

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 111 – July 11, 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
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Alternate Member
Joe Hipius	National Grid, USA - Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector)
Timothy Bush	Independent Power Producers of New York (IPPNY)
Glenn Haake	Dynegy – Alternate Member
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
Steven Fanning	National Grid, USA – RCMS Chairman
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

**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.111 to order at 9:30 A.M. on July 11, 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. 110 (June 13, 2008)** – Mr. Raymond introduced the revised draft minutes. There being no additions/deletions, Mr. Fleury moved for approval of the minutes. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #111-1**.

**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>
89-10	Resolved by PSC Order dated 6/19/2008.
108-5	The Confidentiality Agreement was provided to LIPA and ConEd in May 2008.
108-6	Replaced by AI #110-4.
110-2	Comments on the Draft SEP scope were issued July 8, 2008.
110-3	Draft comments were prepared by Mr. Adamson dated June 22, 2008.
110-4	Mr. Gioia presented comments to the Executive Committee July 11, 2008.
109-2	The extension letter prepared by Mr. Gioia was re-posted on May 14, 2008.
110-06	Mr. Gioia forwarded Version 22 of the Reliability Rules to the PSC on July 7, 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 \$126,000 in cash at the end of June 2008. Mr. Adamson projects that year-end expenses will be \$28,000 below budget. Also, \$80,000 has been received to-date toward the 3rd quarter Call-for-Funds.

**ii. Auditor For 2008** – Mr. Adamson received a response to his request for proposal from Slocum DeAngelus & Assoc. for the 2008 audit. The cost to perform the same services as 2007 is \$2545, an increase of \$200. Following discussion, Mr. Bolbrock moved for acceptance of the proposal. Mr. Smith seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

**3.2 Other Organizational Issues**

**i. Meeting Schedule – 2008** – At the request of Mr. Loehr, the Executive Committee agreed to re-schedule its October 2008 meeting to October 14 from October 10, 2008. Also, Mr. Loehr agreed to provide the 2009 meeting schedule by the August 8, 2008 Executive Committee meeting – **AI #111-2**.

- i. **Executive Committee - Selection of Members** – Mr. Loehr acknowledged receipt of a letter from Mr. Robert A. Mullane, General Manager of the New York Municipal Power Agency, recommending Messrs. Bolbrock and Cordeiro to represent the Power Agency on the NYSRC Executive Committee as Member and Alternate, respectively. Following discussion, Mr. Ellsworth moved for approval of the nominees. The motion was seconded by Mr. Rufrano and unanimously approved by the Executive Committee – (13 to 0).

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

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

**4.2 NYSEDA Update** – Ms. Hogan noted that improved codes and standards also contribute to the 15 x 15 goal and that NYSEDA has recently formalized this expertise into one group called Energy Codes and Standards.

**4.3 Energy Planning Board** – Mr. Gioia reported that the NYSRC was in receipt of a letter from Mr. Congdon, Assistant Secretary for Energy, thanking the NYSRC for its participation in the May 30, 2008, meeting with the Energy Coordinating Working Group (ECWG) of the State’s Energy Planning Board. Also, the NYSRC provided comments on July 8, 2008 on the draft SEP scope prepared by Messrs. Gioia and Adamson. If the opportunity arises, the NYSRC will attend the ECWG meetings. The Planning Board may hold a series of public meetings to receive additional comments. Mr. Adamson noted that the DEC expects to have an initial draft by October 2008.

**4.4 RGGI Comments** – Mr. Gioia reported that the NYSRC submitted its comments to the DEC regarding the proposed RGGI Model Rule on June 23, 2008. The content was primarily a response to DEC comments on prior comments from the NYSRC on the potential reliability impacts of the Model Rule. Mr. Loehr praised the NYSRC comments for their clarity and professionalism. Mr. Clayton raised the matter of a meeting with the DEC. Mr. Dahl indicated that Mr. Carney expects to complete the Environmental Model by July 24, 2008. The Executive Committee agreed that a meeting with the DEC would be determined following discussion with Mr. Carney.

**4.5 Discuss Meeting with PSC on IRM Approval** – Mr. Gioia summarized a memorandum he had prepared regarding a potential meeting with Mr. Garry Brown, Chairman of the PSC, regarding the development of a process that would be consistent with both FERC and PSC regulatory responsibilities with respect to the establishment of an IRM for the NYCA. The process would need to safeguard the NYSRC’s ability to exercise its responsibilities to establish the IRM and the integrity of its technical studies and professional judgment. Mr. Gioia feels it is neither appropriate nor an obligation of the NYSRC to obtain PSC approval before or after filing a new IRM with FERC under NYSRC Agreement. Mr. Gioia indicated that annual PSC proceedings to adopt an IRM would necessarily result in uncertainty and confusion. The PSC is represented throughout the IRM development process with ample opportunity to raise any issues it wishes at any time. Furthermore, the PSC has the authority to ask for a formal proceeding if it feels the basis exists to do so. After discussion, the Executive Committee agreed that Messrs. Loehr and Gioia should initiate a meeting with Mr. Brown.

#### **5.0 Key Reliability Issues**

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

**5.2 NPCC Defensive Strategy Activities** – Mr. Fedora indicated that the UFLS study is on track for final reporting of relay changes to the NPCC RCC in September 2008.

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

**6.1 ICS Status Report and Discussion Issues** – Mr. Dahl indicated that ICS met on June 25, 2008 and focused on environmental modeling for the 2009/10 IRM Study. A conference call is planned for July 24, 2008 to receive broadened input.

## 6.2 2009/10 IRM Assumptions

Mr. Dahl reported that ICS continues to review and revise the assumptions matrix and modeling recommendations for the 2009/10 IRM study. Major areas of discussion included:

- a) Load Shape - The NYISO presented a revised load shape analysis considering 2007 summer load data. Based on the NYISO's recommendation, ICS agreed to maintain the 2002 load shape characteristic for conservatism and consistency with NPCC modeling of outside world load regions.
- b) Environmental Modeling - The NYISO discussed the status of Environmental modeling which incorporates its estimate of environmental impact on generator availability based on the latest regulations and modeling assumptions. A teleconference is scheduled for July 24, 2008 at 10 am to discuss NYISO's modeling recommendation. Both Messrs. Mager and Gioia cautioned against overly aggressive modeling of the impacts in the base case. The first New York State allowance auction will be in January 2009. Mr. Dahl will contact Mr. Carney regarding asking Mr. Silinski to participate in the July 24, 2008 conference call.
- c) Wind Model - ICS continues to refine a summary for tracking the status of proposed wind turbine projects as the basis for IRM base case modeling. Results indicate a substantial increase in the wind generation forecast for 09/10 period. Also, the NYISO presented a study of wind performance on peak load days. The results indicate a highly volatile characteristic.
- d) Transmission Model - The NYISO presented its recommendations for transmission transfer limit modeling. ICS suggested several refinements to the transmission model including internal modeling of PJM and NE internal limits. The NYISO agreed to follow up with documentation covering the basis of proposed changes.
- e) SCRS and EDRPs - ICS agreed to revise the SCR projections for 09/10 study based on 2-3 year average growth rates. ICS also agreed to revise monthly distributions based on historical data.
- f) Outside world modeling - The NYISO is updating the load and capacity representation of adjacent control areas. ICS discussions continue on modeling of external ICAP. It was agreed to perform additional sensitivity work regarding external ICAP assumptions.
- g) New Generation - The possibility of modeling a new 45 MW unit in Zone J was discussed.

6.3 **Forward Looking IRM** - Nothing new to report.

6.4 **Request for Data from DEC** - Nothing new to report.

6.5 **Mechanism to Accommodate Expanded MARS Date Base Review** - Nothing new to report.

## 6.6 Other ICS Issues

i. **Draft Policy 5-2** - Mr. Adamson introduced the revised Policy 5-2 which includes the IRM Voting Procedure. Dr. Sasson expressed concern regarding the accuracy of certain items in Appendix B of the draft Policy. Others felt that the order of Sections 4 and 5 should be reversed. After further discussion, Dr. Sasson moved that the Policy 5-2 be approved without the Appendix with the provision that ICS will examine ConEd's comments and revise the Appendix as appropriate. Policy 5-2 will then be finalized and issued. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee - (13 to 0).

## 7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

7.1 **RCMS Status Report & Discussion Issues** - Mr. Fanning indicated that RCMS met on July 10, 2008.

7.2 **2008 New York Reliability Compliance Program (NYRCP)** - Mr. Fanning reported that three RCP Items which are enumerated below, were reviewed and found to be in full compliance:

- (a) K-M2d, Monthly Operating Report,
- (b) K-M2b, Annual Resource Adequacy Assessment, and
- (c) F-M1, Procedures for Frequency, Reserve and Transfer Limit Violations.

Measurement G-M1, Procedure for Maintaining a NYCA System Restoration Plan, received a one month extension without prejudice in order to provide additional documentation. Also, the special investigation by the NYISO regarding Measurement C-M5, Reporting of Resource Outage Data to the

NYISO, is complete and the review by the NYISO Legal Department is also complete. The non-compliance letter has been sent to the alleged violator with 10 days allotted for a response. After receipt of the response, a formal Non-compliance Letter will be sent. A summary report will be provided to the Executive Committee at its August 8, 2008 meeting – **AI #111-3**.

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

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

**8.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that RRS met on July 26, 2008. PRRs #8, #52 and #84 remain on hold pending completion of related pre-requirements. PRR# 95, System Restoration Training, was approved by the Executive Committee at its June 13, 2008 meeting and may be found on the NYSRC web site and within Version 22 of the Reliability Rules Manual. PRR PRR#96 is waiting for NPCC action on A-13 and A-14. NPCC is in the process of converting A-13 and A-14 into the new NPCC Reliability Directories. The Directories will provide “one stop shopping” for both NPCC and NERC Criteria.

**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** – None

**8.3 NPCC/NERC Standard Tracking**

**i. NERC Standards Development – Status** – Mr. Adamson introduced the NERC Reliability Standards Development Tracking Summary. He noted that he had attended the last NPCC Standards Committee meeting. A number of proposed standards was discussed and comments and voting positions decided upon as summarized in the July 2, 2008 NERC Reliability Standard Development Tracking Summary.

**ii. Status of NERC “Determine System Operating Limits”** – Mr. Clayton reminded the Executive Committee that a revised SAR, modifying NERC Standard FAC-011, Determine System Operating Limits, was agreed upon by the Drafting Team. The revised FAC-011 SAR will retain most multi-element contingencies in the calculation of Interregional Operating Limits (IROLs). The changes to FAC-011 will require the Reliability Coordinator to document how System Operating Limits (SOLs), including IROLs are utilized and the criteria for selection of multi-element contingencies. The revised SAR is now going through the NERC administrative processes leading to a final ballot. Mr. Clayton checked with NERC on the status, but found there is no time limit on the processes, e.g. “when they get to it”.

**8.4 Other RRS Issues**

**i. BPS Issues** – Nothing new to report.

**9.0 NYISO Status Report/Issues** –

**9.1 NYISO 2008 Comprehensive Reliability Planning Process (CRPP)** – Mr. Adams reported that the Comprehensive Reliability Plan (CRP) for 2009 is on the July 2008 agenda for NYISO Board approval. The ESWG is looking closely at the “outside world” representation for the 2009 RNA.

**9.2 Electric Deliverability Study** – Mr. Adams reported that the details of the testing protocol are still being discussed by the stakeholders. The May 2008 deadline has been extended to July 21, 2008. The NYISO will present the Electric Deliverability Compliance Plan to the Executive Committee once it becomes available – **AI #108-10**. Dr. Sasson noted that undeliverable generation must be carefully represented in the IRM and other reliability Studies.

**9.3 NYISO Fuel Diversity Study** - Mr. Adams indicated that the Study is being done by the NYISO Strategic Group. Completion is expected by the end of 2008 – **AI #110-5**.

#### 9.4 Other Studies/Activities –

- i. **NYCA Reactive Power Supply Study** – Nothing new to report.
- ii. **Wind Integration Study/Activities** - Mr. Adams indicated that an Eastern Interconnection Wind Integration Study is being undertaken by MISO, PJM, AEP, TVA and NYISO. It appears that up to 8-10,000Mws of additional transfer capability is required to bring wind power from the upper mid-west to the east coast for a 20% wind scenario.

#### 10.0 Other Items

- 10.1 NYISO Operations Report (May 2008)** – Mr. Gonzales reported that the June 2008 peak load was 32,432Mws which is about 1500Mws short of the all-time peak following a high temperature weekend. There were two major emergencies declared as a result of the Central-East exceeding its voltage transfer limit by more than 105%. The first declaration was caused by the tripping of the New Scotland #77 Bus resulting in the loss of three 345kv lines and Athens G2. The second major emergency was caused by the tripping of the Massena - Marcy 765kv line which cross tripped the Chateaugay – Massena 765kv line due to a lightning strike. Also, Mr. Gonzales noted that the number of frequency excursions continues to exceed historic levels.
- 10.2 North American Energy Standards Board (NAESB) Report** – Mr. Ellsworth noted that the NAESB Management Committee members assured him that coordination with NERC is going well and overlap in responsibilities (i.e., DSM) has not been a problem.
- 10.3 NPCC Report** – Mr. Fedora reported that the NPCC General Meeting will be held in Saratoga, NY. on September 24, 2008. Also, Mr. Fedora noted that July 19, 2008 is the kickoff meeting for the DOE 2009 Congestion Study.

#### 11.0 Visitors' Comments – None

#### 12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#112	Aug 8, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#113	Sept 12, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 111 was adjourned at 12:15 P.M.