

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 106 - February 8, 2008
NYSERDA Offices, Albany, NY

Members and Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Richard Bolbrock	LIPA - Member
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Mark Cordeiro	Muni. & Elec. Cooperative Sector - Alternate
George E. Smith	Unaffiliated Member
A. Ralph Rufrano	New York Power Authority – Member
Thomas Duffy	Central Hudson Gas & Electric – Member - Phone
Mayer Sasson	Consolidated Edison Co. of NY, Inc. - Member
Joe Hipius	National Grid, USA - Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector)
Glenn Haake	Wholesale Sales Sector – Member
Joseph Fleury	New York State Electric & Gas/Rochester Gas & Electric – Phone

Others:

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Steve Fanning	National Grid, USA – RCMS Chairman - Phone
Al Adamson	Treasurer & Consultant
John Adams	New York Independent System Operator (NYISO)
Rick Gonzales	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO) - Counsel
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric – Phone

Visitors – Open

Session:

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

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

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – None was requested.

- II. **Open Session**
- 1.0 **Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.106 to order at 9:30 A.M. on February 8, 2008.
- 1.1 **Meeting Attendees** – Twelve 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** – Dr. Sasson requested an Agenda Item be added regarding the the NYSRC web site (Item 3.3iii).
- 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. 105 (January 11, 2008)** – Mr. Raymond introduced the revised draft minutes. After discussion, Mr. Clagett moved for acceptance of the minutes. Mr. Rufrano seconded the motion which was unanimously approved by the Executive Committee members in attendance – (12 to 0). The Executive Secretary will issue the final minutes for Meeting No. 105 and post them on the NYSRC web site **AI - #106-1**.
- 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>
101-7	Mr. Patka provided comments in December 2007.
103-3	Mr. Patka forwarded the “Operating Protocol” in November 2007.
103-5	Mr. Bolbrock discussed SAR sponsorship with NPCC in January 2008.
105-1	The minutes of Executive Committee meeting No. 104 were posted on December 18, 2007.
105-2	Mr. Raymond discussed the Wholesale Sales and Muni member Replacements with Mr. Gioia’s Office on February 7, 2008.
105-6	Mr. Clayton discussed the multi element Contingency data of PP&L with Mr. Robinson.

During discussion of Action Item #105-6, it was decided to address NPCC’s reluctance to support changes to standards approved by the NERC Board, when, and if, the issue arises in the future. Regarding the NYSRC SAR filing, Mr. Rufrano stated that it needs to be emphasized that the SAR addresses single contingencies involving multiple elements, NOT multiple contingencies as many seem to believe. This is primarily due to the SARs title which is misleading and should be changed. This change in title must be introduced through the SAR process.

- 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 \$187,000 in cash at the end of January 2008.

He noted that the full \$165,000 1st quarter 2008 Call-For-Funds had been received. Further, the Audit is underway, and a report should be available at the March 14, 2008 Executive Committee meeting. Mr. Ryan (Auditor) has indicated that the NYSRC should expect recommendations on internal controls.

3.2 Selection of New Members – Mr. Gioia reminded the Committee that the NYSRC Executive Committee members representing the Wholesale Sellers (1) and Municipals and Cooperatives (1) have resigned. These vacancies must be filled pursuant to the procedures approved by the NYISO Board of Directors on August 21, 2001. The procedures require 30 day notice of elections to fill the vacancies. Therefore, Mr. Gioia requested certain information from IPPNY and the Muni & Cooperative sectors to prepare the posting. Mr. Cordeiro indicated that the Municipals & Cooperatives would like to hold their election at a general meeting in May 2008. With IPPNY's concurrence, it was agreed that the posting could be delayed until late March 2008 – **AI #106-2**.

3.3 Other Organizational Issues

- i. NYSRC Representation to NPCC** – Mr. Loehr indicated that at his request, Mr. Bolbrock will continue as the NYSRC representative to the NPCC Executive Committee. Mr. Loehr will serve as the alternate.
- ii. Modified Roster Format** – Mr. Jeremko thanked the members for their input on the new roster format. He will be forwarding the updated roster during the week of February 10, 2008.
- iii. NYSRC Web Site** – Dr. Sasson noted when searching the web site for FERC filings, many were missing. Mr. Gioia indicated that he has the NYSRC filings in electronic form. Mr. Raymond offered to request the filings from Mr. Gioia and have them added to the web site – **AI #106-3**.

4.0 State/Federal Energy Activities –

4.1 Status of FERC NOPR on Reliability Standards – See Agenda Item 8.3ii.

4.2 NYSRC Filing Regarding ISO-NE Method of Determining ICR – Mr. Dahl reported that Frank Vitale summarized issues discussed at the last NE-ISO PSPC meeting for the ICS. In particular, NE-ISO is starting a new tie benefits analysis to support a FERC filing due in the July 2008 timeframe. The allocation of emergency assistance benefits to NE-ISO interconnections is the major issue. It was agreed ICS would regularly attend future PSPC meetings to ensure NYSRC interests are represented. The status of the joint NY/NE study was also discussed by ICS. Due to data confidentiality, methodological issues, and engineering resource considerations, it was suggested GE involvement could move the investigation forward. Mr. Dahl will contact Peter Wong (PSPC) to discuss options.

4.3 DEC Meeting on Reliability Impacts of Proposed Envir. Regs - Status – Mr. Clayton reported that he sent an email to the individual at DEC recommended by Ms. Hogan requesting a meeting on the NYSRC concern regarding the proposed new environmental regulations. Mr. Gioia suggested a pre-meeting to document reliability impacts of RGGI and HEDD, the analysis of the NYISO, potential consequences, and what the NYSRC would like the regulators to consider. Regarding the latter item, tracking of the reliability impacts and having the flexibility to change course if reliability impacts are identified is paramount. After discussion, it was agreed to meet with the DEC on February 29, 2008. Messrs. Clayton, Gioia, Mager, Carney (NYISO), Wentlent, Bolbrock, Dahl, and Sasson will represent the NYSRC. Mr. Clayton agreed to prepare a draft presentation with input from Messrs. Dahl and Adamson – **AI #106-4**.

Also, Ms. Hogan noted that NYSEERDA is initiating a project with GE to evaluate the impact of regulatory initiatives on the electric system. The project should begin in June 2008 and have an Advisory Board which could include a NYSRC member – **AI #106-5**.

5.0 Key Reliability Issues

- 5.1 Defensive Strategies** – Mr. Smith reported that the Defensive Strategies Working Group (DSWG) met on February 6, 2008. Mr. Tatro, Chair of the NPCC SS-38 WG, reported that results of the UFLS studies indicated improvements to the existing UFLS program will be required. SS-38 estimates six months of additional work will be necessary to identify the specific improvements. Input from NPCC TFSP members is required. Portions of Task 5 (Major Disturbance Mitigation Studies) will be delayed accordingly. However, it is hoped that some portions of Task 5 will commence before the end of the six month period. The DSWG will meet again in two months to focus on waveforms under out-of-step conditions. Mr. Clayton noted that New Brunswick has a new capacity shed program triggered by the rate of change in frequency.
- 5.2 NPCC Defensive Strategy Activities** – Mr. Fedora added that the NPCC-RCC will receive the UFLS Study on March 5, 2008. The RCC must decide whether the six-month period to identify changes is timely enough to meet other constraints such as the development of standards and compliance programs, which were scheduled to be completed last year. Mr. Tatro and Mr. Zito will be providing RCC with a timeline for RCC consideration.
- 5.3 PSC Case to Establish Criteria for Interruptible Gas** – Nothing new to report.
- 5.4 Electric System Security** – Mr. John Sennett (PSC) discussed the prominent security issues facing the electric industry. Among the issues is copper theft (173 arrests in NYS alone) at substations. All TOs will have Intrusion Protection Equipment in place by the end of the year. Mr. Sennett discussed Risk Based Analysis of the nation's critical infrastructure. The analysis focuses on the threat, vulnerability and consequences. The latter two are the most important factors. The capability of an adversary is the most difficult factor to measure. The goal is to cause an adversary to think twice when considering a terrorist act against the electric system.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

- 6.1 ICS Status Report and Discussion Issues** – Mr. Dahl reported that the NYISO has kicked off its Upstate/Downstate study and expects to have a draft report by next ICS meeting. The report will be sent to the ICAP WG for review. ICS requested that GE review results and the methodology for consistency with the last analysis. Also, ICS discussed areas of focus for the 2009/10 IRM study. These include: (a) expanded coverage of HEDD & RGGI (b) improved outside world modeling based on input from IPSAC process, (c) improved wind turbine modeling, (d) a better sensitivity test methodology (in particular Neptune UDR analysis), and (e) updates to Policy 5. GE was requested to participate in the next ICS meeting to discuss possible improvements to sensitivity test methodology. Lastly, Mr. Dahl noted that the NYISO reported initiating study efforts to determine the level of allowable external capacity purchases and LI and NYC LCRs. The NYISO verified that it is using the IRM study database to perform these analyses. It expects to have study results by the mid-February timeframe. The NYISO agreed to provide ICS with the procedure for its external capacity calculation. Next, Mr. Dahl reminded the Executive Committee that wind turbines are included in the IRM data base once they have an interconnection date prior to August 1 of a given year. Mr. Younger stated that there are up to 500Mws that will be online by the summer 2008. Due to the relative short construction period for wind turbines, Mr. Mager suggested that ICS should review the policy for including wind turbines for next year's study – **AI# 106-6**. The suggestion was supported by the Executive Committee.
- 6.2 Mechanism to Accommodate Expanded GE-MARS Database Review** – Nothing new to report.
- 6.3 Comments on the 2008 IRM Filing With FERC** – Mr. Gioia discussed the NYSRC filing regarding the protest of IPPNY primarily focused on potential effects of environmental regulations. Mr. Adamson prepared the technical comments. Also, Mr. Gioia consulted with Messrs. Dahl and Carney (NYISO). In summary, IPPNY did not protest the IRM Study. Instead, IPPNY argued that in light of the sensitivity cases showing environmental impacts post-2009, the Executive Committee should not have selected 15% knowing that higher IRMs were likely in subsequent years. ConEd did not protest the selection of the IRM, but did recommend that the NYSRC be ordered to file the results of the PSC IRM proceeding

with FERC. The NYSRC responded that FERC should not accept ConEd's recommendation since the NYSRC had acted in accordance with its Agreements and the NYISO Tariff. FERC made its decision based on the record before it. Under similar circumstances in 2007, FERC had indicated that if and when the NYSRC changes its IRM due to a PSC proceeding, it should then file the change with FERC. After further discussion, it was agreed that Messrs. Gioia and Mager would work together to finalize the filing. Dr. Sasson noted that ConEd may support the IPPNY comments. Further, Mr. Gioia indicated his intent to meet with Mr. Tarler and the PSC Chairman to discuss the necessity of annual PSC IRM proceedings – **AI #106-7**.

6.4 Forward Looking IRM – Mr. Dahl noted that ICS discussed requirements for a study. The NYISO indicated it was developing a framework for a Forward Capacity Market (FCM) which it intends to file at FERC later this year. ICS requested an outline of the NYISO FCM concept for ICS to use as the basis of its FCM study. It was agreed that the appropriate FCM study horizon was 3-5 years and the NYISO RNA case would be the starting point for this analysis. Also, it was agreed that an ad hoc group will draft a scope for consideration at the next ICS meeting. Mr. Younger noted that both NE-ISO and PJM have FERC approved forward markets.

6.5 Other ICS Issues

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

7.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

7.1 RCMS Status Report and Discussion Issues – Mr. Fanning indicated that RCMS met on February 7, 2008 and discussed, among other items, the 2007 and 2008 Reliability Compliance Programs, bulk power facilities listing and the NYISO NERC Audit Report. The next RCMS meeting is March 13, 2008. Chairman Loehr congratulated the NYISO on the very favorable outcome of the audit.

7.2 2007 NYRCP – Mr. Adamson summarized the 2007 Compliance Report. In 2007 RCMS reviewed 60% of all Measurements. For the fourth consecutive year, all were found to be in full compliance. Most notable was the review of system restoration procedures. Also Mr. Adamson noted the effort by the NYISO to provide information for the reviews on a timely basis. Following further discussion, the Executive Committee agreed to delay approval until the March 14, 2008 meeting to provide more time for member review.

7.3 2008 NYRCP – Mr. Fanning introduced the Measurements for inclusion in the 2008 Reliability Compliance Program including the work schedule agreed upon in consultation with the NYISO. He noted that Measurements C-M2, Reporting DMNC Tests and C-M3, Reporting Generator Reactive Power Capability were included even though their schedule extends into 2009. After further discussion, Dr. Sasson moved for approval. The motion was seconded by Mr. Mager and unanimously approved by the Executive Committee members in attendance – (12 to 0).

7.4 Compliance With Measurement C-M9 – Mr. Fanning reminded the Executive Committee of the Discussion during the January 11, 2008 meeting regarding possible non-compliance with Measurement C-M9, which was revised by the NYSRC in December 2005. The Measurement states that the NYISO procedures shall include MP requirements for reporting critical changes to these data bases to the NYISO and TOs. Mr. Fanning emphasized that since that meeting, the NYISO has reviewed and significantly updated Technical Bulletin (TB) #160 to include required MP reporting of such data base changes to the NYISO and appropriate TO. At the February 7, 2008 RCMS meeting, this updated Bulletin was reviewed by RCMS with further changes suggested in order to fully comply with C-M9 requirements. A revised version of TB #160 with these RCMS changes will be posted for comment on the NYISO web site. Based on actions taken by the NYISO to amend TB #160 and subject to RCMS final review of the posted TB version, the NYISO will not be found in non-compliance with C-M9.

7.5 Other RCMS Issues – Nothing new to report.

8.0 Reliability Rules Subcommittee Status Report/Issues

8.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that RRS met on January 31, 2008. RRS has two new members, Mr. Dean Ellis (NYISO) replacing Mr. Waldele and Mr. Henry Wysocki (ConEd). PRRs #8, #52 and #84 are on hold pending completion of related pre-requirements. PRR #95, System Restoration Training, was approved by the Executive Committee for posting and on the last day of the comment period, comments were received from Messrs. Mahlmann (NYISO) and Schiavone (Nat'l Grid). RRS has not had an opportunity to act on those comments as of yet. PRR #96, Resource, System, and Demand Requirements is under development to align with revisions to NPCC A-13 and A-14. Also, RRS agreed to consider a suggestion by Dr. Sasson to revise Measurement C-M4 by including the words “consistent with the definition of terms in NERC GADS”. Mr. Raymond questioned the need for the additional words since they are included in the NYISO procedures. Dr. Sasson agreed that the NYISO ICAP Manual has such a procedure, but indicated that the NYSRC cannot require compliance unless it has this requirement in its Rules.

8.2 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 – See Item 8.1.

8.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Status – Mr. Adamson introduced the NERC Reliability Standards Development Tracking Summary. He noted that (1) Mr. Pappas prepared comments on EOP-005 and 006, System Restoration & Blackstart which were due February 2, 2008, (2) the NYSRC submitted comments on SAR, Certifying System Operators on January 31, 2008, And (3) the NYSRC voted to replace levels of non-compliance with Violation Severity Levels (VSL) on six of nine standards. Also, Mr. Adamson reported that NERC staff has been circumventing the Standards Development Process in response to requests from FERC. NERC Committees have recently expressed concern and they are watching carefully to identify whether this behavior continues. Mr. Fedora noted that the NERC Resource Adequacy Assessment Drafting Team will not begin its work until 2009.

ii. Status of NERC “Determine System Operating Limits” – Mr. Clayton reported that the Standards Development Committee has authorized the NYSRC SAR for posting with comments due on February 22, 2008. Mr. Clayton will be serving on the Drafting Team. He spoke to Mr. Robinson (PJM) who confirmed the validity of PJM’s single contingency involving multi elements data. NERC staff erroneously suggested previously that Mr. Robinson had disavowed the data. Mr. Adamson noted that NPCC will be providing comments on the SAR and asked the Executive Committee members to consider doing so also.

8.4 Other RRS Issues – Mr. Clayton reported that Mr. Carney (NYISO) will be ready to report on the RGGI portion of the RGGI & HEDD white paper. It appears that RGGI’s impact on Minimum Oil Burn (MOB) units is greater than expected.

Also, Mr. Clayton noted that NPCC TFSS approved the NYISO Bulk Power System List. The NYSRC list includes many more elements, specifically all elements secured by the NYISO. RRS will be addressing the potential disconnect.

9.0 NYISO Status Report/Issues –

9.1 NYISO 2007 Comprehensive Reliability Planning Process (CRPP) – Nothing new to report.

9.2 Electric Deliverability Study – Mr. Adams reported that the NYISO is currently developing the details of a testing methodology per the compromise agreement reached with stakeholders for a deliverability test within each of the three super zones: J, K, and ROR.

9.3 Gas – Electric Operating Protocol – Mr. John Ravalli (NYISO) presented the Gas – Electric Protocol incorporated into FERC Order No. 698 by reference to NAESB Standards to “ establish communications protocols between interstate pipelines and power plant operators and transmission owners and operators” on June 25, 2007. The Standards were to be implemented by November 1, 2007. The NYISO has completed requirements pertaining to the exchange of flow orders and written communication procedures including the sending of Emergency Alerts to the pipelines. The implementation filing to FERC, which was extended three months, was filed on February 1, 2008. Dr. Sasson indicated that ConEd has a reliability concern with the NYISO’s protocol in that it makes the local TO the intermediary in all communications.

9.4 Other Studies/Activities

i. NYCA Reactive Power Study – Mr. Adams noted that the Reactive Power Study was distributed to the Executive Committee members. Also, he mentioned that the NYISO issued the preliminary peak load estimate of 33,798Mw for ICAP calculations to the MPs. This is 1.0% above last year and 70Mw above the load level used in the 2007 IRM Study.

ii. IRM Follow-up – Mr. Adams noted that the NYISO is developing the Locational Capacity Requirements for New York City and Long Island and the import limits for 2008. They are due on February 15, 2008 – **AI #106-8.**

10.0 Other Items

10.1 ConEd Power Local Power Interruption on June 27, 2007 – Nothing new to report.

10.2 NYISO Operations Report (January 2008) – Mr. Gonzales indicated that there were three Major Emergencies declared in January 2008: (a) L34P Moses-St. Lawrence 230Kv line exceeded LTE, (b) Central East exceeded its voltage collapse limit by 5%, and (c) PA27 Beck-Niagara 230Kv exceeded its LTE limit. In each instance, flow was returned to normal without incident. Also, Mr. Gonzales noted that the NYISO was found to be in full compliance by the NERC Audit Team Report. The NERC Reliability Compliance Audit (held every three years) examined eight Operating Standards and four Planning Standards. The NYSRC Executive Committee again congratulated the NYISO for its quality attention to reliability.

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

10.4 NPCC Report – Nothing new to report.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#107	Mar. 14, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#108	Apr. 11, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 106 was adjourned at 2:15 P.M.

