

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 144 – April 7, 2011
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

George C. Loehr	Unaffiliated Member – Chair
Curt Dahl, PE	LIPA - Alternate – ICS Chair - Phone
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
William H. Clagett	Unaffiliated Member
George Smith	Unaffiliated Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) – Member - Vice Chair
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Member
Michael Forte	Consolidated Edison Co. of NY, Inc. – Alternate Member
Joe Hipius	National Grid, USA – Member
Ray Kinney	New York State Electric & Gas/Rochester Gas & Electric – Member
Tom Duffy	Central Hudson Gas & Electric – Member*
Arnie Schuff	New York Power Authority – Member

Others:

Paul L. Gioia, Esq.	Dewey & LeBoeuf LLP - Counsel
Al Adamson	Consultant – Treasurer
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Wes Yeomans	New York Independent System Operator (NYISO)
Howard Tarler	New York Independent System Operator (NYISO)
Liz Grisaru, Esq.	New York Independent System Operator (NYISO) - Counsel
Edward Schrom	NYS Department of Public Service – Phone
Don Raymond	Executive Secretary

Visitors – Open Session:

David Conroy	Iberdrola USA
Scott Leuthauser	HQUS
Dean Ellis	Dynegy
Philip Fedora	Northeast Power Coordinating Council

“*” – 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.144 to order at 9:30 A.M. on April 7, 2011 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 with the exception of Mr. LaRoe.

1.2 Visitors – See Attendee List, page 1.

1.3 Requests for Additional Agenda Items – Mr. Adamson requested the addition of the April 5, 2011 “SEP Presentation” by Mr. Dahl.

1.4 Declarations of “Conflict of Interest” – None

1.5 Executive Session Topics – None

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 143 (March 11, 2011) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Following discussion, Dr. Sasson moved for approval of the draft minutes. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee Members in attendance – (12 to 0). The Executive Secretary will post the minutes on the NYSRC web site – **AI #144-1**.

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>
142-5	The NYSRC/DEC Working Group will address the LOG MOB Rule.
143-2	Removed at the request of Mr. Gioia and concurrence of the Executive Committee.
143-3	Mr. Loehr provided the Chairman’s Letter for the 2009-10 Biennial Report.
143-4	Mr. Gioia emailed a request for Vice Chair nominations on April 4, 2011.
143-5	At the request of Mr. Chao, GE attended the March 29, 2011 ICS 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 \$158,000 at the end of March, 2011. Also, he noted the receipt of four \$30,000 payments from Transmission Owners toward the 2nd Quarter Call-For-Funds of \$180,000.

3.2 Other Organizational Issues

i. D&O Insurance – Mr. Gioia noted that the renewal policy was bound at a cost of \$45,429 plus 3.8% for taxes and fees. This is slightly below the cost of the current policy.

ii. **Membership Elections** – Mr. Gioia reported that the current term of Executive Committee members expires on July 31, 2011. Each of the Transmission Owners should send a letter to Mr. Raymond by May 15, 2011 designating its Executive Committee representation (Member and Alternate) for the new two year term – **AI #144-2**.

The Large Customers, Wholesale Sellers, and Municipal Systems and Cooperatives representatives will be selected pursuant to the procedures adopted by the NYISO Board on August 21, 2001. He noted that the Executive Committee members currently representing these sectors should review the draft notice emailed on April 4, 2011 with particular attention to the contact information and dates. Once it has been finalized, the notice will be posted on the NYSRC and NYISO websites and the NYISO Tie List. The Executive Committee will appoint each of the individuals selected in accordance with these procedures as a member of the Executive Committee, provided that the individual meets the qualifications of the NYSRC Agreement and has the financial ability to pay the applicable annual dues.

Each of the unaffiliated members has expressed an interest in serving another term. However, additional nominations may be offered before the end of May 2011.

The new term for the officers is one year beginning on August 1, 2011. There are no restrictions on the number of terms that may be served. However, it has been the Executive Committee's consistent practice to elect the Chairman for two consecutive terms and to elect the Vice Chair to succeed as Chairman. Mr. Mager has informed the Executive Committee that he is willing to serve as Chairman for the upcoming term. Nominations for Vice Chairman must be sent to Mr. Gioia before the end of May, 2011. Nominations have been received for Dr. Sasson and Mr. Smith.

Mr. Loehr plans to hold all elections during the June 10, 2011 Executive Committee Meeting.

iii. **Draft Biennial Report** – Mr. Adamson introduced the draft NYSRC 2009-2010 Biennial Report and noted receiving written comments from Dr. Sasson. Additional verbal comments were provided by the Executive Committee and others during a page-by-page review of the document.

Mr. Adamson and Carol Lynch will be meeting with the printer in about 1 ½ weeks to review the design details. The cost of printing will be about \$1,000, the lesser of the two bids received. The printing is expected to be completed by May 11, 2011 and the Report will be distributed at the May 13, 2011 Executive Committee meeting – **AI #141-2**.

iii. **Other Issues** – Nothing additional to report.

4.0 Key Reliability Issues

4.1 **Defensive Strategies** – Mr. Smith announced that the kickoff meeting with EnerNex (Knoxville, Tenn), the consultant selected by the NYISO to perform the NYISO Controlled Separation Study portion of the NYISO's DOE "Smart Grid" project, was held on March 29, 2011. He summarized his introductory comments and the EnerNex presentation, Controlled System Separation Feasibility Study for the benefit of the Executive Committee.

In his introduction, Mr. Smith noted that the 2003 Blackout raised concern among members of the Executive Committee and others in the industry regarding uncontrolled separation of NYCA due to major disturbances initiated by "beyond criteria" events. Two approaches were broadly discussed: (a) separation before a major event occurs via HVDC ties between large areas and (b) post event mitigation using enhanced transmission system protection. The Defensive Strategies Working Group (DSWG) was formed to investigate new concepts by first reviewing NPCC and NYISO blackout studies, then NPCC UFLS studies, and also hosting presentations by vendors offering advanced measurement technologies. Through review of the NPCC UFLS studies, the DSWG became familiar with the concept of coherent generation groups. The initial focus of the DSWG was on post event mitigation since it addressed smaller areas relating to beyond criteria events within the New York system. Advances in phasor measurement technology have led to the potential of simplifying the controlled system separation into coherent generation groups. A DOE RFP in August 2009 using government stimulus funding provided

opportunity to join with the NYISO in a proposal that included the application of Smart Grid technology and Phasor Measurement Units (PMU). The NYISO received a DOE Smart Grid Investment Grant funding in October 2010 which includes an enhanced New York State Phasor Measurement System comprised of measurement facilities, data utilization and operational support. EnerNex was selected in February 2011 to address the feasibility of controlled system separation using PMUs.

Next, Mr. Smith, summarized the EnerNex presentation of its project work plan which is divided into three broad areas: (a) review of current knowledge including prior studies, pertinent literature, and means of identifying the need to separate, (b) NYISO system characteristics including operational configurations and future year production simulations, critical contingencies, islanding feasibility, and separation points, and (c) solution synthesis which includes integration with existing protection schemes, voltage/reactive power compensation and optimization criteria. The work plan is subdivided into ten primary tasks culminating in a presentation of study results by the end of 2012. Monthly progress reports will be provided to the DSWG.

4.2 NPCC Defensive Strategy Activities – Mr. Fedora noted that NPCC SS-38 is keeping close track of the NYISO/NYSRC Controlled Separation Feasibility Study and providing coordination with Task 5 of the NPCC Blackout Study (a.k.a. NPCC Defensive Strategies Study). The Task 5 work commenced in the fall of 2010 and should be completed within 52 weeks of the start date. The final report is scheduled to be presented to the NPCC-RCC in November, 2011.

4.3 Smart Grid – Status of NYISO Activities – Nothing new to report.

4.4 Interregional Transmission Studies

- i. **EPIC Study** – Before the meeting, Mr. Adams provided a written update of the status of the EPIC Study. It indicated that the 2020 Roll-up and baseline infrastructure powerflow cases are available for distribution. Requests for these cases should be sent to Zack Smith (zsmith@nyiso.com). There are no changes between the Roll-up and baseline infrastructure cases for the New York system. A revised Roll-up Model Report was provided to the stakeholders on March 7, 2011.

The Pipe limits have been developed for use in CRA's MRN-NEEM macroeconomic analysis based on input from each participating area and guidance from the linear transfer analysis results. The definitions of macroeconomic futures and sensitivities were finalized at the March 2011 Stakeholders meeting. Initial results of the Business-As-Usual case were posted on March 21, 2011. The target completion date is September, 2011. A Phase I report is scheduled for November, 2011.

In Phase II, three future resource scenarios will be evaluated with fully developed transmission build-out options that meet reliability requirements. A Phase II report is scheduled for October 2012.

The next Stakeholder Steering Committee Meeting scheduled for May 18-19, 2011.

- ii. **IPSAC Study** – Mr. Adams indicated in writing that an IPSAC webinar was held on March 30, 2011. The webinar included (a) IREMM and PROMOD production cost study results, and (b) the role of energy efficiency and its effects on the planning process in each of the ISO/RTOs. The NYISO/ISO-NE/PJM data inputs and assumptions were carefully coordinated in developing the IREMM model for the inter-area production cost studies.

The 2011 Northeast Coordinated System Plan will include the following metrics: a) production costs, b) load serving entity energy expense and c) congestion by constraint. A draft report is expected in the 2nd Quarter of 2011. The next meeting will be in June, 2011. The agenda will include environmental issues, and a natural gas and interregional issues update. The next steps will be determined based on the inter-area production cost results.

- iii. **NPCC** – Mr. Fedora noted that the five year NPCC Comprehensive Transmission Review is complete and may be found on the NPCC website.

4.5 Definition of Bulk Electric System and Exceptions – Mr. Fedora noted that the BES Definition Team has posted a revised draft BES definition on the NPCC Standards website. By mid-April 2011 a list of questions will be posted to collect stakeholder feedback on the revised definition. There is a teleconference on Friday, April 7, 2011 to discuss the questions and a definition for distribution systems. Mr. Fedora added that a second team, the BES Rules of Procedure Team, is working under the direction of NERC staff to address legal issues pertaining to the Exceptions Process. However, the development of technical criteria for an exception will lie with the BES Definition Team since NERC has complete control over the Rules of Procedure.

Also, Mr. Fedora indicated that at the March, 2011 NPCC-RCC meeting, Mr. Schwerdt (NPCC) introduced the concept of the Coordination of Reliability Practices regarding facilities at or above 100kv that do not fall within the BES definition. On March 10, 2011 Mr. Fedora sent a letter to the NPCC membership requesting the U.S. Membership to review and submit its current established reliability practices associated with its “100kV and above” facilities that are not designated as BES per the NPCC impact based “A-10” methodology. Mr. Hipius expressed concern that the request could be a first step in an effort to force commonality of practices. Mr. Fedora expressed the view that the purpose is to acknowledge practices that are likely “common” already, but unrecognized as such. If this is the case, it could lead to a more efficient Exception Process.

5.0 Installed Capacity Subcommittee Status Report/Issues

5.1 ICS Chairman’s Report and Discussion Issues – Mr. Dahl summarized the March 29, 2011 ICS meeting as shown below:

(a) 2012/13 IRM Study Assumptions Development

Mr. Dahl reminded the Executive Committee that the MARS program does not model Forced Outage Rates for generators directly, but instead uses Transition Rates. Two approaches are under consideration to improve the Transition Rate representation: (a) the NYISO True-Up methodology and (b) the ConEd approach as described in a white paper developed by them. The NYISO announced that it has engaged Associated Power Analyst, Inc (APA - Singh Patton, et al) from Texas A&M to assist in the resolution of this issue. Mr. Adamson confirmed that APA has a long history of conducting reliability studies and significant expertise with MARS and forced outage rate calculations. An ICS Transition Rate/EFORd Working Group meeting is scheduled by the NYISO for April 15, 2011. GE will be in attendance. The group has been asked to provide a timely recommendation to ICS on the appropriate modeling approach.

(b) Request for NYISO Assessment of SCR Performance (NYSRC May 2010 request to NYISO)

Wes Yeomans (NYISO) indicated development of a scope and work plan is underway to address the requested SCR performance evaluation. The scope and work plan will be discussed at the May 4, 2011 ICS meeting. One particular area of concern involves the four hour SCR performance requirement and what happens in the 5th hour of a peak day. It was suggested that the SCRs may need to be called for more than four hours to effectively address all the peak hours in a peak day.

ICS noted the importance of obtaining a response to the SCR Assessment request in sufficient time for consideration in the 2012/13 IRM Study.

(c) Impact on reliability from Nuclear Plants

Based on recent events in Japan, ICS briefly discussed the impacts on reliability of the shutdown of nuclear plants. It was noted that the most recent IRM study reviewed shutdown of IP2&3 on IRM and LCR and showed IRM increasing to 122%. It was also noted that this result is very sensitive to the assumed location of replacement capacity. It was agreed it would be appropriate to investigate nuclear sensitivities as a function of the location of replacement capacity as part of the upcoming IRM study. Dr. Sasson requested consideration of other sensitivity cases to confirm that

the location of capacity removed during the IRM calculation does not bias the resulting IRM – AI #144-3.

- (d) **IRM MARS database for LIPA and Con Edison based on the “Information Use Agreement”**
The NYISO confirmed that GE is on schedule to resolve database encryption issues by June, 2011, which will allow its implementation in this year’s IRM study. ICS noted the importance of this initiative to support enhanced Q/A activities for the upcoming IRM cycle.

5.2 Other ICS Issues – Nothing additional to report.

- i. **State Energy Plan (SEP) Presentation** – Mr. Gioia reported that he and Messrs. Mager, Kinney, Adamson and Dahl prepared comments on the March 10, 2011 draft scope for the 2013 New York State Energy Plan. Mr. Dahl presented the comments on April 5, 2011 to the Planning Board’s working group that is preparing the next SEP. Mr. Gioia expressed the view that the presentation was very useful for the working group by raising the awareness of the potential impact of energy policy on electric system reliability from, for example, measuring the accuracy and reliability of Demand Response Programs, the accumulative effect of environmental regulations, and the retirement of Indian Point. The Executive Committee agreed that further written comments were not necessary.

6.0 Reliability Rules Subcommittee Status Report/Issue

- 6.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the second joint RRS/RCMS meeting occurred on March 31, 2011. Two separate meetings were held, each with its own agenda and minutes.

Mr. Clayton introduced the List of Potential Reliability Rules Changes – Outstanding and noted that PRRs #8, Reactive Load and Resources PF, and #52, Generator Governor Response, are waiting for completion of the Operating Reactive Study and the NPCC–SS 38 investigation of governor response, respectively. PRRs #97(7/31/08), BPS Facilities, is under development to produce a specific NYISO facility list that aligns with the NPCC A-10.

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**
• None
3. **PRRs for EC Discussion**
• None

6.3 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Mr. Adamson noted that the Drafting Team for TPL, Assess Transmission Future Needs, continues to review industry comments. He added that NERC is proposing a procedure that would require mandatory reporting of availability data by all generators in North America. Messrs. Adamson and Dahl will prepare favorable comments to NERC on the procedure – AI #144-4.
- ii. **NPCC Standards** – At the March 11, 2011 Executive Committee meeting, Mr. Adamson noted that NPCC is proposing to revise its Special Protection System (SPS) definition to specify that automatic Under Voltage Load Shedding (UVLS) is not considered a SPS. There was concern expressed by the Executive Committee that under this new definition the level of scrutiny presently required for UVLS would be reduced. Mr. Hochberg (NYPA/RRS) agreed to investigate the details of the NPCC proposal. He found that there are other NPCC System Protection Standards that satisfy the Executive Committee’s concerns. Further, Mr. Clayton noted that there are currently no UVLS SPS’s in the NYCA.

6.4 Other RRS Issues

- i. **LOG-MOB Rules** – Mr. Clayton reminded the Executive Committee that he was asked to take the initiative in forming a small group to examine the LOG-MOB issue. He has decided that the NYSRC/DEC Working Group is the proper forum to address the issue. The next meeting of the Working Group will be held toward the end of April, 2011. A preliminary conference call including Mr. Carney, LIPA and ConEd is planned for the week of April 17, 2011. The Working Group will provide notes of the meetings with the caveat that they are not officially approved minutes and their accuracy is not guaranteed.
- ii. **RRS Revised Scope** – Mr. Clayton presented a markup of the RRS scope which had not been reviewed in the last ten years. The markup brings the scope up to date with current practices. The Executive Committee will vote on approval of the revised scope at its May 13, 2011 meeting.

7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

7.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS received a presentation from Paul Kiernan (NYISO) regarding a blackstart provider that was found to be in non-compliance with G-M3. Two of the three providers' units were tested within the eight hour limit, but the third was not. Mr. Tarler indicated that the NYISO is reviewing the test results.

7.2 2011 Reliability Compliance Program (NYRCP) – Mr. Clayton introduced the Reliability Compliance Program for 2011 (a.k.a. the Scorecard) and reported that RCMS reviewed and found the following Measurements to be in full compliance:

- (a) A-M2, Measurement A-M2, Establishing LSE ICAP and LCR Requirements,
- (b) B-M1, Thermal, Voltage and Fault Duty Assessment,
- (c) B-M2, Extreme Contingency Assessment, and
- (d) B-M3, Demonstration System is Planned for Ease of Restoration.

Mr. Zack Smith (NYISO) led the discussion of the 2010 Transmission Assessment in regard to (b) through (d).

7.3 Other RCMS Issues

- i. **RCMS Revised Scope** – Mr. Clayton reviewed RCMS's proposed revisions to its scope. The Executive Committee will vote on approval of the revised scope at its May 13, 2011 meeting.

8.0 State/Federal Energy Activities

8.1 NYISO 2010 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams provided an update on the status of CRPP in writing prior to the meeting. He indicated that the CARIS II studies for the Leeds Athens PARs project are proceeding with ten years of base case modeling. The NYISO will provide base case results to the developer and to ESPWG after confirmation that they are ready for modeling of the project cases.

CARIS I for the year 2011 began with initial presentations and discussions with ESPWG in January, 2011. All modeling changes will be reviewed by the ESPWG. Database changes will be based upon the 2011 Gold Book which will be released in April 2011. Also, updated information received for the 2011 Gold Book concerning existing and projected transmission, generation, and demand response will be used.

8.2 Other Studies/Activities – Nothing additional to report.

9.0 NYISO Status Report/Issues

9.1 NYSERDA – Update – Nothing new to report.

9.2 NPCC Report – Mr. Forte reported that the NPCC Board of Directors has reviewed the final draft of the revised Bylaws of NPCC and unanimously recommended to the Membership the following changes to the bylaws:

- (a) a reduction in Stakeholder Directors from the current 24 to 16 by reducing the number of

- Directors per Sector to 2 versus the current 3,
- (b) Merge the Customer Sector (#6) into the Sub-Regional Reliability Council, Other Regional Entities and Interested Entities Sector (#8) to become the new Sector #7,
- (c) Add a new Independent Director Sector (#8) to the Board with 2 independent Directors, and
- (d) Grant the Independent Board Chair a vote in the case of a deadlock.

The NPCC Members should vote on the recommendation by April 12, 2011. After NPCC Membership approval, the revised Bylaws will go to NERC for approval by the NERC Board of Directors and then on to FERC for final approval. The impetus is having a NPCC Board of Directors that meets corporate “best practices” and provides independent director review of compliance matters.

Mr. Loehr noted that following consultation with Messrs. Forte and Duffy, he voted in favor of the recommendation. If passed, the recommendation will become effective on January 1, 2012.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans reported that for March 2011, the peak load occurred on Thursday, March 3, 2011 at 23,443Mws versus the all time winter peak of 25,541Mws on December 20, 2004. There were no Major Emergencies declared in March 2011. Lake Erie circulation continues in a clockwise direction at 200-300Mws. Thirty six TLR Level 3s were declared in the month of March, 2011 for a total of 231 hours.

10.0 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>
#145	May 13, 2011	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#146	June 10, 2011	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No.144 was adjourned at 2:30 P.M.

Completed By: P. Donald Raymond, Executive Secretary
 Issue Date: May 16, 2011