

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 100 – August 10, 2007**  
**Albany Country Club, Voorheesville, NY**

**Members and**

**Alternates:**

Thomas J. Gentile	National Grid, USA – Chairman
George C. Loehr	Unaffiliated Member – Vice Chairman, RCMS Chairman
Bruce B. Ellsworth	Unaffiliated Member
Richard. J. Bolbrock	Long Island Power Authority (LIPA)
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Timothy Bush	Muni. & Elec. Cooperative Sector - Member
Chris Wentlent	AES - (Wholesale Seller Sector) - Alternate
George E. Smith	Unaffiliated Member
John Hauber	New York State Electric & Gas/Rochester Gas & Electric – Alternate -Phone
A. Ralph Rufrano	New York Power Authority
Thomas Duffy	Central Hudson Gas & Electric
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
Michael Mager, Esq.	Couch White, LLP (Large Customers' Sector)

**Others:**

John Adams	New York Independent System Operator (NYISO)
Bob Waldele	New York Independent System Operator (NYISO)*
Carl Patka, Esq.	New York Independent System Operator (NYISO) – Counsel*
Robert Pike	New York Independent System Operator (NYISO)*
Henry Chao	New York Independent System Operator (NYISO)*
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP – Counsel for NYSRC
Don Raymond	Executive Secretary
Roger Clayton	Electric Power Resources, RRS Chairman
Edward Schrom	NYS Department of Public Service
Scott Brown	New York Power Authority

**Visitors – Open**

**Session:**

Erin P. Hogan, PE	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Mike Caufield	Alcoa Inc.
Liam Baker	Mirant Energy - Phone

“\*” – Denotes part time attendance at the meeting.

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

- I. **Executive Session** – None requested
  
- II. **Open Session**
  - 1.0 **Introduction** – Mr. Gentile called the NYSRC Executive Committee Meeting No.100 to order at 9:30 A.M. on August 10, 2007. He thanked out-going Chairman, Mr. Ellsworth, for his nearly 3 years of exceptional leadership and willingness to continue participating as an unaffiliated member.
  - 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance or on the phone.
  - 1.2 **Visitors** – See Attendee List, page 1.
  - 1.3 **Requests for Additional Agenda Items** – None were requested.
  - 1.4 **Executive Session Topics** – An Executive Session was not requested.
  
- 2.0 **Meeting Minutes/Action Items**
  - 2.1 **Approval of Minutes for Meeting No. 99 (July 13, 2007)** – Mr. Raymond introduced the revised draft minutes and received additional comments from Mr. Loehr clarifying the educational credits approved for the Resource Adequacy and Transmission workshops. Mr. Ellsworth moved for acceptance of the minutes with the clarifications offered by Mr. Loehr. Mr. Bolbrock seconded the motion which was unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will issue the final minutes for Meeting No. 100 and post them on the NYSRC web site **AI - #100-1**.
  - 2.2 **Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete:

<u>Action Item #</u>	<u>Comment</u>
94-5	The RRS began investigating IR-3 during its April 2007 meeting.
97-6	The NYISO will provide a presentation on Transfer Capability at the Executive Committee’s meeting on September 14, 2007.
98-6	A draft Policy 1-4 for <u>Exceptions to the Reliability Rules</u> was provided by RRS on July 6, 2007.
99-6	Mr. Scott Brown (NYPA) provided a presentation to the Executive Committee on the Minimum Oil Burn issue at its August 10, 2007 meeting.

- 3.0 **Organizational Issues**
  - 3.1 **NYSRC Treasurer’s Report**
    - i. **Summary of Receipts & Disbursements** - Mr. Raymond presented the Summary of Receipts and Disbursements which showed a balance of \$132,000 in cash at the end of July 2007 and a projected year-end surplus of \$30,000.
    - ii. **Meeting Schedule for 2008** – Mr. Loehr reviewed the proposed Executive Committee meeting schedule for 2008. He noted that the 2<sup>nd</sup> Friday of the month is acceptable with the exception

of October 2008. The proposal is to meet on the 3<sup>rd</sup> Friday to avoid holidays. Following discussion, Mr. Bolbrock moved for acceptance of the schedule as proposed. Mr. Clayton seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

### **3.2 Other Organizational Issues**

- i. Code of Conduct** – Mr. Raymond received outstanding Code of Conduct Acknowledgement Forms from Executive Committee members, from RCMS via Mr. Loehr and from RRS via Mr. Clayton. Mr. Dahl will provide the completed forms for ICS at the September 14, 2007 meeting.
- ii. NYSRC Voting Rules** – Mr. Gioia indicated that the issue of abstentions had come up during discussion of the IRM voting. His memorandum, Possible Revision to EC Voting Rules, dated August 9, 2007 offered one example for addressing abstentions by commensurate reductions in the required number of votes for passage. The method would closely match a requirement of 68% and set a floor at 7 votes, which will assure at the least a majority of the 13 member Executive Committee. Also, Mr. Gioia noted that approval of a change to the voting rule requires a change in the NYSRC Agreement and unanimous consent of the TOs. Dr. Sasson noted that the Executive Committee could, if it wished, require members to cast “for” or “against” votes on IRM motions. Following additional discussion, the Executive Committee decided to table the issue until the September 14, 2007 meeting – **AI #100-2**.
- iii. IRM Voting Methodology** – At the suggestion of Messrs. Mager and Loehr, the Executive Committee decided to postpone discussion of the IRM voting process until the abstention issue (See Item 3.2ii) is resolved – **AI #100-3**.
- iv. NYSRC Workshops – Resource Adequacy/Transmission** – Mr. Loehr reported that he had filed the names of some 50 attendees at the Resource Adequacy Seminar for continuing education credits. Those who fail to receive the certificate in the next few weeks should contact Mr. Loehr. The Transmission Seminar is scheduled for September 13, 2007 at the Nurses Association from 9:00am to 4:45pm. There is a registration fee of \$100 and seven continuing education credits have been approved. Approximately 80 individuals have registered. Again, NYPA has generously offered to film the seminar. Preparation is underway to provide a similar seminar for PSC Staff on October 11, 2007 per the request of Mr. Tarler.

### **4.0 State/Federal Energy Activities –**

**4.1 Status of FERC NOPR on Reliability Standards** – Nothing new to report.

**4.2 Environmental Impact Analysis** – Mr. Adams indicated that the NYISO will be conducting scenarios in the current RNA designed to determine the impact of the multiple Environmental regulations which are scheduled to go into effect over the next 3-5 years. Mr. Carney is the NYISO Team Leader reporting to the ESPWG. Mr. Patka noted that RGGI, HEDD (High Electricity Degree Days), and the Governor’s 15x15 demand reduction plan will be investigated individually. The NYISO will report on the study methodology at the September 14, 2007 Executive Committee meeting – **AI #99-3**. The Executive Committee raised the issue of combined scenarios which will be discussed further at its September 14, 2007 meeting. Mr. Wentlent noted that the NE-ISO has issued a similar study for New England – **AI #100-4**. Ms. Hogan added that the proposed RGGI Rule will be issued in the fall of 2007.

**4.3 NYSRC Filing Regarding ISO-NE Method of Determining ICR** – Nothing new to report.

### **5.0 Key Reliability Issues**

**5.1 Defensive Strategies** – Nothing new to report.

**5.2 NPCC Defensive Strategy Activities** – Nothing new to report.

**5.3 Minimum Oil Burn** – Mr. Clayton indicated that there are two Local Reliability Rules, I-R3 and I-R5 which have Applications ( in NYC and LI, respectively) that call for minimum oil burn. This may come in direct conflict with environmental constraints that are proposed for the NYCA. Additionally, there are even more stringent environmental constraints being proposed for the NYCA. If the generators

affected cannot be put on-line, the system will not meet the Reliability Rules. This implies the need for measures on the system, since the NYSRC does not have jurisdiction over the gas supply system. At the request of RRS, Mr. Scott Brown (NYPA) provided the Executive Committee a presentation on the issue. Mr. Brown described the situation in detail and pointed to the need for the LRRs for loss-of-gas to be forwarded looking to ensure long term reliability. On April 20, 2007 the NYISO Operating Committee approved a new Application starting in the summer of 2007. Under the Application, if the Zone J load is above 11,200Mw, then the Astoria East CC1/CC2 must be placed in automatic fuel swap mode or one CT must be on oil pre-contingency (TB#156). In response to Market Participant's concern for compensation of the variable operating costs, tariff revisions were made as summarized in TB #156. However, the current situation is exacerbated by new generators not being designed with traditional dual fuel capability, the aging of the dual fuel fleet, and growing reliance on the new design. However, Dr. Sasson observed that the latest 1000Mws of new capacity in NYC, as well as the upcoming SCS-2 project, have the ability to switch fuels. Options appear to be: (a) re-examination of the Rule itself, (b) include loss-of-gas in the RNA and SRIS processes to influence generator location, and/or (c) Executive Committee actions to protect system reliability. The NYISO is currently investigating the legal ramifications. Dr. Sasson indicated a preference for monitoring I-R3 and I-R5 to develop a basis for a change to the Rules. Mr. Raymond suggested that the Executive Committee should not assume that an accommodation could not be reached with the DEC that balances environmental and reliability risks. Mr. Baker suggested consideration of incentives to retain oil burn capability, and Mr. Bolbrock pointed out that in some instances reinforcements such as dynamic reactive support may be sufficient. Additional suggestions included (a) sensitivity cases based on the RNA or SRIS to better understand the planning impacts, and (b) defining the new environment for the planning and operation of generators in the future. Mr. Rufrano also re-emphasized the importance of gas pipeline studies to ensure that under emergency conditions the addition of a new gas fired generator will still leave sufficient time for the existing "fuel swap" units to switch-over. After further discussion, the Executive Committee suggested, as a first step, the RRS should request the NYISO to confirm that the proposed Environmental regulations will cause the implementation of the Applications for LRRs I-R3 and I-R5 to become infeasible – **AI #100-5**. Mr. Chao expressed his view that the NYISO will be in a much better position to address the issue once the on-going Environmental Study is complete. Mr. Patka noted that there are legal considerations given that the Energy Policy Act contains provision for special treatment under emergency conditions.

**5.4 PSC Case to Establish Criteria for Interruptible Gas** – Nothing new to report.

**6.0 Installed Capacity Subcommittee (ICS) Status Report/Issues**

**6.1 ICS Status Report and Discussion Issues** – Mr. Dahl reported that ICS met on August 1, 2007 and focused on finalizing the 2008 Base Case Modeling Assumptions Matrix. Mr. Dahl discussed the key changes from the prior year including: (a) Load Uncertainty updated to reflect latest data and modeling techniques, (b) Wind Resources capacity factor, (c) retirement of Lovett 4&5, Russell Station, and Ogdenburg (d) most recent 5 year GADS data for forced and partial outages, (e) 1205 Mws of Special Case Resources, and (f) updated External Capacity based on a new NYISO forecast. In addition, particular attention was given by ICS to the Transmission, Hydro, and Capacity models, zonal resolution for SCRs, and GT temperature sensitivity. Following discussion, Mr. Bolbrock moved for approval of the Assumption Matrix. Dr. Sasson seconded the motion which was approved unanimously by the Executive Committee – (13 to 0).

**6.2 Mechanism to Accommodate Expanded GE-MARS Database Review** – Nothing new to report.

**6.3 2008 IRM Study** – See Item #6.1.

**6.4 RAITF Study** – Mr. Dahl indicated that FERC has not yet responded and may not respond to the latest Quarterly Informational Report. The Report includes the Upstate/Downstate Study.

**6.5 Other ICS Issues**

**i. NYISO/NE Mutual Emergency Assistance Study** – Nothing new to report.

## **7.0 Reliability Rules Subcommittee Status Report/Issues**

**7.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that RRS met on August 2, 2007. There were no changes in the status of PRRs #8 and #52. PRR #84 is on hold pending final approval of NPCC A-3. PRRs #88, 91 and 92 have been approved by the Executive Committee and will appear in the next version of the Reliability Rules Manual. PRR #93, which is under RRS review, is an NYISO proposal to include controllable load in the 10 minute synchronous reserve and align with the proposed change to NPCC A-6 Document (See Item #7.4ii.). PRR #94, Exceptions to the NYSRC Reliability Rules, was tabled until the September 14, 2007 Executive Committee meeting to accommodate additional Comments – **AI #98-6**. Both Messrs. Gioia and Patka feel a final Rule is very close. Dr. Sasson expressed the view that re-justifying active Exceptions was not necessary, and that Exceptions that are no longer relevant should be removed from the list. Mr. Clayton felt RRS could address the issues raised by Dr. Sasson. Mr. Gioia noted that there are not any legal impediments to the Executive Committee making changes to an existing Exception.

## **7.2 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 Final EC Approval – None**

##### **2. PRRs for EC Approval to Post for Comments – None**

##### **3. PRRs for EC Discussion – None**

## **7.3 NPCC/NERC Standard Tracking -**

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

**ii. NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – Nothing new to report.

**iii. NPCC** – Mr. Fedora indicated that beginning in September 2007, voting for membership on the Operating and Planning Committees will be along sector lines.

## **7.4 Other RRS Issues –**

**i. Policy 1-4 Revision – Exception to Reliability Rules** – See Item 7.1

**ii. Ancillary Services – Demand Side Resources** – Mr. Clayton indicated that there is a proposal being considered by RRS and RCMS that would allow controllable demand-side resource to be used as synchronized reserve if the resources meet certain requirements. At the request of RRS, Mr. Robert Pike (NYISO) agreed to update the Executive Committee on the proposal. Mr. Pike noted that the proposal is a revision to current Operating Reserve resource eligibility to allow demand resources, that can reduce load consumption, to be eligible to provide synchronous as well as non-synchronous operating reserve. The Demand-Side Ancillary Service Program (DSASP) has the approval of the NYISO Operating Committee and NPCC (a modification to NPCC A-6). To qualify, the load must: (a) have continuous Computer-to-Computer data transmission with the NYISO, (b) meet TO interconnection requirements, (c) transmit instantaneous total actual load, (d) measure resource response relative to load at the start of the event, and (e) validate instantaneous bus load via a metering authority submission of bus load Mwhrs. data. Mr. Pike noted that the software needed to support this feature was already incorporated into the NYISO's SMP-2 and would just need to be activated.

## **8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues**

**8.1 RCMS Status Report and Discussion Issues** – RCMS met on August 9, 2007. Mr. Loehr indicated that Mr. Mike Potsnak (NE) has been accepted as a member of the NERC drafting team for BAL 007-011, Balance Resources & Demand. He is the author of the White Paper that brought attention to the legitimacy of NPCC, New York and New England's concern regarding the proposed Standard. Also, Mr. Loehr noted that the Cyber Security Standard, CIP, is in the comment period.

**8.2 2007 NYRCP** – Mr. Loehr reported that RCMS found C-M9, Procedure for Maintenance of Load Flow, Short-circuit, and Stability Data, to be in full compliance pending NYISO approval of Tech Bulletin

#160. Also found in full compliance were: (a) E-M6, Pre-seasonal Fault Faulty Assessment, (b) C-M12, Procedure for Disturbance Recording, Device Installation and Reporting of Data, and (c) D-M2, Procedures for Ensuring Adequacy of Operating Reserves. Regarding D-M1, Reporting Statistics on Forecasted and Actual Reserves, RCMS found the NYISO in full compliance. However, RCMS will likely initiate a PRR to improve the clarity of the accompanying Rule. G-M4, System Restoration Training Requirements, has been held over one month without prejudice. Again, a PRR is being written to remove ambiguity in the accompanying Rule. Finally, RCMS discussed the (N-1)-1 criteria and concurs with RRS that a new rule is not necessary and RCMS must address the compliance issue. The criteria, which is of long standing, has been adopted by FERC and, therefore, routine testing must be confirmed. Mr. Waldele reminded the Executive Committee that the consideration of (N-1)-1 is taken into account in the transmission models used, for example, in the IRM studies. RCMS will be taking up Policy 1-4, Procedure for Obtaining Exceptions to the Reliability Rules at its September 2007 meeting.

**8.3 Compliance Template Manual (Intro)** – Nothing new to report.

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

**9.0 NYISO Status Report/Issues** –

**9.1 NYISO 2007 Comprehensive Reliability Planning Process (CRPP)** – Mr. Adams reported that the Operating Committee approved the Comprehensive Reliability Plan, which now goes to the Management Committee on August 31, 2007. The RNA is progressing as expected and a report for the ESPWG is planned for September 2007. Mr. Patka noted that FERC Order 890 has placed a substantial burden on the NYISO including the preparation of a tariff “strawman” for the Reliability Planning Process by September 14, 2007 for discussion in an upcoming technical conference. The due date for the compliance filing itself was moved from October to December 2007. In addition, FERC is requiring the filing to include the TO’s Transmission Planning Process and an Economic Planning Process. The foregoing processes will be scheduled on a two year cycle.

**9.2 Studies – Status**

**i. Electric Deliverability Study** – Messrs. Adams and Gioia indicated that the NYISO Board will review the status of the Deliverability Study on August 13, 2007. It is hoped that the basis for a consensus filing will result from that discussion.

**9.3 Other Studies/Activities** –

**i. NYCA Reactive Power Study** – Nothing new to report.

**10.0 Other Items**

**10.1 ConEd Power Local Power Interruption on June 27, 2007** – Dr. Sasson indicated that a report will be provided to NPCC in September 2007.

**10.2 NYISO Operations Report (July 2007)** – Mr. Raymond reported that there were no Major Emergencies declared in the month of July 2007. However, on July 17, 2007 Special Case Resources and Emergency Demand Response were activated in NYC Zone J3. A NERC/NPCC Reportable Event occurred on July 29, 2007 when a reserve pickup (RPU) was activated for the loss of the Neptune DC Cable loaded at 660 Mws. On June 31, 2007 a RPU was initiated again due to the loss of the Neptune DC Cable loaded at 660 Mws. ACE crossed zero in 4 and 9 minutes, respectively. Mr. Loehr noted that there was a 4000Mw loss on the AEP system in Indiana on August 4, 2007. A drop of 0.16Hz was recorded in the NYCA. Mr. Gentile suggested that the NYISO keep a log of the disturbances outside the NYCA that impact New York. The information could become very helpful should effort persist to weaken the planning criteria.

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

**10.4 NPCC Report** – Mr. Fedora noted that the merger of NPCC, Inc. and NPCC CBRE into NPCC, Inc. was approved August 1, 2007. Also, the General Meeting of NPCC, Inc. will be held on September 26 and 27, 2007 in Toronto, Canada.

**11.0 Visitors' Comments – None**

**12.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#101	Sept. 14, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#102	Oct. 12, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 100 was adjourned at 3:15 P.M.