effective System Restoration Plan (SRP). Mr. Clayton indicated that the general concept for identification of black start resources has been agreed upon by all parties. It is the details that are currently being debated. Narrowing the scope to apply only to ConEd and perhaps LIPA is under consideration.

The general concept is that if a black start capable resource is not in ConEd's Black Start Program but could provide a material benefit to restoration, then under PRR #116 the resource will be designated to become a black start resource facility in order to improve black start performance. If the resource wants to decline to be a black start generator, it may request an exemption. If the exemption is refused, the resource will become a black start resource.

At this stage of the RRS discussions, there are two important issues to be resolved: (a) LIPA's participation in the rule, and (b) Who (NYISO or TO) will request that the generator become part of the black start program.

## **5.2 Status of New/Revised Reliability Rules**

### **i. Proposed NYSRC Reliability Rules Revision**

#### **a. List of Potential Reliability Rules ("PRR") Changes**

#### **b. Status of New/Modified Reliability Rules**

##### **1. PRRs for EC Final Approval**

- None

##### **2. PRRs for EC Approval to Post -**

- None

##### **3. PRRs for EC Discussion**

- None

## **5.3 NPCC/NERC Standard Tracking**

**i. NERC Standards Development** – Nothing new to report.

**ii. NPCC Standards** – Nothing new to report.

## **5.4 Other RRS Issues**

**i. Rules Enhancement Plan (REP)** – Mr. Clayton indicated that the goal of the REP is to have the format of the NYSRC Reliability Rules consistent with the NERC Standards and internally consistent with NERC and NPCC Standards. He presented the first draft reorganized NYSRC rules, A-R1 and A-R2. The objective is to have the words of the existing rules or compliance requirements remain unchanged to the extent possible. In the example A-R1, it was not necessary to change any of the Introduction, Rule or Compliance Elements. The existing Rule has simply been reorganized in to a new format.

The new structure is: (a) Reliability Rule, (b) Requirements, and (c) Compliance. The current full Compliance Statements become Measures (a subcategory under Compliance), and current Measurements become the Requirements. In the case of a new rule, the approval process will be required.

Mr. Mager requested that in the future a template be included with the re-formatted rule when presented to the Executive Committee – **AI #171-3**.

**ii. NYSDEC Meeting** – Mr. Clayton reported that the regular meeting with NYSDEC was held on June 20, 2013. Mr. Raymond will distribute the notes and presentation by Mr. Carney (NYISO) – **AI #171-4**. The next meeting is scheduled for August 15, 2013.

## **6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues**

**6.1 RCMS Status Report & Discussion Issues** – Mr. Clayton reported that RCMS met on June 27, 2013 following the RRS meeting.

**6.2 2013 New York Reliability Compliance Program** – Mr. Clayton indicated that RCMS reviewed Measurement B-M4, List of NYS Bulk Power System Facility. A portion of the list which was originally designated CII, will be examined prior to the August 2013 RCMS meeting.

Mr. Clayton also reported that the NYISO has completed a study addressing resource adequacy assuming Indian Pt. is shutdown. Three conditions were considered: (a) SCR resources not available, (b) Net purchases not available, and (c) Both SCRs and net purchases not available. The conclusion is that if SCRs or net purchases were not available, the 2013 IRM would remain at 17.1%. Without replacement capacity, the IRM would rise to 22.0%. However, if both SCRs and net purchases are not available, the IRM would be deficient in 2013 and worsen with time. Mr. Clayton advised that the NYSRC carefully watch the Indian Pt. litigation and the development of new capacity since lead times may be greater than two years.

Dr. Sasson noted that in the Indian Pt. proceeding, replacement capacity is expected to be available by 2016. He added that the NRC is likely to approve a request for operating license renewal and potential litigation could go on for an additional two years..

**6.3 Other RCMS Issues** – Nothing additional to report.

## **7.0 Key Reliability Issues**

**7.1 Defensive Strategies** – Mr. Smith reported that with the assistance of Ms. Hogan he has gained a better understanding of the funding process through NYSEDA as a consequence of the Constellation litigation. Ms. Hogan indicated that the types of projects that would be eligible for funding have not been finalized. In order not to delay the process, NYSEDA has solicited proposals up to \$10M. There are two submittal dates, August 14, 2013 and February 18, 2014. She suggested issuing the NYSRC submittal before August 14, 2013 and modifying later, if necessary.

Mr. Smith expressed his intention to make a submittal by August 14, 2014 – **AI #171-5**. The requirements for requesting funding are very clear. However, he will need some assistance from the NYISO. Also, the DSWG brainstorming session is not scheduled until August 8, 2013 which will tighten his work schedule. Ms. Hogan suggested discussing his thoughts with one of the NYSEDA Project Managers before finalizing the submittal.

## **8.0 State/NPCC/Federal Energy Activities**

**8.1 NPCC Board of Directors** – The NPCC Board of Directors meeting was held on June 25, 2013. The meeting largely focused on discussion regarding NERC and NPCC budgets; no technical reliability topics were discussed.

**8.2 NPCC Report** – Mr. Fedora reported that FERC has postponed the effective date for filing the Definition of BES to July 1, 2014 from July 1, 2013. This has caused numerous changes in the scheduling and planning that NERC had initially proposed. The new NERC web site, BES Notification and Acceptance Process, is a good source for the latest information. It has been revised to post the June 13, 2013 FERC Order and a summary status report on what is to happen given the change in effective date. The seminars scheduled to rollout the BES exceptions “tool” to the industry have been postponed. Phase II of the “tool” is expected to be completed by September 1, 2013. Training on the use of the “tool” will now take place in the 1<sup>st</sup> Quarter of 2014.

All the changes from Directives regarding the definition of BES have been rolled into the Phase II Standard Drafting Team (SDT) effort. This effort has been posted and the comments are due July 12, 2013. NERC staff will combine the comments and provide them to the SDT some time next week. There is a meeting near the end of July 2013 to respond to the comments and consider any changes to the revised BES Definition.

The SDT has developed an “equal and effective” alternative to FERC’s dropping of the 100kV lower limit on the E1 exclusion requests. The SDT is proposing 30kV. Final justification for the 30kV lower limit by the SDT will be available at the end of the month. Phase II is expected to be available for NERC Board approval in November 2013 followed by a filing with FERC by year end. NPCC has asked NYISO and ISO-NE to provide more detail on the lower voltage components of its interfaces.

A FERC/NERC reliability technical conference was held earlier this week. It may be heard in its entirety at the FERC web page.

- 8.3 Governor’s Energy Highway** – Mr. Mager reported that the PSC is soliciting proposals for AC transmission solutions only that would relieve the historical points of congestion on the electric system. The Article 7 proposals are due October 1, 2013. The Staff of the NYPSC just released a white paper on cost allocation and recovery issues. There will be a technical conference in the beginning of August 2013. Reply comments are due in early September 2013.

## **9.0 State/Federal Energy Activities**

- 9.1 CARIS** – The Base Case for 2011 is complete including benchmarking the model results to 2011 actual congestion, LBMPs, power flows, and generator outputs. Modeling assumptions are now finalized. The NYISO will be presenting the 10-year (2013-2022) forecast of congestion, the identification of congested elements and generic solutions for discussion at the July 8, 2013 ESPWG meeting. The NYISO is working with the ESPWG to address concerns regarding the modeling of inter-control area flows. The NYISO has also committed to work with the ESPWG and NYSRC on studying the use of a Tan45 analysis in calculating the CARIS 1 ICAP metric. The NYISO is presently drafting a proposed work plan for review with ESPWG.

## **9.2 Interregional Transmission Studies**

- i. EIPC Study** – On April 29, 2013, EIPC announced it has completed the transmission analyses as part of an electric system transmission planning effort funded by the U.S. Department of Energy (DOE). Phase II will continue with the Gas-Electric System Interface Study. A draft baseline assessment of the existing system will be completed by December 20, 2013. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in draft form by March 28, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by March 28, 2014. A draft review of dual fuel capability is expected on May 5, 2014. The final draft report is scheduled for March 10, 2015.
- ii. IPSAC Study** – The FERC interregional compliance filing deadline was July 10, 2013. On April 18, 2013 FERC “conditionally accepted” the NYISO regional compliance filing. Numerous conditions and revisions to the compliance filing are due August 16, 2013. The NYISO is holding numerous meetings with stakeholders to discuss compliance issues.

- 9.3 Other Studies/Activities** – Nothing additional to report.

## **10.0 Other Items**

- 10.1 Hydro Quebec(HQ) Incident** – Hydro Quebec reported that on July 3, 2013 four HQ 735kV transmission lines tripped as a result of forest fires in the James Bay area. The outages resulted in the loss of 3,370Mws of HQ exports and 1800Mws of internal HQ load. In approximately 3.5 minutes beginning at 1635 Hours, the following imports were reduced NYISO, ISO-NE, IESO, and NBSO by 790, 1750, 500, and 380Mws, respectively. The NYISO initiated Simultaneous Activation of Reserves (SARs) with the loss of ISO-NE Phase 2 followed by the loss of Chateauguay. ACE was -1,115Mws. The ACE was restored by NYISO operators in less than 10 minutes. The operators also: (a) Declared an Alert State for short of reserves, (b) Coordinated tap changes on the NYISO-PJM and NYISO-IESO PARs, (c) Coordinated reactive power control voltage, (d) Managed transaction curtailments, and (e) Participated in daily NPCC conference calls to assess the progress of the forest fires and projected import capability. By 1657 hours, the four HQ 735kV lines and LaGrange 2 & 4 Generation Stations had

returned to service and by 1800 hours all 1800Mws of HQ load were restored. All other HQ interconnections were available by 2100 hours.

On the following day, July 4, 2013, the forest fires shifted to the northern section of the Phase 2 corridor resulting in the loss Phase 2 exports to ISO-NE shortly after 1200 hours. At about 1648 hours, three 735kV lines were lost over an 18 minute period. Around 1700 hours the SPS rejected 2000Mws of LaGrange 2 generation and 1500Mws of HQ internal load. Chateaugay exports were reduced by 400Mws. By 2050 hours the internal load and Chateaugay were restored.

**10.2 NYISO Operations Report** – Mr. Yeomans provided the NYISO Operations Report for June 2013.

The peak load occurred on Monday, June 24, 2013 at 30,026Mws versus the all time summer peak of 33,939Mws on Wednesday, August 2, 2006. There were no Major Emergencies declared during the month. Alert states were declared on 12 occasions; 4 times for system frequency. There was 1 TLR Level 3 declared for a total of 1 hour. On 17 occasions reserves were activated, 7 for ACE. On June 17, 2013, 7040 Chateaugay-Massena tripped with 1252Mws into the NYISO. A RPU/SAR was initiated and ACE crossed zero at 12:01 and the RPU and SAR were terminated.

**10.3 North American Energy Standard Board (NAESB)** – Nothing new to report.

**11.0 Visitors' Comments** – None

**12.0 Meeting Schedule**

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#172	Aug 9, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.
#173	Sept 12, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Committee Meeting No.171 was adjourned at 2:30 PM.