

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 115 – November 14, 2008**  
**Albany Country Club, Voorheesville, 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
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
Joe Hippius	National Grid, USA - Member
Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector)
Timothy Bush	Independent Power Producers of New York (IPPNY) - Phone
Glenn Haake	Dynegy – IPPNY Alternate Member - Phone
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member
Ralph Rufrano	New York Power Authority

**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
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
John Charleton	New York Independent System Operator (NYISO)*
Ken Davis	New York Independent System Operator (NYISO) – Counsel - Phone
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service

**Visitors – Open**

**Session:**

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

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

**Agenda Items – (Item # from Meeting Agenda)**

**I. Executive Session** – An Executive was not requested.

**II. Open Session**

**1.0 Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.115 to order at 9:30 A.M. on November 14, 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** – None

**2.0 Meeting Minutes/Action Items**

**2.1 Approval of Minutes for Meeting No. 114 (October 14, 2008)** – Mr. Raymond introduced the revised draft minutes. Following discussion, Mr. Smith moved for approval of the draft minutes. The motion was seconded by Mr. Fleury and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #115-1**.

**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>
112-5	Mr. Fanning presented the RCMS recommendations at the November 14, 2008 Executive Committee meeting.
113-5	A revision to Policy 5 will include “Deliverability” of all units in IRM studies.
113-6	Mr. Adamson indicated that RRS has reviewed “Deliverability” for new or modified Reliability Rules.
114-3	Mr. Loehr sent a letter to NPCC regarding the need for interregional Studies dated October 19, 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 \$160,000 at the end of October 2008. Mr. Adamson noted that projected year-end expenses are projected to be \$63,000 below budget. Also, he noted that all TOs have responded to the 4th quarter Call-for-Funds.

**3.2 Other Organizational Issues** – Nothing new to report.

**i. 2009 Meeting Schedule** – The Executive Committee accepted the 2009 meeting schedule. Ms. Hogan noted that she has reserved the NYSERDA Boardroom for the January 9, 2009 meeting. At this point, Mr. Gioia reported that as of yet the PSC has not responded to the Executive Committee’s suggestion that it reconsider its decision to conduct a separate proceeding each year to review and approve the NYSRC’s IRM determination. He agreed to inquire of the PSC after the 2009 IRM is filed with FERC – **AI #115-2**.

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

**4.1 Energy Planning Board (EPB)** – Ms. Hogan stated that the next meeting of the Board will be in December 2008.

- i. Energy Coordinating Working Group (ECWG)** – Ms. Hogan indicated that the ECWG will not be meeting again until January 2009. This will provide time for drafts being circulated within member agencies to be thoroughly reviewed.
- ii. SEP Update** – Ms. Hogan reported that the Electric analysis is being done with the IPM Model which includes economic decisions regarding retirements. The results will be confirmed using MAPS due to its more detailed transmission representation. The Gas assessment will follow. The schedule for completion of the Electric and Gas analyses has been pushed back to the original January 9, 2009 date.

**4.2 NYSERDA – Update** – Ms. Hogan indicated that a replacement for NYSERDA Director, Paul Tonko, is rumored to be named at the next Board meeting.

**4.3 RGGI Update** – Mr. Gioia indicated that the NYSDEC responses to public comments on the RGGI model may provide an opportunity for affected generators to obtain relief under emergency conditions (NYCCR Section 201.5 and 201-6.6(c)). He suggested that the NYISO discuss with the DEC how its regulations would be applied in the RGGI context and the role the NYISO may play in determining the existence of an emergency under the regulations - **AI #114-2**. Mr. Gonzales agreed to take the suggestion under advisement, though he emphasized that the three year compliance requirement is not compatible with short term emergencies. Also, Mr. Clayton reported he and others (Messrs. Carney, Mager, Haake, Dahl and Adamson) will be meeting with Mr. Sliwinski (NYSDEC) on November 20, 2008 to discuss potential impacts on electric system reliability.

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

**5.1 Defensive Strategies** – Mr. Smith reported that the Defensive Strategies Working Group (DSWG) meeting has been re-scheduled to December 4, 2008. The NPCC SS-38 UFLS Working Group's final Report will be presented and voted on at the November 19/20, 2008 RCC meeting. SS-38 may then begin work on Task #5. The DSWG will first review the results of the UFLS Study followed by review of how out-of-step relays may be applied. Also, during subsequent meetings, Mr. Smith plans to request vendor presentations on the capabilities of their various relay systems for defensive strategies. Mr. Fedora noted that NPCC has yet to complete its 2009/10 work plan. He expects the Task #5 work will take a year to complete.

**5.2 NPCC Defensive Strategy Activities** – Dr. Sasson noted that ConEd formally requested NPCC to explicitly recognize the concept of an exception in their new UFLS scheme. Con Ed recommends that it be allowed to stay with the current first stage of load shedding by using 58.8 vs. 59.3Hz. Mr. Dahl emphasized the need for coordination with LIPA. Mr. Schrom expressed concern that too high a setting for initiating the first stage of load shedding could create an unnecessarily large number of outages for certain power critical customers.

#### **5.3 Interregional Studies of Proposed Transmission**

- i. SEP** – Mr. Loehr reiterated his concern that new EHV transmission proposed in PJM over the next 2-3 years presents a potential risk to NY for contingency loss of one of the new lines. The impetus for his concerns is the apparent lack of joint interregional studies of some of the major new 500 and 765kV facilities. Ms. Hogan agreed to provide the general statement offered by Mr. Loehr to NYSERDA – **AI #115-3**. The statement emphasizes the importance of interregional studies for possible inclusion in the NYSEP.
- ii. NYISO** – Nothing new to report.
- iii. NPCC** – At the October 14, 2008 Executive Committee meeting, Mr. Loehr presented a proposed statement, directed to NPCC, emphasizing the importance of interregional studies and stating his concern that NPCC has not yet participated in joint interregional reliability studies of some of the

major 500 and 765kv facilities planned for service in the near future within PJM. He asked that comments be sent to him no later than October 17, 2008. He reported that a letter was sent to Mr. Schwerdt, Executive Director of NPCC, dated October 19, 2008. Mr. Schwerdt responded on October 24, 2008 noting that the statement, Re: Future Systems Interregional Studies, was reviewed by the NPCC Board. The Board confirmed its commitment to conducting timely future year interregional studies and noted that funding for such studies was included in the 2009 NPCC Business Plan and Budget. The studies will go forward via the ERAG study forums—RFC-NPCC, RFC-SERC(East), and RFC-MRO-SPP-SERC(West). Also, an email from Mr. Paul Roman (NPCC) noted that NERC Standard TPL-005 requires seasonal and future Assessments reviewed per Requirement R.1. Within ERAG, the RFC-NPCC Study Forum is planning on conducting a steady state interregional assessment under 2014 conditions. Completion is expected by the end of 2009. In addition, the NPCC SS-38 Working Group on Inter-Area Dynamics will conduct an overall NPCC dynamics assessment for 2013 conditions during 2009 – **AI #115-4**. SS-38 will seek participation of neighboring entities in the study.

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

- 6.1 ICS Status Report and Discussion Issues** – Mr. Dahl reported that ICS met for its regular monthly meeting on November 3, 2008 and focused on finalizing the schedule for the IRM Study.
- 6.2 2009/10 IRM Study** – Mr. Dahl indicated that the draft IRM Report has been circulated for comment. ICS will be requesting approval at the December 5, 2008 Executive Committee meeting. He pointed the Executive Committee to some of the highlights in the draft Report, including: (a) the base case IRM of 16.2 %, (b) Locational ICAP requirements vs. statewide ICAP requirements, (c) the parametric impact comparison with the 2008 Study, and (d) the table of sensitivity case impacts for statewide and locational capacities. The increases in IRM from 2008-09 (1.2%) were predominately due to an additional 825Mws of new wind capacity, an updated load forecast uncertainty model and updated generation unit EFORs, particularly downstate. Parameters that lowered the IRM included an updated transmission topology, updated SCRs and a reduced NYCA load forecast. Mr. Younger expressed concern that the 95% response rate assumption for SCRs may be optimistic since the response rate is based on a year with a small number of activations – **AI #115-5**. Further, he feels that an 11% Capacity Factor for wind should have had a greater impact on the IRM. Messrs. Smith and Mager suggested that an explanation of the LCR curves in the body of the Report would be helpful. Dr. Sasson requested additional explanation of the updated transmission topology be included in the Report. Mr. Gioia emphasized the need to explain how the translation to UCAP mitigates the need to purchase additional capacity due to the addition of wind generation. Mr. Dahl confirmed that the UCAP translation would be included in the final Report. Further, at the request of Mr. Bolbrock, Mr. Dahl agreed to try to complete a sensitivity case in which only the downstate load is increased. Finally, Mr. Dahl requested that comments are received by Friday, November 21, 2008.
- 6.3 Mechanism to Accommodate Expanded MARS Data Base Review** – Mr. Gioia described the background pertaining to the NYSRC’s request to have a small number of NYSRC personnel review the MARS data base. He also described the effort that has gone on for more than a year and a half to reach an accommodation with the NYISO including the signing of a Confidentiality Agreement by the NYSRC representatives involved in the data review. Now, apparently the NYISO has become uncomfortable with the unwillingness of GE to guarantee that a party could not unmask the data and has requested that any review be done at the NYISO offices. Mr. Gioia conveyed this requirement to Dr. Sasson and Messrs. Dahl and Adamson and received a uniformly negative response. Mr. Gioia emailed Mr. Patka indicating the NYISO request is impractical because local access to information and computer power is necessary to adequately review the data. Furthermore, TO personnel cannot be expected to be away from their offices for the days of lengthy computer runs that may be required to satisfactorily review the volumes of data. Mr. Patka responded that site review is the level of risk that the NYISO is willing to take and that the NYISO does not have further room to negotiate. Mr. Gioia expressed the

view that a balanced perspective is required in this matter. The NYISO has a legitimate need to protect the sensitive portion of the data. On the other hand, peer review is an essential requirement for the NYSRC to satisfactorily fulfill its responsibilities. And in this instance, the NYISO will be protected by a Confidentiality Agreement signed by known individuals and masked (perhaps encrypted) data. Therefore, the risk being taken by the NYISO is minimal while the consequences of erroneous data confronting the NYSRC (and NYCA customers) are significant. Furthermore, the NYISO is obligated by Agreement to provide the data needed by the NYSRC to do its job. Mr. Davis (Counsel for the NYISO) indicated that the NYISO takes its responsibilities under the Tariff and NYISO Agreements very seriously and has been working for some time to create a mechanism to resolve the stalemate. He expressed the hope that the people involved will continue to talk. Mr. Bolbrock expressed the majority view of the Executive Committee that any data needed by the NYSRC to fulfill its responsibilities should be made available, and that the NYISO's position is inconsistent with the position the NYISO is taking in the Congestion Analysis and Resource Integration Study (CARIS) where FERC has ordered that the data be made available to all parties without a confidentiality agreement and not on site. Mr. Bush reiterated the Generator Sector's position that the original circumstances that led to this issue no longer exist. He believes that it is not a good precedent to allow access to confidential data, masked or not, by a limited set of Executive Committee members. After additional discussion, the Executive Committee asked Mr. Gioia to prepare and circulate a draft letter from Chairman Loehr to the NYISO President, Steve Whitley, explaining the situation from the NYSRC perspective – **AI #115-6**. Also, Mr. Gioia was asked to prepare a “disclaimer” for possible inclusion in the 2009 IRM Report – **AI #115-7**.

#### **6.4 Other ICS Issues**

**i. Revision of Policy 5 for Deliverability** – Nothing new to report.

**ii. TO's Strategic Transmission and Reliability Study (STARS)** – Dr. Sasson reported that a Statement of Work has been sent to potential consultants and posted on NYISO web site. The TOs intend to keep the NYSRC up to date on progress.

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

**7.1 RCMS Status Report & Discussion Issues** – Mr. Fanning indicated that RCMS has met twice since its October 7, 2008 meeting; two weeks prior to its regular meeting and again on its regular meeting date, November 13, 2008. The focus was on finalizing the draft Compliance Report regarding GADS data reporting.

**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) I-M3, Procedures to Ensure Sufficient 10 min. Reserve in NYC, and

(c) A-M3, Certifying LSE ICAP Obligations Are Met.

In regard to Measurements I-M1, NYISO Requirements for ConEd To Have Procedures In Accordance with I-R1, I-R3, and R-4 and I-M2, NYISO Requirements For LIPA To Have Procedures In Accordance with I-R3, RCMS has given the NYISO a 30 day extension to revise the material provided. Also, the NYISO provided an overview report of where it stands on the NYISO 2008 Transmission Review covering Measurements A-M2a, C-M3, I-M4, and A-M3. The Report has been provided to NPCC and should be finalized in January 2009.

**7.3 RCMS Compliance Review of 2004 GADS Reporting Error(s)** – Mr. Fanning discussed a RCMS Report, Reliability Compliance Review Of 2004 NERC-GADS Outage Data Misreporting Event. In accordance with NYSRC Policy 4-4, Compliance Review Requirements, RCMS found that: (1) the NYISO is in non-compliance with NYRSC C-R2/C-M5 because it was unable to certify that the noncompliant market participant took all actions required of it by these NYSRC reliability requirements, (2) the NYISO took all reasonable actions in the form of adequate procedures to secure compliance with NYSRC C-R2/C-M5 prior to the 2004 non-compliance event, and (3) the non-compliant market participant has since taken appropriate steps approved by the NYISO to ensure future compliance with

the Reliability Rules. Based on actions (2) and (3) above, RCMS concluded that a non-compliance letter should not be issued to the NYISO. Next, Mr. Fanning focused the discussion on the seven recommendations in the Report. Two of the seven recommendations received particular attention from the Executive Committee and NYISO:

- (a) **Recommendation 5:** The NYISO should conduct in-house NERC-GADS workshops annually, or when the NYISO deems appropriate, and strongly encourages generator owners and operators to attend.
- (b) **Recommendation 6:** The NYISO shall request the MMU to notify Resource Planning, at a reasonable time during its investigation, when it finds potentially incorrect outage data.

Dr. Sasson suggested that the NYSRC Reliability Rules should be revised to include the phrase “the data should be reported accurately in accordance with NERC-GADS”. He further questioned a NYISO claim that it is restricted from requiring the generators to undergo GADS training. Mr. Bush agreed to work with Mr. Fanning to resolve the training issue. In addition, the NYISO expressed the inability to execute Recommendation 6. The Executive Committee felt that there is an obligation on the part of the NYISO to cooperate and a mechanism ought to be able to be found. After further discussion, it was agreed that RCMS will revise the report, taking into consideration the Executive Committee comments, including those of Mr. Bush, and the comments of the NYISO. The revised report will be transmitted to the Executive Committee for approval at the December 5, 2008 meeting – **AI #115-8**.

#### **7.4 Other RCMS Issues**

**i. Draft NPCC Governor Response vs. Measurement C-M9** – Nothing new to report.

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

**8.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that PRRs #8 and #52 remain on hold pending completion of related pre-requirements being addressed by NPCC. PRR# 98, NYCA Transmission Review, has been posted for comment with comments due by December 5, 2008. The template for PRR# 99, System Restoration, is under review by Messrs. Mr. Mahlmann (NYISO) Applebaum (NYISO) and Adamson.

#### **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**

- **PRR #96, Verification of Resource Capacity** – Mr. Clayton indicated that the PRR #96 revision was requested by the NYISO and has gone through both RRS and RCMS review. The revisions are required to maintain conformance with MOD 24/25 and Measurements C-M1 and C-M2. The issue is whether the reactive power is done semi annually or annually and on a net and gross basis or just a gross basis. The PRR #96 specifies that real power is measured on a net basis and reactive power on a gross basis. Mr. Clayton reviewed the Rule template and proposed changes with the Executive Committee. After further discussion, Mr. Claggett moved for approval to post the changes for comment. Mr. Bolbrock seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

##### **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 were discussed and comments and voting positions decided upon as summarized in the October 29, 2008 NERC Tracking Summary.
- ii. **Status of NERC “Determine System Operating Limits”** – Mr. Clayton indicated that he will be re-writing the SAR. The drafting team plans to resubmit the SAR in January 2009.

#### 8.4 Other RRS Issues

i. **BPS Issues** – PRR# 97, BPS Facilities, remains under review. Mr. Clayton provided a status report, NYS Power System & Mission Focus – Reliability Rules: Revision Options. He reminded the Executive Committee that the Mission of the NYSRC is to promote and preserve the reliability of the New York State Power System (“NYS Power System”) in the New York Control Area (“NYCA”). The NYSRC fulfills its mission by focusing on maintaining the reliability of the New York State Bulk Power System (“NYS BPS”). Unfortunately, the definition of NYS BPS is inconsistent with the NPCC BPS definition resulting in the identification of differing elements. Furthermore, NPCC’s definition is under review by FERC. So far, 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. Also, the NYISO has provided its interpretation of which facility lists are associated with each Rule. The RRS has reviewed each Reliability Rule and identified which set of facilities (using the NYSRC definition) is associated with each Rule. It has been the intent of RRS to fulfill the NYSRC mission by focusing on a single list of NYS BPS facilities. The task is more difficult than originally thought because: (a) NPCC’s definition supersedes that of the NYSRC (the NYS BPS), (b) the NYISO interpretation does not apply Reliability Rules to a single facilities list and (c) the NYSRC’s Reliability Rules do not associate individual Reliability Rules with either a single NYSRC definition or with the NYISO’s multiple facility lists. The options identified by RRS were: (a) Adopt NYISO’s facility lists and individual Rule associations, (b) Develop a single facility list for all Reliability Rules, and (c) Utilize the NYISO Secured System definition as the mission focus. After lengthy discussion, the Executive Committee the Executive Committee reached consensus on the following direction to guide RRS’s continuing efforts: (a) While a name for it has not been selected at this point, there should be one list of facilities to which the NYSRC rules generally will apply. The facilities deemed to be bulk under NPCC’s A-10 criteria would only be a small subset of this list. (b) The list will contain groupings, to point out which NYSRC rules are applicable to which facilities. This is an extension of the current NYISO approach, which seems to be reasonable. (c) Criteria or rules that establish how a given facility becomes part of one of the groupings, or is excluded from them, are needed. While the NYISO generally has been reasonable in its application of the rules so far, no such criteria for making these determinations yet exist. As an example, the NPCC A-10 criteria might be adopted for determining which facilities the protection rules should apply to, while other criteria would be needed to establish applicability of other NYSRC rules. (d) The NYSRC should create or identify these criteria, and the NYISO should apply them and notify the NYSRC of its determination of which facilities fall into which groups for application of the NYSRC rules. The NYSRC, through the RRS, should review the NYISO's determinations. (e) The A1 and A2 lists associated with the NYISO-TO Agreement, while useful and necessary for other purposes, are not appropriate for determining the applicability of NYSRC rules. (f) Some revision to the NYSRC mission statement may be needed, and reflected in the NYSRC Reliability Rules - **AI #115-9**. Mr. Fedora indicated that NPCC CP-11 is reviewing the implementation of the A-10 methodology in order to assess consistency across the NPCC Sub-Regions.

ii. **Reliability Rules vis-à-vis Deliverability** – Nothing new to report.

**9.0/ NYISO Status Report/Issue/ Other RRS Issues** – Given the lengthy discussion on a number of prior **10.0** items, Mr. Loehr tabled items 9.0 and 10.0 until the December 5, 2008 Executive Committee meeting.

**11.0 Visitors' Comments** – None

**12.0 Meeting Schedule**

<b><u>Mtg. No.</u></b>	<b>Date</b>	<b>Location</b>	<b>Time</b>
#116	Dec. 5, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#117	Jan. 9, 2009	NYSERDA Headquarters, Albany, NY.	9:30 A.M.

The open session of Committee Meeting No. 115 was adjourned at 2:50 P.M.