

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 113 – September 12, 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
Thomas Duffy	Central Hudson Gas & Electric – Member - Phone
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)
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member

**Others:**

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Steve Fanning	National Grid, USA – RCMS Chairman
Al Adamson	Treasurer & Consultant
Bruce Metruck	New York Power Authority
John Adams	New York Independent System Operator (NYISO)
Henry Chao	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:**

Phil Fedora	Northeast Power Coordinating Council (NPCC) - Phone
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“\*” – 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.113 to order at 9:30 A.M. on September 12, 2008. He introduced Mr. Bruce Metruck representing the New York Power Authority.

**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. 112 (August 8, 2008)** – Mr. Raymond introduced the revised draft minutes. Mr. Gioia provided corrections and proposed additions. Following discussion, Dr. Sasson moved for approval of the draft minutes contingent upon the inclusion of Mr. Gioia’s comments. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #113-1**.

**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>Comments</u>
104-10	Mr. Carney (NYISO) presented the “white paper” at the August 8, 2008 Executive Committee meeting.
106-6	Mr. Dahl agreed at the August 8, 2008 Executive Committee meeting to include an explanation of the IRM used to determine the Demand Curve in the 2009/10 IRM Report.
106-7	Messrs. Loehr, Gioia, Mager, Adamson and Dr. Sasson met with Mr. Brown (PSC) et al on August 7, 2008.
108-7	Mr. Ellis (NYISO) updated the RRS on NERC activities regarding frequency excursions in the Eastern Interconnection at its August 5, 2008 meeting.
109-6	Replaced by AI #110-5.
112-8	The NYISO Deliverability presentation was made at the September 12, 2008 Executive Committee meeting.

**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 \$99,000 in cash at the end of August 2008. Mr. Adamson noted that projected year-end expenses will be \$38,000 below budget. Also, he requested approval of a 4th quarter Call-for-Funds of \$25,000 per TO due October 1, 2008. Mr. Bolbrock moved for approval of the Call-for-Fund which was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

**ii. 2009 Budget** – Mr. Bolbrock reminded the Executive Committee that the retainer (\$20,000 per year) for the Non-Affiliated Members has not changed in nine years. Following discussion, Mr. Bolbrock moved for acceptance of an increase of \$4,000 per year. The motion was seconded by

Dr. Sasson and unanimously approved by the Executive Committee – (13 to 0). Mr. Adamson summarized the proposed 2009 budget which totals \$704,000 including the increase in the non-affiliated member retainers and continuation of the RRS Chairman’s retainer. Any future NAESB membership fee increase will be addressed by the Contingency budget item. Following further discussion, Mr. Mager moved for approval of the proposed budget which was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

iii. **Draft Funding Mechanism** – Mr. Adamson presented a proposed Funding Mechanism and requested Executive Committee approval. The funding obligations were unchanged from prior years. Mr. Mager moved for acceptance of the proposal which was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

### 3.2 Other Organizational Issues

i. **Meeting Schedule – 2009** – Mr. Loehr summarized the proposed Executive Committee meeting schedule for 2009. The Executive Committee will meet on the second Friday of each month except for April and December when the meetings will be on the 17<sup>th</sup> and 4<sup>th</sup>, respectively.

### 4.0 State/Federal Energy Activities –

4.1 **Energy Planning Board (EPB)** – Mr. Loehr reported that Erin Hogan (NYSERDA) is chairing one of the committees of the Energy Coordinating Working Group. Mr. Patka noted that the NYISO is very active in supporting the development of the SEP. He will be prepared to update the Executive Committee monthly.

4.2 **NYSERDA – Update** – Mr. Loehr noted that a replacement for Mr. Tonko, past NYSERDA Director, has not yet been selected.

4.3 **RGGI Update** – Mr. Gioia indicated that the NYSDEC responses to public comments on the RGGI model may provide an opportunity for CO<sub>2</sub> relief under emergency conditions (NYCCR Section 201-5.6). He will investigate the significance of the potential relief with Mr. Haake. Mr. Clayton reported that he sent a letter to Mr. Sliwinski (NYSDEC) requesting a meeting. He has yet to receive a response.

4.4 **Need for IRM Proceeding** – Nothing new to report.

### 5.0 Key Reliability Issues

5.1 **Defensive Strategies** – Mr. Smith indicated that the Defensive Strategies Working Group (DSWG) meeting will be re-scheduled from October to December 2008. Also, the NPCC SS-38 UFLS Study is being extended. Mr. Fedora reported that SS-38 is recommending four blocks of load shedding at 7% each. Additionally, there is an anti-stall block at 2%. Fine tuning continues but is not expected to materially change the results. The NPCC RCC’s acceptance of the results allows the System Protection Task Force to begin costing out the necessary changes and setting an implementation schedule. The final report from SS-38 is expected in November 2008 and full member voting for acceptance will follow shortly thereafter. Also, Hydro Quebec will present its UFLS Plan at the November 2008 meeting of the NPCC RCC.

5.2 **NPCC Defensive Strategy Activities** – See item 5.1.

5.3 **Interregional Studies of Proposed Transmission** – Mr. Loehr indicated concern about the apparent lack of studies of some of the major new 500 and 765kV facilities proposed for service in the near future within PJM. The PJM west-to-east TrAIL and PATH 765 and 500kV lines are scheduled to be in service in 2011 and 2012 respectively. Their clear intent is to increase the transfer capability from west to east in PJM. There’s also a planned 500kV line from northwest PA to northern NJ, and a 765kV project in Indiana. In Mr. Loehr’s opinion these facilities present a potential risk to NY for contingency loss of one of the new lines. There is a greater concern; by permitting a significant increase (5000 Mws) in west-to-east transfers within PJM to accommodate coal-by-wire or wind-by-wire, the effects of other contingencies on the NYCA system could be exacerbated. Finally, the parallel path flow through both Ontario and NY could be increased causing or further congestion. The MEN (MACC-ECAR-NPCC) studies that once looked at issues like this on a routine basis, no longer exists. PJM and RFC

(Reliability First Corp., the new regional council that incorporates the “old” MACC and parts of ECAR and MAIN) have studied the issues, at least to some extent, but as far as Mr. Loehr has been able to determine, the reliability impact of these lines on NY and Ontario has not been investigated. This is a serious reliability issue, and it has a short lead time. Mr. Loehr acknowledged that he may not be aware of activities under the Northeast ISO/RTO Planning Coordination Protocol, Northeast Coordinated System Plan, or the Joint Interconnection Reliability Committee. Therefore, he asked Messrs. Adams and Fedora to address their activities related to the Protocol/Plan/Committee at the October 14, 2008 Executive Committee meeting - **AI #114-2**. Also, Mr. Dahl noted that TOs are doing a long term study (2018 & 28), termed the Strategic Transmission and Reliability Study (STARS), investigating the aging of the NYCA system. He volunteered to periodically update the Executive Committee on its progress – **AI #114-3**. Mr. Clayton emphasized that the NYSRC Reliability Rules include a requirement for interregional planning and assessments.

Mr. Loehr reported that Ms. Hogan had offered to suggest a brief item on the importance of interregional studies for inclusion in the SEP. Mr. Loehr will prepare an appropriate statement and distribute it for EC review before transmitting it to Ms. Hogan. Mr. Loehr will also prepare a more detailed statement for possible use within NPCC, to be discussed at the October 14 EC meeting.

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

**6.1 ICS Status Report and Discussion Issues** – Mr. Dahl reported that ICS met on September 3, 2008.

### **i. 2009/10 IRM Assumptions**

Mr. Dahl indicated that the NYISO is having difficulty solving the MARS model with the approved Assumptions Matrix. A ICS conference call is scheduled for September 16, 2008 to review progress. Mr. Adams noted that the NYISO has made significant progress in resolving the data issues and expects to have a base case before the conference call. Also, ICS discussed the draft Sensitivity Testing List. It is expected that the List will be available for approval at the October 14, 2008 Executive Committee meeting.

**6.3 Mechanism to Accommodate Expanded MARS Date Base Review** – Mr. Patka will provide comments to Mr. Gioia on the proposed Confidential Agreement by the end of the week of September 14, 2008. Mr. Bush stated that he believes the need for this agreement no longer exists and that allowing a limited set of members to have access to the MARS data base is a questionable idea. Mr. Dahl emphasized the importance of peer review and additional manpower to run the expanding number of IRM cases.

**6.4 Other ICS Issues** – Mr. Dahl noted that the NYISO presented its proposed Forward Capacity Model to ICS for comment. The Model looks out three and a half years and incorporates additional constrained zones in the Hudson Valley.

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

**7.1 RCMS Status Report & Discussion Issues** – Mr. Fanning indicated that RCMS met on September 11, 2008.

**7.2 2008 New York Reliability Compliance Program (NYRCP)** – Mr. Fanning reported that each of the following Measures were reviewed by RCMS and found to be in full compliance:

- (a) K-M2d, Monthly Operating Report,
- (b) G-M1, Procedures for Maintaining a NYCA System Restoration Plan,
- (c) B-M4, List of NYS Bulk Power System Facilities, and
- (d) F-M6, Voltage Reduction Testing.

**7.3 Action Per Policy 4 – Non-Compliance** – Mr. Fanning reported that RCMS had provided a number of questions to the NYISO pertaining to a NYISO finding that a MP was non-compliant with Measurement C-M5, Reporting of Resource Outage Data to the NYISO. After discussion of the NYISO responses and the requirements of Policy 4, the RCMS concluded that the issuance of a non-compliance letter to the NYISO was not warranted. RCMS will provide a report, including recommendations, at the October 14,

2008 Executive Committee Meeting. Also, Mr. Fanning added that the recommendations will include: (a) the use of GADs generic data for units undergoing compliance review by the NYISO, (b) the apparent decline in in-city generation outage performance and (c) concerns with the NYISO's review of outage data report by MPs.

**7.4 Other RCMS Issues** – Mr. Fanning noted that RCMS is reviewing the requirements for Measurements K-M2a, Transmission Assessments and K-M2d, Monthly Operating Report with the objective of adding clarity. Mr. Dahl noted that at its last meeting, the NPCC-RCC received a draft report on Governor Response which indicated that about 70% of the Region's governors are not performing in accordance with the data in the stability model. This raises the issue of compliance under C-M9, Maintenance of Load Flow, Short Circuit, and Stability Data within NYCA. Mr. Fanning indicated that RCMS will be investigating this issue with the NYISO at its October 2008 meeting – **AI #113-4**.

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

**8.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that RRS met on September 4, 2008. PRRs #8 and #52 remain on hold pending completion of related pre-requirements being addressed by NPCC. PRR#96, Resource, System, and Demand Requirements, is waiting for NPCC action on A-13 and A-14 and NERC action on MOD24/25 to provide an exception allowing NYCA units to report only “net” output. PRR# 97, BPS Facilities, remains under review. The NYISO has provided the four facility lists (A1, A2, NPCC A10, and ATR) that it uses to fulfill its obligations under the NYSRC Reliability Rules. RRS plans to: (a) ask Mr. Adamson to establish the linkage between each Reliability Rule and the appropriate list, (b) develop definitions for the addition/removal of new/retired facilities looking forward, and (c) decide upon the definition of a single list applicable to the NYS Reliability Rules. Mr. Fedora noted that the NPCC A-10 list is restricted to NPCC members. PRR# 98, NYCA Transmission Review, is being investigated by RCMS regarding the need for additional specificity in the reliability assessment requirements. PRR# 99, System Restoration is under review by the NYISO. The RRS has requested Mr. Mahlmann (NYISO) to prepare a template to focus further discussion.

## **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. A number of proposed standards was discussed and comments and voting positions decided upon as summarized in the September 5, 2008 NERC Reliability Standard Development Tracking Summary.

**ii. Status of NERC “Determine System Operating Limits”** – Mr. Adamson indicated that comments were received by NERC on the revised FAC-11 SAR through September 10, 2008. Mr. Clayton added that there will be a conference call on September 25, 2008 to analyze the comments.

## **8.4 Other RRS Issues**

**i. BPS Issues** – See Section 8.1.

**ii. Unit Frequency Response** – Mr. Clayton reported that RRS has determined that a system-wide (Eastern Interconnection) solution is required. Dean Ellis (NYISO) is participating in a NERC level investigation of the issue.

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

**9.1 NYISO 2008 Comprehensive Reliability Planning Process (CRPP)** – Mr. Chao reported that a supplemental Compliance filing was made to FERC on June 18, 2008 per FERC Order 890 on cost

allocation and cost recovery for reliability backstop solutions. The FERC response has not yet been received. The Comprehensive Reliability Plan (CRP) for 2009 was approved by the NYISO Board in July 2008. The ESPWG has begun working with the stakeholders on the 2009 RNA.

**9.2 Electric Deliverability Study** – Mr. Chao provided the Executive Committee with a presentation on the NYISO Deliverability Plan recently filed with FERC in response to its 2003 Order. The standard for deliverability is “the NYCA transmission system shall be able to deliver the aggregate of NYCA capacity resources to the NYCA load under summer peak conditions and emergency transfer limits for new facilities, larger than 2Mws and existing facilities that increase their output by more than 2Mws”. In general terms, if a new or expanded facility causes a decline in transfer capability, the facility owner may pay for the necessary system reinforcement or elect to forego the receipt of capacity payments. Preliminary analysis of the Class Year 2007 facilities indicates no “bottled” capacity in the NYCA. NYISO staff is working with local TOs on the application of the Deliverability Testing Procedure to intra-zonal transfer limits within Zones J and K. Dr. Sasson commented that the object of the NYISO’s Deliverability process is to determine if generating units are eligible to sell capacity into the NYISO market. Existing units and a number of units that are currently within the NYISO interconnection process will be grandfathered and not tested for deliverability. However, Dr. Sasson emphasized that there is also a reliability concern with deliverability. A unit that is not deliverable should be appropriately considered in reliability studies. Grandfathered units need to be tested for deliverability for inclusion in reliability studies. For example, undeliverable units should not be included in IRM studies. Dr. Sasson requested that ICS draft a revision of Policy 5 to reflect this, which Mr. Dahl supported - **AI #113-5**. RRS was also requested to review potential revisions to existing rules to appropriately reflect the modeling of undeliverable units in reliability studies - **AI #113-6**.

**9.3 NYISO Fuel Diversity Study** – Nothing new to report.

**9.4 Loop Routing** – Nothing new to report.

**9.5 Other Studies/Activities** – Nothing new to report.

**10.0 Other Items** – Due to the lengthy discussion regarding Deliverability, Chairman Loehr tabled Item 10 until the October 14, 2008 Executive Committee Meeting.

**11.0 Visitors’ Comments** – None

**12.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#114	Oct. 14, 2008	Power Control Center, Guilderland, NY.	9:30 A.M.
#115	Nov. 14, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 113 was adjourned at 3:55 P.M.