

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 109 – May 9, 2008**  
**Albany Country Club, Albany, NY**

**Members and**

**Alternates:**

George C. Loehr	Unaffiliated Member – Chairman
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George E. Smith	Unaffiliated Member
Richard J. Bolbrock	Municipal & Electric Cooperative Sector
A. Ralph Rufrano	New York Power Authority – Member
Thomas Duffy	Central Hudson Gas & Electric – Member - Phone
Mike Forte	Consolidated Edison Co. of NY, Inc. – Alternate Member
Joe Hippius	National Grid, USA - Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector)
Tim Bush	Independent Power Producers of New York (IPPNY)
Joseph Fleury	New York State Electric & Gas/Rochester Gas & Electric

**Others:**

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Roger Clayton	Electric Power Resources, LLC – RRS Chairman*
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)

“\*” – 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.109 to order at 9:30 A.M. on May 9, 2008.

**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

**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. 108 (April 11, 2008)** – Mr. Raymond introduced the revised draft minutes. Messrs. Smith and Gioia offered items of clarification. Mr. Bolbrock moved for approval of the minutes, contingent upon inclusion of the clarifications. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will make the necessary changes and post the minutes on the NYSRC web site **AI - #109-1**.

**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>
101-9	Mr. Gonzales informed the Executive Committee that the NYISO did not have access to the data.
105-7	Mr. Fedora reported that DOE retains an outage data base.
106-2	Mr. Raymond posted the IPPNY and Munis & Coops voting procedure on the NYISO Tie List and NYSRC website on April 3, 2008.
107-2	Mr. Gioia prepared the letter for review at the April 11, 2008 Executive Committee meeting.
107-3	The “lessons learned” review was completed at the May 9, 2008 Executive Committee meeting.
107-4	The Upstate/Downstate Study results were presented at the April 11, 2008 Executive Committee meeting.
107-5	Mr. Dahl presented the scope at the April 11, 2008 Executive Committee meeting.
107-7	Mr. Adams presented the NYISO’s wind energy activities at the April 11, 2008 Executive Committee meeting.
108-4	Mr. Gioia set up a meeting with Mr. DeCotis that took place on May 7, 2008.
108-9	Mr. Clayton circulated a draft on April 22, 2008.

**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 \$167,000 in cash at the end of April 2008. This is about \$10,000 above expectations. He noted that \$75,000 of the \$160,000 2<sup>nd</sup> quarter 2008 Call-For-Funds was received in March 2008 and the remainder in the first week of April 2008. The largest expenditure for April 2008 was the insurance policy at \$47,159.46, well below the budget of \$62,000. Mr. Gioia will circulate the quote for the liability policy which expires June 15, 2008. Also, Mr. Adamson recommended a \$5.00 per hour pay increase (to \$40.00 per hour) for Carol

Lynch beginning June 1, 2008. She has been the Administrative Assistant for nearly a year. Mr. Smith moved for approval of the pay increase. The motion was seconded by Mr. Fleury and unanimously approved by the Executive Committee – (13 to 0).

### **3.2 Other Organizational Issues**

- i. Executive Committee - Selection of Members** – Mr. Gioia reminded the Executive Committee that Mr. Bush resigned as the representative for the Municipal Systems and Cooperatives and Mr. Haake has left IPPNY. Therefore, a notice for the selection of new representatives of Wholesale Sellers and Municipal Systems and Cooperatives was posted on the NYISO Tie List and the NYSRC web site. The response date was to have been no later than May 5, 2008. However, the Wholesale Sellers have requested an extension. Mr. Gioia will provide an extension letter until early June 2008 for re- posting – **AI #109-2**. The Executive Committee is expected to address approval of the nominations presented by the IPPNY and the Municipal Power Agency at its June 13, meeting.
- ii. IRM Voting Procedure** – Mr. Gioia introduced his May 1, 2008 memo, re: IRM Voting Procedure, which describes the proposed Procedure including comments received during the April 11, 2008 Executive Committee meeting. The outstanding issue is whether there should be a preliminary vote to determine if the IRM base case should be voted upon first or to go directly to the straw ballot. In the instance of a tie in the straw ballot, the IRM closest to the base case would be selected. Should a tie still remain, a second ballot would be taken on only the tied IRMs. It was further agreed that the ballots would be to the nearest .5% with the exception of the base case, which could be to the nearest .1%. Mr. Ellsworth expressed concern that not voting on the base case first would appear to put Company biases above an independent view of the best level of reliability. After further discussion, “pro” and “con”, Mr. Hipius moved for a voting procedure that begins with the straw ballot. The motion was seconded by Mr. Rufrano and approved by the Executive Committee – (12 to 1). Mr. Gioia agreed to finalize his memo and the content will be integrated into Policy 5 – **AI #109-3**.

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

- 4.1 ISO-NE Tie Benefits Study** – Mr. Dahl noted that ICS is monitoring ISO-NE’s deliberations on methodologies for determining tie benefits via Mr. Vitale. Pertinent considerations are outside assistance “AS-Is” versus “At-Criteria, and the need for modeling of additional control areas. Final decisions must be reached by June 2008 to meet FERC timelines.
- 4.2 DEC Meeting on Reliability Impacts of Proposed Envir. Regs - Status** – Nothing new to report.
- 4.3 NYSERDA Update** – Ms. Hogan discussed the NYSERDA Plan for evaluating regulatory impacts with support of GE Energy, Inc. Mr. Adamson agreed to participate on the Advisory Group, if the opportunity avails itself. She further noted that the comments on the revised RGGI proposal must be received by June 23, 2008 at 5:00 PM.
- 4.4 Discuss Meeting with Mr. DeCotis (Chair – Energy Planning Board)** – Mr. Loehr reported that on May 7, 2008, Messrs. Loehr, Adamson, Gioia, Haake and Ms. Hogan met with Mr. Paul DeCotis, the Governor’s Deputy Secretary of Energy, and Mr. Tom Condon, Assistant Secretary of Energy, to discuss the NYSRC scope and organization, and issues such as development and determination of the IRM, and possible reliability impacts of HEDD and RGGI. After the presentation by Mr. Loehr et al, it was agreed to proceed by working together. Mr. DeCotis indicated that he will be relying on the NYSRC and NYISO as the scope of the Energy Planning Board unfolds. In particular, a source for load forecasting was noted. Also, Mr. Condon may be interested in attending NYSRC meetings, if the agenda included items of which he should be aware.
- 4.5 Discuss Meeting With PSC on IRM Approval** – Tabled until the June 13, 2008 Executive Committee meeting.

## **5.0 Key Reliability Issues**

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

**5.2 NPCC Defensive Strategy Activities** – Mr. Fedora indicated that the NPCC RCC approved the SS-38 assessment at its March 2008 meeting. It was recommended that a better understanding of the design basis for minimum sustainable under frequency trip threshold settings at certain nuclear units with the settings above 57.8 Hz be developed. A survey was sent to the appropriate owners and responses were received on or before April 30, 2008. Mr. Fedora indicated that the NPCC RRC will receive a report at the end of May 2008 which will provide the latest thinking on changes to the NPCC Under Frequency Load Shedding (UFLS) system.

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

**5.4 NPCC Summer 2008 Multi-Area Reliability Assessment** – Mr. Fedora summarized the NPCC 2008 Summer Reliability Assessment which is posted on the NPCC web site. The media release was May 1, 2008. NPCC CO-12 provides the deterministic assessment and NPCC CP-8 carries out the probabilistic evaluation. The CO-12, Operations Planning Working Group, compares the forecast weekly peak load with the adjusted available capacity to determine peak load exposure for May – September. The deterministic approach results in a net margin of about 8520Mws or more throughout the 2008 summer period. These results are very similar to the 2007 results. The probabilistic assessment is based on detailed input from each NPCC Area for the MARS Model including internal transmission constraints and a detailed inter-area transmission model. Under base case conditions, the use of EOPs was very small. Extreme load conditions (6% probability) show an estimated 3 days/period of reductions in 30 minute reserve and voltage reductions of less than 1 days/period. NPCC has concluded that there will be ample margins this summer and that neither solar activity nor environmental constraints are a major concern in Summer 2008.

## **6.0 Installed Capacity Subcommittee (ICS) Status Report/Issue**

**6.1 ICS Status Report and Discussion Issues** – Mr. Dahl reported that the ICS heard a presentation from Bill Lamanna on the transmission model for the 2009/10 IRM Study. Mr. Lamanna is on schedule for completion by June 1, 2008. Also, the NYISO discussed some preliminary work it had done as a first attempt to model a simplified representation of the Midwest Independent Transmission System Operator proposed capacity wheel of a 20 MW firm purchase to NY. ICS directed the NYISO to create a more detailed model which includes forced outage rates of the MISO source unit and the MISO/Ontario transmission path. The NYISO also requested information from Brookfield Energy Marketing, Inc. regarding the location within MISO of the source unit.

**6.2 2009/10 IRM Assumptions** – Mr. Dahl indicated that ICS discussed the first draft of the 2009/10 IRM Study Assumptions Matrix. Bill Lamanna has begun the emergency transfer limit analysis and the NYISO is on track for a June 2008 completion. Also, ICS discussed a new process for projecting the in-service dates of wind facilities which involving NYSEERDA, NYISO and all the TO's. It was agreed to add additional information regarding connecting transmission owners and known project status. The NYISO discussed NYCA import limits and progress it made on revising the transmission transfer limit model.

**6.3 Scope of Forward Looking IRM Calculation** – Mr. Dahl noted that ICS has sent a letter to Mr. Gonzales asking the NYISO, at the appropriate time, to prepare the necessary studies to meet the Forward Capacity Market (FCM) requirements. Mr. Patka noted that the scope is being discussed by the ICAP Working Group. Further, Mr. Hiney has indicated that it is not clear whether the NYISO wishes to proceed at all.

**6.4 DEC Request for Data** – Mr. Dahl indicated that a letter was sent on May 5, 2008 to Mr. Robert Sliwinski, Director Bureau of Stationary Sources at the DEC, requesting information that will be helpful in modeling and quantifying environmental impacts in the 2009/10 IRM Study. The response was requested no later than May 20, 2008 in order to accommodate the IRM Study schedule.

**6.5 Mechanism to Accommodate Expanded MARS Database Review** – Mr. Dahl indicated that LIPA has provided comments on the Confidentiality Agreement and more may be forthcoming. Mr. Forte indicated that ConEd will be providing its comments to Mr. Gioia shortly.

**6.6 Other ICS Issues**

**i. Policy 5 Revision** - Mr. Dahl indicated that ICS discussed updates to NYSRC Policy 5. There are four areas of revision being recommended to the Executive Committee. First, the NYISO wants the NYSRC to advance the annual IRM approval date to December 1, 2008 to allow the LCRs to be calculated earlier. After lengthy discussion of a tentative schedule for the 2009/10 IRM Study, it was agreed that the Executive Committee could advance its December meeting date to the 1<sup>st</sup> Friday in December for approving the final report and final IRM. Mr. Loehr expressed clearly that the Executive Committee would make a “best efforts” attempt to accommodate the request, noting, however, that the schedule is already ambitious and depends heavily on the NYISO advancing its study work – **AI #109-4**. Secondly, a subsection was added to Policy 5 indicating that the generation model will include restrictions caused by environmental regulations. Thirdly, a section was added which describes in detail the sensitivity cases to be investigated in an IRM Study. Finally, an Appendix was added which enhances the description of the “Tan 45” calculation. ICS will take the comments of the Executive Committee into consideration in the next draft which will include the addition of the Voting Procedure.

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

**7.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that RRS met on May 1, 2008. Jon Applebaum has become the RRS member from LIPA and Ted Pappas is now the alternate. PRRs #8, #52 and #84 remain on hold pending completion of related pre-requirements. PRR #96 is waiting on NPCC action. RRS is monitoring the governor response issue and investigating the possibility of a governor response rule.

**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** – Mr. Clayton reminded the Executive Committee that PRR #95, System Restoration Training, was approved by the Executive Committee for re-posting on March 14, 2008 with comments due by May 8, 2008. There being no comments, Mr. Ellsworth moved for approval of PRR #95. The motion was unanimously approved by the Executive Committee – (13 to 0). Mr. Adamson noted that the approved PRR will be included in the new version of the Reliability Rules Manual.

**2. PRRs for EC Approval to Post for Comments** –

**3. PRRs for EC Discussion** – None

**7.3 NPCC/NERC Standard Tracking**

**i. NERC Standards Development – Status** – Mr. Adamson introduced the NERC Reliability Standards Development Tracking Summary. He noted that comments were provided on several Standards through the NPCC Standards Committee. Also, there were requests for interpretation regarding TPL, Transmission Planning Performance Requirements, for which the NYSRC voted “yes” in concert with NPCC. The issue pertained to transmission required for reliability versus optimum economics. Revisions to FAC, Determine Operating Limits, and EOP, System Restoration and Black Start, will be balloted beginning June 3, 2008. These revisions were requested by FERC.

**ii. Status of NERC “Determine System Operating Limits”** – Mr. Clayton reminded the Executive Committee that the Standards Development Committee has authorized and formed a Drafting Team to prepare a SAR based on the NYSRC’s multiple element contingency proposal. Mr. Clayton is serving on the fourteen member Drafting Team which is chaired by Doug Houghton from RSC staff. The Creditable Multiple Element Contingency SAR Drafting Team (CMECSARDT) will have a

three day meeting in St. Louis on May 21, 2008. Mr. Lee Pedowitz of NPCC will give a presentation on how multi-element contingencies are dealt with in NPCC. Mr. Clayton will explain the details of the NYSRC proposed SAR. Mr. Clayton circulated his presentation, Credable Multi-Element Contingencies - (CMEC), for Executive Committee comment prior to today's meeting and summarized the document for further Executive Committee input – **AI #109-5**. He noted that PJM has data supporting consideration of CMEC and WECC has a Regional Difference for CMEC. The NPCC/NYSRC concern is interregional operating violations. NPCC includes CMEC in its criteria but PJM, for example, does not. Furthermore, FERC has made clear its view that “NERC will coordinate planning assumptions and conditions with the system operating limits (SOL) determination under the FAC Reliability Standards” to maintain consistency with FERC Order #705. Also, FERC invited the NYSRC and NYISO to “raise any concerns regarding implementation CMEC in the Reliability Standards Development Process”. This is the impetus for the NYSRC and NYISO proposed the CMEC SAR.

#### **7.4 Other RRS Issues**

- i. BPS Issues** - Mr. Clayton reported that RRS re-considered the NYSRC definition of Bulk Power System (BPS) per input from the Executive Committee. Mr. Gioia noted that FERC prefers a 100Kv “bright line” definition, but acquiesced for the time being by accepting Regionally developed definitions. It was concluded that the NYSRC's BPS definition is not consistent with either the NPCC or NERC definitions and can be interpreted as less stringent than NERC. Therefore, RRS believes that the NYSRC definition needs to be changed. Mr. Rufrano pointed out that the Executive Committee's desire is a list of system elements that is more inclusive than that of NPCC/NERC. After lengthy discussion, it was clear that an acceptable solution must include a list of facilities to which the NYSRC Reliability Rules will apply and a methodology for deriving such a list. The Chairman asked Each Executive Committee member to carefully review the issues and provide their thoughts (potential solutions) to Mr. Clayton.

#### **8.0 NYISO Status Report/Issues –**

**8.1 NYISO 2008 Comprehensive Reliability Planning Process (CRPP)** – Mr. Adams reported that the the NYISO is incorporating stakeholder comments into the Comprehensive Reliability Plan (CRP) for 2008. A new draft will be available during the week of May 11, 2008. The goal is to complete the NYISO Committee structure reviews in time for NYISO Board of Directors (BOD) review and approval on July 14, 2008. Mr. Adams noted that the NYISO Strategic Planning Group is doing a “white paper” on fuel diversity at the request of the NYISO BOD – **AI #109-6**.

**8.2 Electric Deliverability Study** – Mr. Adams reported that the group finalizing the testing is meeting today to complete the follow-up filing with FERC. The NYISO will present the Electric Deliverability Compliance Plan to the Executive Committee at its June 13, 2008 meeting – **AI #108-10**.

#### **8.3 Other Studies/Activities –**

- i. NYCA Reactive Power Supply Study** – Mr. Bolbrock raised concern regarding progress on the Reactive Power Supply Study and the suggestion that there are dynamic issues on Long Island. Apparently Mr. Hiney concurs with the concern and is encouraging completion of the Study.
- ii. Wind Integration Study/Activities** - Nothing new to report.

#### **9.0 Other Items**

**9.1 NYISO Operations Report (March 2008)** – Mr. Gonzales reported that there were no major emergencies during April 2008. System frequency excursions remained high for the month. Messrs. Ellis and Happ (NYISO Consultant) is addressing the issue at the NERC level. Also, the NYISO is expanding load (Mws) and wind forecasting information for the benefit of the System Operators.

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

**9.3 NPCC Report** – Mr. Fedora introduced the Activities Reports of the RRC, RSC and RMC, which were presented at the April 15, 2008 NPCC BOD meeting and circulated prior to the Executive

Committee meeting. Also, Mr. Fedora noted that the NPCC General Meeting will be held in Saratoga, NY on September 24, 2008. Mr. Loehr added that NPCC had approved Mr. Rufrano as the NYSRC representative on its BOD.

**10.0 Visitors' Comments – None**

**11.0 Meeting Schedule**

<b><u>Mtg. No.</u></b>	<b>Date</b>	<b>Location</b>	<b>Time</b>
#110	June 13, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#111	July 11, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 109 was adjourned at 3:15 P.M.