

Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 103 – November 9, 2007
Albany Country Club, Voorheesville, NY

Members and

Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Bruce B. Ellsworth	Unaffiliated Member
Richard. J. Bolbrock	Long Island Power Authority (LIPA) – Member - Phone
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Timothy Bush	Muni. & Elec. Cooperative Sector - Member
Glenn Haake	IPPNY - (Wholesale Seller Sector) - Member
George E. Smith	Unaffiliated Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member - Phone
A. Ralph Rufrano	New York Power Authority – Member - Phone
Thomas Duffy	Central Hudson Gas & Electric – Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc. - Member

Others:

Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Al Adamson	Treasurer & Consultant
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*
Kim Nagell	New York Independent System Operator (NYISO)*
Henry Chao	New York Independent System Operator (NYISO)*
Clyde Custer	New York Independent System Operator (NYISO)
P. L. Gioia, Esq.	Dewey & LeBoeuf ,LLP – Counsel for NYSRC
Bart Franey	National Grid, USA - Phone
Carol Sedewitz	National Grid, USA
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Kim Harriman	Couch White, LLP (Large Customers’ Sector)
Yuri Fishman	LIPA
Brad Krantz	

Visitors – Open

Session:

Erin P. Hogan, PE	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC)

“*” – 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. Loehr (Acting Chair) called the NYSRC Executive Committee (Committee) Meeting No.103 to order at 9:30 A.M. on November 9, 2007.
- 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** – Agenda Item #9.3ii, **Pandemic Planning – Update**, to be presented by Kim Nagell (NYISO) was added to the agenda.
- 1.4 **Executive Session Topics** – An Executive Session was requested by and granted to Dr. Sasson to provide feedback on the IRM Voting Methodology discussion that occurred during the October 9, 2007 Executive Committee meeting. Mr. Loehr indicated that in the future and within reason, he will err on the side of allowing more discussion versus suppressing discussion including short presentations.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 102 (October 14, 2007)** – Mr. Raymond introduced the revised draft minutes. Dr. Sasson requested removal of the sentences of Section 3.1i., IRM Voting Methodology, pertaining to the ConEd approach. Mr. Smith moved for acceptance of the minutes with the changes requested by Dr. Sasson. Dr. Sasson 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. 102 and post them on the NYSRC web site **AI - #103-1**.
- 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>
60-11	NYSERDA/PSC Gas Study has addressed disincentives for generators to switch fuels.
93-13	The Deliverability Filing was distributed on November xx, 2007.
97-10	Policy 4-4 update was approved by the Executive Committee at its November 9, 2007 meeting.
98-5	The 2008 IRM base case has been updated for mutual emergency assistance.
101-7	The Compliance Manual updates were approved by the Executive Committee during its November 9, 2007 meeting.
102-1	The final minutes of meeting #101 were posted on October 16, 2007.
102-2	The Executive Committee members provided their comments to Mr. Adamson on or before October 30, 2007.

- 3.0 **Organizational Issues**
- 3.1 **NYSRC Treasurer's Report**
- i. **Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements which showed a balance of \$162,000 in cash at the end of October 2007 and a projected year-end surplus of \$43,500. He will present the 2008 Monthly Cash Flow Table and request approval for a Call-For-Funds at the December 14, 2007 meeting.

3.2 Other Organizational Issues

- i. **Selection of Chairperson** – Mr. Gioia, on behalf of the Nominating Committee, indicated that Mr. Mager had confirmed Mr. Loehr’s interest in the Chairman position, available as a result of Mr. Gentile’s retirement from Nat’l Grid, and that no additional nominations had been received. Dr. Sasson moved that the Committee approve Mr. Loehr to complete the remaining portion of Mr. Gentile’s one year term. The motion was seconded by Mr. Rufrano and unanimously approved by the Executive Committee members - (13 to 0). Mr. Loehr asked that the Committee members email Mr. Mager by November 30, 2007 with candidates to replace the vacant Vice Chairperson position. The election will take place during the December 14, 2007 Executive Committee meeting.
- ii. **RCMS Chairperson** - Mr. Loehr indicated the willingness of Mr. Fanning (Nat’l Grid) to take over the Chairmanship of RCMS. Therefore, Mr. Loehr announced his appointment of Mr. Fanning as RCMS Chairman.
- iii. **Interpretation of the Code of Conduct** – Nothing new to report.

4.0 State/Federal Energy Activities –

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

4.2 **Environmental Impact Analysis – Update** - Nothing new to report.

4.3 **Feasibility of I-R3 and I-R5** – Mr. Clayton reported that RRS continues to discuss the minimum oil burn issue at each meeting. Also, Scott Brown (NYPA) is going to be approached about preparing a new PRR to elevate the Extreme Contingency Rule, which looks at the loss of gas supply, to a Planning Standard. This PRR will serve as a medium for addressing the inconsistency between the current local Operating MOP and newly proposed environmental rules – **AI #103-2**. Mr. Patka agreed to forward the Operator “Communications Protocol” to Mr. Clayton – **AI #103-3**. After discussion which considered that the issue encompasses both the electric and gas infrastructure, the lack of jurisdiction of the NYRSC on the gas side, and the potentially large costs on the electric side, it was decided that RRS should continue to monitor the issue closely.

4.4 **NERC Definition of “Adequate Level of Reliability”** – Mr. Clayton indicated that FERC has required NERC to develop a definition of “Adequate Level of Reliability” by which to measure all existing and future Standards. On October 1, 2007 the Operating and Planning Committees of NERC posted a draft definition and requested comments by October 31, 2007. The Executive Committee expressed considerable concern because the five points in the NERC Summary are not definitive and the associated “Reliability Criteria and Operating Limits Concepts” is not clear as to whether the same standards apply to both operating and planning. The fear is that the definition will be used as a screening tool when, in fact, the only true definition is the level of reliability achieved when all Standards and Criteria are met. Mr. Rufrano suggested that the impetus is use of the definition at the SAC level of the Standards Development Process. Mr. Clayton indicated that the NYSRC comments, filed on October 31, 2007 included the foregoing thoughts and others including: (a) one size does not fit all, (b) regions can have more stringent criteria, (c) Category C contingencies should exclude load shedding, (d) (N-1)-1 should apply, and (e) a process for exceptions should be included. NERC’s next move regarding the definition is unknown. Mr. Clayton will track this issue – **AI #103-4**.

4.5 **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** – Mr. Fedora indicated that the Defensive Strategies Study will not start until the completion of additional follow-up analysis for the NPCC SS-38 UFLS study. The study is expected to be presented at the November 27-28, 2007 NPCC Reliability Coordinating Committee (RCC) meeting.

5.3 **PSC Case to Establish Criteria for Interruptible Gas** – Mr. Gioia informed the Committee that there

has been no further action by FERC. Also, he noted that FERC has not taken action on the PSC's filing regarding FERC's approval of last year's IRM.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

6.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS met on October 31, 2007 and held a conference call on November 7, 2007 to review and agree on the Tan 45 calculation method and ~~adoption~~ approve of the base case IRM for the 2008 capability year using the Tan 45 Method. The items discussed included:

- A. The Second draft of NYISO report entitled “Adjusting for the Overstatement of the Availability of Combustion Turbine Capacity in Resource Adequacy Studies”.
ICS discussed the second draft of NYISO GT derate calculation. ICS agreed the proposed CT derate model was improvement from past representations. LIPA discussed its objection to the GT derate calculation given it was based on only one event where communication was acknowledged to be a major issue. NYISO agreed to review the analysis with the CLR market rule experts at the NYISO ICAP WG prior to finalizing the analysis. NYISO also agreed to update the analysis in the future as pertinent emergency system conditions are experienced.
- B. IRM modeling results - ICS discussed the derivation of (“Table 1”) the summary table describing the LOLE/IRM impact of individual modeling assumptions. ICS agreed to also include impact of assumptions which net out to zero percent impact. The Subcommittee further discussed preliminary IRM/LCR results. Additional Tan 45 analysis was requested based on consideration of additional points.
- C. 2008 IRM Study Report – ICS performed a page turn review on the 1st draft of 2008 IRM study report. Mr. Adamson incorporated several additional revisions, including a new section on UDRs. Also, ICS initiated work on the Appendix of IRM report.
- D. Recommended Sensitivity Testing - ICS reviewed and approved a revised list of sensitivity tests for consideration by the Executive Committee at its November meeting. Two Environmental cases and two transmission scenarios were included on the revised list. (See Item 6.3ii.)

Finally, Mr. Dahl noted that Mr. Haake announced he will be leaving IPPNY (for Dynege) but, will remain on ICS.

6.2 Mechanism to Accommodate Expanded GE-MARS Database Review – Mr. Gioia reminded the Committee that the NYISO was confirming the willingness of neighboring control areas to allow disclosure of the data with “masking”. Mr. Patka indicated that the NYISO is waiting for a response from HQ before implementing the expanded review.

6.3 2008 IRM Study – See Item #6.1.

- i. **Base Case** - Mr. Dahl gave a presentation entitled “Tan45 Calculation Issue”, which pointed out that the IRM/LCR characteristic is best represented by two functions, i.e. a quadratic at the knee and straight lines at the asymptotes. Therefore, the number of data points selected to represent the knee of the characteristic is significant. After analysis of over 40 different combinations of data points, ICS reached consensus on an IRM of 15.0% (In-City MLCR=79% and LI MLCR=94%) based on 4, 5, 6, 7, 8 and 9 point curve fits. Mr. Dahl noted that if a quadratic based on 11 points were used, it would result in an IRM of 15.5%. However, the 11 point quadratic would produce a Tan45 point which was not tangent to the curve and produced a result inconsistent with previously used methodology. It was therefore deemed invalid (“Tan45 Calculation Issue” presentation, p 3). Mr. Dahl also indicated that the 11 point curve fit produced a poorer correlation than that of any of 4, 5, 6, 7, 8, and 9 point equations which confirmed an 11 point curve fit as being an inferior bases for the Tan45 calculation. Accordingly, Mr. Dahl recommended that the Executive Committee adopt an IRM base case value of 15.0% for the 2008 capability year and have Policy 5 revised to adopt the methodology used in the

study. Mr. Dahl referred to a prepared presentation that had been distributed by Dr. Sasson prior to the meeting including the mathematical results of a four-point and eleven-point curve fit indicating the mathematical results were consistent. Dr. Sasson indicated that given this, there was no need for him to make a formal presentation and that it would be sufficient for his presentation to be posted with the meeting materials on the NYSRC website. Mr. Dahl made a recommendation (“Tan 45 Calculation Issue” presentation, p.5) that the NYSRC Executive Committee adopt a Tan 45 anchor point of 15.0% based on ICS consensus and the methodology described herein for establishing the base case IRM for 2008. The recommendation also stated that the Executive Committee direct ICS to prepare a revision to Policy 5 to reflect the methodology used. During Committee discussion, Mr. Haake favored 15.5% for the IRM. Dr. Sasson, noting Mr. Dahl’s assertion on the curve fit results, and indicating the need for adopting a base case so that sensitivity cases could be run, moved for acceptance of the ICS majority recommendation on the base case and directing ICS to prepare a revision to Policy 5 to reflect the guidelines on methodology used in fitting a quadratic to the ICR/IRM curve. Mr. Franey seconded the motion which was approved by the Executive Committee with twelve in favor and one abstention by IPPNY. Also, Ms. Harriman moved for approval of the proposed sensitivity cases noted above. The motion was seconded by Dr. Sasson and unanimously accepted by the Executive Committee members – (13 to 0). Further, the Executive Committee agreed in principle that ICS should review the curve fitting methodology during the process of preparing the subsequent IRM analysis **AI #103-5**. Mr. Adamson then discussed the latest draft IRM Report which is being re-configured to improve readability, i. e., inclusion of a graph showing the improving trend in FORs and the impact of the external imports on the IRM. He requested that comments on the draft be provided to him by November 16, 2007.

- ii. **Sensitivity Cases** – Mr. Dahl indicated that the list of sensitivity cases was enhanced to include reduced transfer limits by 10%, delay of the NUSCO re-conductoring project and two environmental scenarios (HEDD & RGGI). Mr. Bolbrock moved for approval of the entire list of sensitivity cases. The motion was seconded by Mr. Duffy and unanimously accepted by the Executive Committee members – (13 to 0).

6.4 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 November 1, 2007. He informed the Executive Committee that Jack Alvarez (ConEd) and Bob Waldele (NYISO) are retiring. RRS and the Executive Committee will miss their substantial contributions toward the continuance of adequate system reliability. PRRs #8, #52 and #84 are on hold pending final approval of other associated items. PRR #93, a NYISO proposal to include controllable load in the 10 minute synchronous reserve and align with the proposed change to NPCC A-6 Document, was posted for comment on September 28, 2007. Comments on the PRR #93 due November 12, 2007. Mr. Mager requested (October 12, 2007 meeting) that the Committee consider conditional approval of PRR #93 at its November 9, 2007 meeting subject to any last minute comments. However, during discussion, Mr. Ellsworth urged that the Committee avoid conditional approvals in the future such as this which are not covered by Policy 1. He further moved that the Committee avoid the precedent setting action (e.g., a conditional approval) and, instead hold an email ballot. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee members – (13 to 0) The Chairman asked all members to provide their vote to the Executive Secretary no later than the end of business on November 13, 2007. Finally, Mr. Adamson noted that a PRR is being developed by RCMS to clarify restoration training requirements.

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** – See Item 7.1.
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** – Mr. Adamson noted that a large number of new Standards continue to be commented or balloted each month. In many instances the comments of the NPCC Standards Committee are sufficient from the NYSRC standpoint. TPL 001-1, Transmission Planning Performance Requirements, is a replacement for the current Transmission Design Standards. Comments were provided to NERC on October 26, 2007. Several opportunities to comment further are expected over the next several months. FAC 010,011-1 and 014-1, Determine Operating Limits, does not address the Category C Contingencies. However, the NYSRC did comment on the FERC NOPR in September 2007 and has prepared a SAR to reinstate Category C. Mr. Bolbrock moved for approval to submit the SAR under NYSRC sponsorship to NERC. Dr. Sasson seconded the motion which was approved by the Executive Committee members – (13 to 0). Mr. Bolbrock will raise NPCC’s reluctance to sponsor the SAR with the NPCC Executive Committee – **AI #103-6**.
- ii. **Status of NERC “Determine System Operating Limits”** – See agenda item 4.4
- iii. **NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – Nothing new to report.

7.4 Other RRS Issues –

- i. **Policy 1-4 Revision – Exception to Reliability Rules** – Mr. Clayton indicated that the purpose of the Policy 1-4 revision is to create a single definitive source for exceptions by combining the NYISO and NYSRC’s current lists. The revision will also provide a detailed procedure for the approval of exceptions. Following discussion, Mr. Clagett moved for approval of the revision. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members - (13 to 0).

8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

8.1 RCMS Status Report and Discussion Issues – Mr. Loehr indicated that RCMS met on October 10, 2007 and November 8, 2007.

8.2 2007 NYRCP – RCMS has approved the following Measurements as being in full compliance:

- (a) FM-6, Voltage Reduction Testing,
- (b) HM-1, Documentation for Meeting NPCC A-5,
- (c) HM-2, Documentation for Meeting Procedures Required by HM-3,
- (d) HM-3, Procedure for Monitoring Compliance With NPCC A-4,
- (e) AM-3, Certifying LSE ICAP Obligations are Met, and
- (f) BM-4, Listing of NYS Bulk Power System Facilities.

HM-4 is satisfied by NPCC A-8. Therefore, publication in the Gold Book was waived. BM-3, Demonstrating That System is Planned Considering Ease of Restoration, was re-scheduled without prejudice. RCMS has begun work on the 2008 Compliance Plan which will be brought before the Executive Committee for approval on January 12, 2008. Review dates will be added in February 2008 in consultation with the NYISO.

8.3 Compliance Template Manual (Intro) – Mr. Gioia indicated that the changes to Policy 4 were sent to Mr. Patka for comment. Mr. Patka responded that NYISO comments will be sent to RCMS prior to its October 10, 2007 meeting – **AI #101-7**. The comments remain outstanding.

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 2007 Comprehensive Reliability Plan on November 6, 2007. Approval by the Management Committee during the week of November 11, 2007 followed by the NYISO Board are the next steps. The Economic Plan component of the CRPP will be filed with FERC by December 7, 2007.

9.2 Studies – Status

i. Electric Deliverability Study – Mr. Chao indicated that a conceptual plan was filed with FERC on October 5, 2007. The NYISO is proceeding with the preparation of the Tariff in anticipation of FERC approval of the conceptual plan and filing of the Tariff by the end of 2007. A compromise agreement was reached with stakeholders for a deliverability test within each of three super zones, J, K, and ROR. Following the Tariff filing with FERC under Order #890, and receipt of comments, there will be a second filing. The NYISO will provide a presentation on the conceptual plan at a future Executive Committee meeting – **AI #101-8**.

9.3 Other Studies/Activities –

i. NYCA Reactive Power Study – Mr. Waldele noted that the study group is meeting during the week of November 11, 2007.

ii. Pandemic Planning – Update – Ms. Kim Nagell (NYISO) gave the Committee a status report on the NYISO’s response to the pandemic threat. She focused attention on: (a) Maintaining awareness and communication of employees, (b) Plan development, (c) Policy development, (d) drills and exercises, and (e) Equipment and Facilities. The NYISO is collaborating with local health authorities, integrating its Pandemic Planning into the overall Business Readiness Program, and sustaining critical functions with 40-70% reduction in staff availability. Also, the NYISO’s telecommunications, HR, visitor and staff travel policies are being updated. Further, the IT infrastructure will be tested under pandemic conditions.

10.0 Other Items

10.1 ConEd Power Local Power Interruption on June 27, 2007 – Dr. Sasson indicated that a final report, prepared in response to NPCC policy, remains under review by NPCC.

10.2 NYISO Operations Report (October 2007) – Mr. Raymond noted that on October 8, 2008 a Major Emergency was declared due to a shortage of Operating Reserve.

10.3 North American Energy Standards Board (NAESB) Report – Mr. Ellsworth noted that the first “NAESB Bulletin”, Vol 1, Issue 1 for September – October 2007, has been distributed.

10.4 NPCC Report – Mr. Fedora reported on the September 28, 2007 Regional Standards Committee (RSC) meeting which included coordinating a Regional response with TFSS and TFCP to the posted “Assess Future Transmission Needs and Develop Transmission Plans” and tracking the activities of the NAESB Electric Quadrant Version 1.1 Standards for reliability issues. Regarding the NPCC Compliance Committee (CC), Mr. Fedora noted that there are nine (9) post-June 18, 2007 violations pending. To date four (4) on-site audits and an additional ten (10) audits are scheduled for the remainder of the year. Seven (7) off-site audits have been completed; four (4) are in progress and nine (9) are scheduled for 2008. An NPCC Compliance Workshop will take place on November 14-15, 2007 in Washington D.C. On September 6, 2007, the NPCC Reliability Coordination Committee (RCC) approved the scope and schedule for the Winter 2007-08 Multi-Area Reliability Assessment. The approval included recognition of fuel supply disruptions.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#104	Dec. 14, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#105	Jan. 12, 2008	NYSERDA Offices, Albany, NY.	9:30 A.M.

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NYSRC Exec. Comm. Meeting No.102
Initial Draft – November 26, 2007
Revised Draft – December 5, 2007
Final Minutes – December 17, 2007

The open session of Committee Meeting No. 103 was adjourned at 3.00 P.M.