

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 136 – August 13, 2010
Albany Country Club, Voorheesville, NY

Members and Alternates

in Attendance:

George C. Loehr	Unaffiliated Member – Chair
Curt Dahl, PE	LIPA - Alternate – ICS Chair - Phone
Richard J. Bolbrock, PE	Municipal & Electric Cooperative Sector – Phone
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George Smith	Unaffiliated Member
Michael Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Vice Chair
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Member
Joe Hippius	National Grid, USA – Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member - Phone
Arnie Schuff	New York Power Authority – Member - Phone
Tom Duffy	Central Hudson Gas & Electric – Member
Chris LaRoe	Dynegy (Wholesale Sellers) – Alternate Member
Paul DeCotis	LIPA – Member*

Others:

Paul L. Gioia, Esq.	Dewey & LeBoeuf LLP - Council
Al Adamson	Consultant - Treasurer
John Adams	New York Independent System Operator (NYISO)
Henry Chao	New York Independent System Operator (NYISO)
Elizabeth Grisaru, Esq.	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Roger Clayton	Electric Power Resources, LLC – RRS Chair
Steve Fanning	National Grid, USA – RCMS Chair

Visitors – Open Session:

Erin P. Hogan, P.E.	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC) - Phone
Scott Leuthauser	HQUS

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

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was not requested.
- II. **Open Session**
- 1.0 **Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.136 to order at 9:30 A.M. on August 13, 2010 at the Albany Country Club.
- 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance.
- 1.2 **Visitors** – See Attendee List, page 1.
- 1.3 **Requests for Additional Agenda Items** – None
- 1.4 **Declarations of “Conflict of Interest”** - None
- 1.5 **Executive Session Topics** – An Executive Session was not requested.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 135 (July 9, 2010)** – Mr. Raymond introduced the revised draft minutes and suggested clarifying changes. Following further discussion, Dr. Sasson moved for approval contingent upon including the changes. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee Members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #136-1**.
- 2.2 **Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
123-5	Reliability Rule #103, <u>System Data Requirements</u> , was approved at the July 9, 2010 Executive Committee Meeting.
127-2	Deleted due to minimal activity.
129-2	Mr. Dahl presented the SEP Review findings to the Executive Committee during its June 11, 2010 meeting.
132-5	Mr. Loehr sent the request to the NYISO on May 17, 2010.
132-11	Mr. Dahl noted at the August 13, 2010 Executive Committee meeting that the NYISO had completed the screening for units requiring proxy data.
133-2	The Code of Conduct Resolution was posted on the NYSRC website in early June 2010.
134-2	Mr. Fedora circulated the EIPC overview prepared by Mr. Buechler on June 9, 2010.
134-6	Dr. Sasson and Mr. Haake provided their comments prior to the July 9, 2010 Executive Committee meeting.
134-8	The Executive Committee provided comments to Mr. Dahl on the Reliability Impacts presentation to the Climate Action Working Group prior to June 17, 2010.
135-2	Mr. Smith reported on his survey of PMU interest at the August 13, 2010 Executive Committee meeting.
135-3	Mr. Adams circulated the EIPC SSC press release on July 14, 2010.
135-4	Mr. Dahl presented the scope of the STARS economic analysis during the August 13, 2010 Executive Committee meeting.
135-6	Mr. Patka sent the Declaratory Ruling to Mr. Gioia on July 30, 2010.

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 \$162,000 at the end of July 2010. The projected year-end variance from budget is \$65,000 under budget. Also, he reported that the 3rd Quarter Call-for-Funds is fully paid.

3.2 Other Organizational Issues

- i. 2011 Budget Proposal and Funding Mechanism** – Mr. Adamson presented the 2011 proposed budget of \$746,000. The proposed budget exceeds 2010 by \$4,500 due largely to salary payment adjustments agreed to at the July 9, 2010 Executive Committee meeting. Next, Mr. Adamson presented the Funding Mechanism for the 2011 Budget. Again, as agreed at the July 9, 2010 Executive Committee meeting, the Funding Mechanism remained the same as the prior year. Following discussion, Mr. Ellsworth moved for approval of both the proposed Budget and Funding Mechanism. The motion was seconded by Mr. Mager and unanimously approved by the Executive Committee – (13 to 0).

4.0 Key Reliability Issues

- 4.1 Defensive Strategies** – Mr. Smith indicated that he attended the NPCC SS-38 Dynamics Working Group meeting to discuss the coordination of Task 5 of the NPCC Blackout Study and the phasor technology activities of the NYSRC/NYISO/TOs. Task 5 has a six month time schedule and will dovetail well with the controlled separation feasibility study of the NYSRC/NYISO/TOs which is on a three year schedule. Mr. Fedora noted that the RCC will be addressing the scope of Task 5 at its September 9, 2010 meeting.

Also, Mr. Smith noted that the Webinar titled “The Wide Area View: Synchrophasors” is posted on the NYSRC web site. The webinar was hosted by Intelligent Utilities Daily and included presentations by Southern California Edison, the Salt River Project and PJM.

- 4.2 NPCC Defensive Strategy Activities** – Nothing additional to report.

- 4.3 Smart Grid – Status of NYISO Activities** – Mr. Adams summarized an email from Mr. Chao which highlights progress in three areas: (a) System Design, (b) Controlled Separation, and (c) Dynamic Model validation. The System Design phase began the week of July 18, 2010 and will continue through mid-October 2010. A draft RFP for Controlled System Separation has been circulated within the NYISO for comment and will be issued by August 20, 2010 with selection of a consultant by September 30, 2010. On approximately August 16, 2010 the drafting of an RFP for performance of the calibration/validation of NYISO system models will commence.

4.4 Interregional Studies of Proposed Transmission

- i. Eastern Interconnection Planning Collaborative (EIPC)** – Mr. Adams reported that the Eastern Interconnection Planning Collaborative (EIPC) Modeling Working Group is developing the Regional “Roll-up Case” and identifying potential enhancements and analyses. The Economic Working Group has requested that CRA develop a Tutorial on the economic analysis. Regarding the Interregional Planning Stakeholders Advisory Committee (IPSAC), a WebEx is scheduled for October 6, 2010 to discuss, among other items, IREMM and Promod results.

- ii. NPCC** – Nothing new to report.

- 4.5 TOs Strategic Transmission and Reliability Study (STARS)** – Mr. Dahl described the design of Production Cost simulation tools (e.g. GE MAPS and ABB Gridview) and their use in the STARS analysis. GE MAPS and ABB Gridview are industry accepted production cost tools for analyzing the production cost benefits of power system changes in transmission configuration. Once the LOLE

requirements are met, the economic value of a new transmission facility is its production cost savings less the annualized capital cost. The methodology and modeling assumptions for the STARS economic evaluation are based on the NYISO CARIS process.

4.6 Use of Special Protection Systems (SPSs) – Mr. Hipius expressed interest in Executive Committee discussion on the use of Special Protection Systems. This may be helpful since he is aware of a proposal under consideration by a NYISO Market Participant that would require the use of multiple SPSs, at least one of which would violate NYSRC Rules (i.e. NPCC Criteria). Two questions are of particular interest: (a) In the future, should SPSs ever allow post-contingency loadings above STE prior to activation and (b) are SPSs appropriate for avoidance of transmission reinforcements that trigger design criteria contingencies? Mr. Loehr discussed an email he has circulated which expresses his interpretation of NPCC Criteria (Reference NPCC Directory 7, Special Protection Systems). Namely, “SPSs should be considered only as a last resort, not as a normal planning tool. Even then, plans should be developed to reinforce the system so as to make SPSs unnecessary, and remove them from the system at the earliest possible point in time”. Mr. Duffy expressed concern that much of the Smart Grid rhetoric sounds like one large SPS. Dr. Sasson is aligned with NPCC criteria, but acknowledged that there may be situations in which a SPS avoids an infrequent event that would otherwise require a very expensive solution. Mr. Dahl indicated a similar stance as Dr. Sasson, and noted that SPS were considered for the LIPA system but none were installed. Mr. Smith noted support for SPSs for extreme contingencies. Mr. Clayton added that in WECC also uses SPSs, but they are referred to as “Remedial Action Schemes (RASs)”. The Executive Committee members agreed to provide their views to Mr. Raymond in writing – **AI #136-2**.

4.7 Long Island Ten Minute Reserve Requirement – Mr. Yeomans reviewed the NYSRC Reliability Rules D-R2, Minimum Operating Reserve Requirement and D-R3, Availability and Category. He indicated that the NYISO Long Island reserve requirement, defined in the Ancillary Service Manual, is defined to assure sufficient capacity is available to manage transmission constraints between Zone J and Zone K. However, the current requirement for half of Long Island’s Total Ten Minute Reserve to be synchronized is not necessary for managing transmission security. Therefore, it is planned to decrease the Long Island synchronized Ten Minute Reserve requirement from 60 Mw to 0 Mw with no changes to the Long Island Total Ten Minute Reserve requirement, the Long Island 30 Minute Reserve requirement or the NYSRC Reliability Rules, D-R2 and D-R3. The NYISO SOAS and Operating Committee (OC) have reviewed the plan. Following modification of the Ancillary Service Manual, the modified Manual will go to the NYISO SOAS, OC and Business Issues Committee (BIC) for final approval.

5.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

5.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS held a Conference Call on July 19, 2010 and met on August 3, 2010. ICS continues work on revisions to policy 5 including load forecast uncertainty, outside world emergency operating procedures, and use of proxy data. Also, on July 20, 2010 Mr. Dahl made a presentation to the NY Climate Action Council to discuss reliability concerns associated with the draft report entitled “Envisioning a Low Carbon 2050 for NY State”. The reliability concerns discussed included impacts of: (a) integrating large scale intermittent power, (b) large nuclear power, (c) increased burdens on the T&D system associated with electrification of heat/transportation demand, and (d) the reliability impacts associated with removal of over 70% of existing NY installed capacity. It was recommended that the Climate Action Council take into account potential reliability considerations and consult with the NYISO and NYSRC to monitor impacts of the Low Carbon 2050 plan on system reliability. In response to the discussion, it was also agreed to consider a 2030 low carbon future case in the context of the NY TOs STARS initiative.

5.2 Assumptions Matrix – Mr. Dahl presented the proposed 2011 IRM Requirements Study base case modeling assumptions matrix which includes changes from the prior year and a projected indication of the changes impact on IRM. The changes expected to have the largest impact are:

- (a) Load Uncertainty Model – updated for current data,
- (b) Existing Generating Unit Capacities – updated DMNC test values,
- (c) Proposed new Units – 1242 Mws including Empire Gen. (635 Mw) and Astoria Energy II (550 MW),
- (d) Forced & Partial Outage Rates – updated for most recent 5-year period,
- (e) Special Case Resources – updated for NYISO growth rate forecast,
- (f) Capacity Sales – updated for 717Mws of firm contracts as a result of the NE FCM auctions,
- (g) Interface Limits – updated for engineering studies, power factor improvements and lower forecast loads,
- (h) New Transmission Capacity – Updated for Northport Norwalk Cable,
- (i) Transmission Cable FORs – updated to reflect 5 year history, and
- (j) Outside World Area Models – update for thirteen zones in NE and four zones in PJM.

Further, Mr. Dahl noted that internal NY changes to the Transmission Model included modeling of M29, updated transfer capability over the Northport intertie to reflect recent reconductoring of the intertie, and improved Western NY transfer capabilities as a result of capacitor bank additions and other local changes. In addition, the NYISO recommended use of proxy data for one small unit (less than 20 MW) located in the Rest-of-State locality. The unit had not submitted information requested by NYISO. The proposed proxy data is based on the NERC class average EFORD for year 2009 combined with the units own EFORD values for 2004 through 2008. The net effect of the combined changes is expected to bias the IRM lower.

Dr. Sasson requested a review of annual and 5 year average EFORD trends shown in the presentation for NYC due to the appearance of a data anomaly. Following additional discussion, Dr. Sasson moved for approval of the Assumption Matrix for 2011 contingent upon resolution of the apparent data issue. Mr. Clagett seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

5.3 Assessment of SCR Performance – The NYISO has scheduled an internal meeting to discuss its response to NYSRC SCR study request.

5.4 Other ICS Issues

- i. **SEP Action Item Update** – Nothing new to report.

6.0 Reliability Rules Subcommittee Status Report/Issues

6.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that RRS met on August 5, 2010. Referring to the List of Potential Reliability Rules Changes – Outstanding, he noted that PRRs #8, #52 and #97 remain under development. PRR #103, C-R4; System Data Requirements, received final approval at the July 9, 2010 Executive Committee meeting.

6.2 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 EC Final Approval**
 - None
 - 2. **PRRs for EC Approval to Post**
 - Mr. Clayton summarized prior discussions on PRR #104, C-R1, Verification Testing of Resource Capacity which addresses the reactive power testing frequency of

generators in the leading mode. The modification, recommended by Kathy Whitaker (NYISO), would change the testing frequency (leading mode) from one to three years. However, at the June 11, 2010 Executive Committee meeting, Dr. Sasson expressed concern regarding the criticality of over voltage conditions at light load. He further indicated that this action reduces the scant information operations currently has on the leading reactive capability of generating units. At the July 9, 2010 Executive Committee meeting, Mr. Patka suggested resolving the issue by amending the Ancillary Services Manual to clarify that the generators will test “true” leading vars. Dr. Sasson indicated that with “true” testing, ConEd will support testing in the leading mode every three years. The Executive Committee postponed further consideration of PRR #104 until the August 13, 2010 meeting in order to incorporate the new concept. Mr. Clayton, then, re-introduced and discussed the changes in PRR #104. If PRR #104 receives final approval, it will be implemented on May 1, 2010 to allow sufficient time for corresponding changes to the Ancillary Service Manual to be approved by the necessary NYISO committees. Following discussion, Dr. Sasson moved for approval of PRR #104 to posting for comments. The motion was seconded by Mr. Claggett and unanimously approved by the Executive Committee – (13 to 0).

- Mr. Clayton presented PRR #105, Review of Exceptions, and indicated that RRS recommended approval to post for review and comment. The approval to post was given at the July 9, 2010 Executive Committee meeting but subsequent to the meeting necessary wording changes were identified by Messrs. Gioia and Adamson. Following discussion of the changes, Dr. Sasson moved for approval of PRR #105 to post for comment. Mr. Ellsworth seconded the motion which was unanimously approved by the Executive Committee – (13 to 0). The proposed associated changes to Policy 1 will be brought to the Executive Committee at its September 9, 2010 meeting – **AI #136-3**.

3. PRRs for EC Discussion

- Mr. Clayton discussed the request to investigate questions regarding inconsistencies in the period for Blackstart testing as found in Measurement G-M3 (PRR#106, Blackstart Provider Requirements), and the NYISO Tariff and Procedures. RRS suggested changing the end of the test period from April 30th to March 31st with provision for a 30 day extension. It was agreed that Dr. Sasson and Mr. Adamson would work with Mr. Patka to develop the proposed wording since a NYISO Tariff change may be required – **AI #136-4**.

6.3 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** - Mr. Adamson noted the TPL -001-1 Drafting Team has not yet posted a revised version of this standard for comment.
- ii. **TPL -002-1, TPL-003-0 – Status** – Nothing new to report.
- iii. **FERC Order Modifying NERC Procedures – Status** – Mr. Gioia indicated that NERC had received an extension to September 2010.

6.4 Other RRS Issues

- i. **DEC Declaratory Rule Regarding Emergencies** – At the July 9, 2010 Executive Committee meeting, Mr. Clayton clarified the DEC Declaratory Ruling dated July 7, 2000. The Ruling states that if the NYISO declares an emergency (last step before load shedding), then the generators are exempt from penalties under NOx RACT limits and opacity requirements. This Ruling does not protect the generators from Local Rules, since the anticipation of a major emergency is not a basis for a waiver. Mr. Haake noted that there will be follow-up discussion of this matter at the next DEC meeting on September 22, 2010.

Mr. Gioia requested that Mr. LaRoe (Wholesales Sector) provide him input regarding the situation that the generator(s) would like to discuss at the September 22, 2010 meeting, i.e. in the context of the Local Rules (MOB Rule) or a broader perspective. Mr. LaRoe agreed to do so – **AI #136-5**.

7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

7.1 RCMS Status Report & Discussion Issues – Mr. Fanning reported that RCMS met for its regular meeting on August 12, 2010.

7.2 2010 New York Reliability Compliance Program (NYRCP) – Mr. Fanning indicated that the following Measurements were reviewed and found to be in full compliance:

- a) K-M2d, Monthly Operations Report,
- b) C-M4, Procedures for Reporting & Reviewing generating Unit Availability Data,
- c) F-M4, TO Load Shedding Capability,
- d) F-M6, Voltage Reduction Testing,
- e) D-M2, Procedures That Ensure Adequacy of Operating Reserves,
- f) J-M1, Procedure for Supporting NYISO/MP Communications,
- g) J-M2, Report Providing Performance Data of Control Center Communication Interfaces, and
- h) J-M3, NYISO Control Center Communications.

Also, RCMS discussed: (a) the establishment of guidelines for the NYCA Transmission Assessment review, and (b) PRRs #103, 104 and 105.

7.3 Other RCMS Issues – Nothing additional to report.

8.0 State/Federal Energy Activities

8.1 NYSERDA - Update – Nothing new to report.

8.2 NPCC Report – Nothing new to report.

8.3 FERC 100kV “Bright Line” – Status – Nothing new to report.

8.4 Participation on the Climate Action Plan – See Section 5.1.

9.0 NYISO Status Report/Issues

9.1 NYISO 2010 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams indicated that in the CRPP cycle, the RNA (in even years) is performed ahead of the IRM Study (RNA is required bi-annually - even numbered years). The 2010 RNA was performed based upon load forecasts developed for the 2010 Gold Book and accepted by the ESPWG as appropriate for the RNA. The system configuration is based on the latest information from all market participants and neighboring systems and the study analysis began in late March. The RNA draft report was approved by the OC on August 5, 2010 for sending to the MC for approval. It will be presented to the NYISO Board for its September meeting. Immediately upon Board approval, the NYISO will begin work on the CRP with the goal of presenting the results to ESPWG/TPAS in November and to the OC, MC, and Board by December 2010. In the RNA report, LOLEs of 0.00 (rounded) were presented for the years 2011-2018 for NYCA and the LOLEs for 2019-2020 were reported as 0.01 (rounded) for NYCA and for Zone J. Zone K results were 0.01 for 2020. No Reliability needs were identified for the study period assuming that the system as modeled, with Indian Point Plant and two new generators in Zone J in service.

CARIS Phase 2 preparations are near completion. The NYISO has posted the documents for requesting CARIS Phase 2 studies and respective agreement templates. The Voting Procedure for CARIS Phase 2 projects was approved at the BIC on June 2, 2010 and the revised Initial CARIS Manual has been posted to the web site. The database for projects which will have their first ten years of commercial operation extending beyond the current ten year planning horizon has been sent to ESPWG for its August 11, 2010 meeting. Phase 2 CARIS studies will be performed throughout the year as requests are submitted from

interested parties. The first CARIS Phase 2 Specific Project request has been announced and posted. The project proposal, by LS Power, would install PARS in both of the Leeds –PV lines. The developer will make a presentation to the ESPWG at its August 11, 2010 meeting. (The next CARIS Phase One will begin in 2011.)

9.2 Other Status Reports/Issues – Nothing new to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans reported that the peak load for the month of July 2010 occurred on Tuesday, July 6, 2010 at 33,452Mws versus the all time summer peak of 33,939Mws on August 2, 2006. It was the first time the NYCA experienced four consecutive days over 30,000Mws. A Major Emergency was declared for L34P Saunders – Moses 230 Kv on July 21, 2010 with actual flow exceeding the LTE rating while IESO was changing Phase Angle Regulator taps to reduce flow on the circuit. TLR level 3’s were declared 5 times for a total of 54 hours during the month.

10.2 North American Energy Standards Board – Nothing new to report.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule -

<u>Mtg. No.</u>	<i>Date</i>	<i>Location</i>	<i>Time</i>
#137	Sept 10, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.
#138	Oct 8, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No.136 was adjourned at 3:00 P.M.