

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 155 – March 9, 2012
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Chair
Curt Dahl, P.E.	LIPA - Alternate – ICS Chair – Phone*
Paul DeCotis	LIPA - Member
George Loehr	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
William H. Clagett	Unaffiliated Member - Phone
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
George Smith	Unaffiliated Member
Mike Forte	Consolidated Edison Co. of N.Y. - Alternate
Arnie Schuff	New York Power Authority – Member
Joe Hipius	National Grid, USA – Member
Tom Duffy	Central Hudson Gas & Electric – Member
Chris LaRoe	IPPNY (Wholesale Sellers) – Member
Ray Kinney	New York State Electric & Gas/Rochester Gas & Electric - Member
Scott Leuthauser	HQ US – Alternate
Frank Pace	Central Hudson Gas & Electric – Alternate

Others:

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Al Adamson	Consultant – Treasurer - Phone
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chairman
Henry Chao	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Kristin Bluvias, Esq.	New York Independent System Operator (NYISO) – Phone*
Wes Yeomans	New York Independent System Operator (NYISO)
Edward Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary

Visitors – Open Session:

David Drexler, Esq.	PSC Counsel*
Phil Fedora	Northeast Power Coordination Council
Jim D'Andrea, Esq.	TC Ravenswood Counsel – Phone*
Heather Glass, Esq.	Hunton & Williams – Phone*

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – Mr. Bolbrock requested an Executive Session to discuss Defensive Strategies Working Group issues.

II. Open Session

1.0 Introduction – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.155 to order at 9:30 A.M. on March 9, 2012 at the Albany Country Club, Voorheesville, NY.

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 – None

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 154 (February 10, 2011) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Messrs. Gioia and Leuthauser provided additional comments. Following discussion, Mr. Bolbrock moved for approval of the draft minutes contingent upon inclusion of the comments by Messrs. Gioia and Leuthauser. The motion was seconded by Mr. Kinney and approved by the Executive Committee Members – (12 to 0, 1 abstention). The Executive Secretary will post the minutes on the NYSRC website – **AI #155-1**.

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>
106-3	Mr. Gioia reported that the website update for NYSRC filings was completed in February 2012.
147-6	The Executive Committee approved the elimination of Policy 6 at its February 10, 2012 meeting.
152-2	Mr. Quoc Le (NPCC) presented the NPCC Task 5 Study at the February 10, 2012 Executive Committee Meeting.
154-7	Mr. Raymond sent reminder emails regarding the Code of Conduct Acknowledgement Form during February 2012.
154-8	Mr. Mager sent the NYISO compliance letter regarding Reliability Rule G-R1 and Measurement G-M3 to Mr. Yeomans on February 27, 2012.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

i. Summary of Receipts & Disbursements - Mr. Adamson introduced the Summary of Receipts and Disbursements which showed a balance of \$152,000 at the end of February 2012. He noted that in February 2012 the 1st Quarter 2012 Call-for-Funds of \$165,000 was completed with the receipt of \$55,000.

Also, Mr. Adamson recommended a 2nd Quarter Call-for-Fund of \$30,000 per TO. Following discussion, Mr. Loehr moved for approval of the recommendation. The motion was seconded by Mr. Kinney and unanimously approved by the Executive Committee – (13 to 0).

ii. **2012 Audit** – Mr. Adamson reported that the Slocum, DeAngelus & Associates “Financial Statements and Independent Auditors Report” distributed by Mr. Raymond follows the same format as past years and again no issues were identified.

Mr. Adamson thanked Colleen Campoli for her expertise in maintaining the NYSRC financial records and coordinating with the Auditor. Also, Mr. Adamson noted that following receipt of comments from Mr. Gioia, Tax Form 990 for 2012 was sent to the IRS.

3.2 Other Organizational Issues

i. **Subcommittee Secretarial Duties** – Mr. Clayton introduced a table showing the RRS and RCMS final secretarial schedule through 2017. He noted that the LIPA will serve as secretary for both Subcommittees in 2012. Central Hudson and NYSEG are scheduled to serve as secretary for RRS and RCMS, respectively, in 2013. If in the future the TOs are unable to serve, a commercial secretary may need to be hired.

ii. **Execution of Code of Conduct Forms** – Mr. Raymond indicated that he had received the Code of Conduct Certification Forms from the Executive Committee, Counsel, Treasurer, Administrative Assistant, RRS and RCMS. Mr. Dahl reported that the Certification Forms for ICS were just emailed to the Executive Secretary this morning. Mr. Smith will be providing the Forms for the DSWG shortly – **AI #155-2**.

iii. **G-M3 Compliance Letter** – Mr. Gioia indicated that a letter was sent from Mr. Mager to Mr. Yeomans explaining what happened with respect to the non-compliance issue for system restoration and the Executive Committee’s decision to waive non-compliance. Also, a copy of the RCMS report, RCMS Review of Measurement G-M3 Compliance Violation for the 2011/2012 Capability Year was provided. After the letter was sent, a supplemental memorandum was sent to Mr. Yeomans from Mr. Gioia which expressly directed his attention to the recommendations in the RCMS Report for the 2012/2013 Capability Year. These recommendations include the following actions to be implemented by the NYISO to encourage compliance with Reliability Rule G-R1: (1) remind the Provider of its obligation to schedule and perform black start tests in accordance with the NYISO tariff and procedures, (2) work with the Provider and local transmission owner to arrange for black start testing by April 30, 2012, the end of the 2012/2013 Capability Year testing period, and (3) frequently update the Executive Committee and RCMS on the status of its efforts to schedule a black start test.

4.0 Key Reliability Issues

4.1 **Defensive Strategies** – Mr. Smith reported that the Defensive Strategies Working Group met on March 8, 2012 at NYSERDA. NPCC provided a webinar facility for remote attendance.

Presentations were provided by Brookhaven National Labs (BNL), the NPCC and the NYISO. Mr. Yue Meng (BNL) described BNL’s solar energy work and its plans to build a grid center to explore the use of PMU technology.

Donal Kidney (NPPC) described the Task 5 Study from the 2003 NPCC Blackout Study - this same presentation was provided to the NYSRC Executive Committee at its February 9, 2012 meeting by Quoc Le. It was pointed out that “Upstate New York” can form an island separate from zones J and K. If such an island is formed, zones J and K will remain connected to PJM and New England, respectively. Also, the details of protective relay systems were discussed as well as the difficulty in differentiating between barely stable and unstable swings in frequency.

Kevin DePugh (NYISO) provided an update, including the status of project milestones and sample results, regarding the Controlled System Separation Study (CSSS). Sample conceptual plots were shown to help the group better understand coherent generation groups and a potential separation indicator for the New York system. It was suggested that the CSSS focus on New York’s most critical stability interface first and that disturbances outside of New York be considered early on. Several types of

disturbances were suggested for consideration including delayed cleared faults, opening of tie lines and sudden loading.

Mr. Smith thanked the discussion leaders for providing their excellent presentations. Mr. Loehr provided additional comments and insights on the CSSS. Also, Mr. Clagett contributed comments regarding remedial action schemes in the Western US and how they may differ from those potentially applicable to the East. (See Item 10.3)

4.2 Definition of Bulk Electric System – Phase 2 – Mr. Fedora reported that the BES Standards Drafting Team (SDT) has completed its responses to all the comments received on the Phase 2 SAR. The responses were provided to the NERC coordinator and organized into a single document. It is anticipated that the document will be sent to NERC Legal by Friday, March 16, 2012 for quality review in the March-April 2012 timeframe. NERC Legal will then send the document to the Standards Committee that will review and post the SAR.

The next BES SDT meeting is planned for May 1-2, 2012 in Atlanta, GA. The agenda will include: (1) a status report on the SAR and (2) continued development of the BES Guidance Document based on the “filed” BES Definition. NERC will not release the Guidance Document to the industry until FERC rules on the BES Definition.

Also at the Atlanta, GA meeting, the BES SDT will begin developing a detailed schedule for completion of the Phase 2 Project. It has asked the NERC Planning and Operating Committees (PC & OC) for advice on the technical justification for: (1) the 100kV transmission threshold, (2) the 20/70 MVA generator threshold, (3) the reactive power threshold and (4) the power flow out of local networks. The NERC PC’s Executive Committee will act as project manager. Technical assistance will be provided by the NERC Staff, RAS and the System Analysis Modeling Subcommittee (SAMS). The OC will serve as liaison on item (4) above. It is expected that the technical justification work will be completed by the end of 2012. Another six months is anticipated for posting and feedback on the comments received.

4.3 NYISO Request to Amend the NYISO/NYSRC Agreement – Mr. Patka provided a presentation titled “FERC Order 741: Credit Reforms in Organized Wholesale Electric Markets”. The purpose of the presentation was to provide the background for a NYISO request that the NYSRC Executive Committee approve a proposed amendment to the NYISO/NYSRC Agreement. The amendment would allow the NYISO to become the central counterparty to market transactions, thereby improving its credit position. Currently Section 3.3 of the NYISO/NYSRC Agreement prohibits the NYISO from having a financial interest in any commercial transaction.

In October 2010, FERC issued Order No. 741 prescribing new regulations which codify minimum credit standards for organized wholesale electric markets. The new regulations require each organized wholesale electric market operator to have a tariff provision that establishes a single counterparty to all market participant transactions. The intent is to assure that a bankruptcy court, in the event of a market participant bankruptcy proceeding, will uphold the NYISO’s routine “netting” practice. Under the “netting” practice, the NYISO nets payments owed by the NYISO to a market participant against payments owed by the market participant to the NYISO.

The central counterparty designation will not change the NYISO’s administration of the markets or the grid. Further the IRS has confirmed that the NYISO’s implementation of a central counterparty structure would not adversely affect its status as a tax-exempt organization or cause its revenues to be classified as unrelated business income. The New York State Department of Taxation and Finance is expected to confirm that the central counterparty structure will not adversely impact prior rulings and tax agreements within a few weeks. The Commodity Futures Trading Commission, the NYISO transmission owners and other market participants have supported the NYISO becoming a central counter party. PJM implemented a central counterparty structure in 2011.

Implementation will require revisions to the NYISO tariffs and amendments to the NYISO/NYSRC Agreement and the NYISO/TO Agreement to allow NYISO to have financial interest in its market participant transactions to a limited extent. The NYISO is proposing to modify Section 3.3 of the

NYISO/NYSRC Agreement as follows:

The NYISO shall not have a financial interest in any commercial transactions *except to the limited extent required for the NYISO to be the single counterparty to market transactions in accordance with the credit requirements for organized wholesale electric markets set forth in FERC Order Nos. 741 and 741A as codified in 18 C.F.R. § 35.47 (2011) or successor provisions.*

Mr. Gioia advised the Executive Committee that the proposed amendment is narrowly defined and would not in his opinion affect in any way the NYISO's judgments on reliability issues. If approved, he will work with Mr. Patka on the final wording in order to meet the April 30, 2012 joint filing date – **AI #155-3.**

Following further discussion, Mr. Ellsworth moved for approval of the proposed amendment contingent upon receipt of a favorable advisory opinion from the NYS Department of Taxation and Finance regarding implementation of the central counterparty structure. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

5.0 State/ NPCC Federal Energy Activities

5.1 NPCC Report – Mr. Fedora indicated that the last task from the recommendations of the NPCC

August 14, 2003 Northeast Blackout Study to be addressed is Load Modeling. At the last NPCC-RCC meeting the terms-of-reference were approved for a NPCC SS-38 Load Model Study. The Study scope includes the following: (1) Review the current NPCC load modeling practices, (2) Review the literature on the load modeling practices of other entities, (3) Simulate the effects of various load models from transient stability cases and (4) Prepare a white paper. The white paper is expected to be presented to the NPCC-RCC at its November 27, 2012 meeting in Montreal, QC.

Also, Mr. Fedora noted that the NPCC media release of the 2012 Summer Reliability Study will be on May 3, 2012. The Study is a pre-seasonal assessment to determine expected operating conditions during the upcoming Summer Capability Period. The probabilistic assessment examines a base case set of conditions and a sever case. The sever case assumptions include for example, the absence of new units and transmissions lines that may not come in-service as scheduled and less than expected demand response. In addition, the Study will include a deterministic peak load exposure analysis for the summer period to identify the weeks that will have the lowest margins within NPCC. If summer conditions appear to be satisfactory, other issues such as the potential impact from new EPA regulations will be considered. The NPCC Board of Trustees will receive a preview on May 1, 2012 followed by a media call on May 3, 2012. The media call is open to the public.

Lastly, Mr. Fedora indicated that the NPCC-RCC has approved the NPCC Reliability Directory #6, "Reserve Sharing", for posting. It is past the 45 day comment period and the TFCO has responded to all comments received. The Directory will be posted shortly for full Membership balloting.

5.2 PSC Declaratory Ruling - Status – Nothing new to report.

5.3 NYSRC/DEC Meeting – Mr. Clayton indicated that the NYSRC/DEC Working Group met on

February 8, 2012. He reported that the EPA Cross State Air Pollution Rule (CSAPR) was stayed on December 30, 2011 because of broad based Market Participant concerns regarding the EPA's technical analysis. The DEC commented that there is a strong basis for successful litigation. Briefs were due on February 9, 2012 with reply briefs due in March 2012. Hearings will be held in April 2012. The EPA released the final technical corrections to the CSAPR on February 7, 2012. Corrections were requested by New York and a number of other States. The corrections met the request made by the NYSDEC.

The Greenhouse Gas Performance Standard, which is the State version of the New Source Performance Standards for CO₂, was released in January 2012. Hearings were held by the DEC on March 5, 6, and 8,

2012 in Albany, New York City and Buffalo, respectively.. The Standard is required for Article X legislation for new generation and must be completed by August 2012. Comments are due on March 15, 2012. The DEC indicated that the boiler limits being proposed exclude use of more than negligible amounts of coal and residual oil.

Regarding the National One-Hour SO₂ Standard, the New York and other State DEC's are meeting with the EPA on March 15, 2012 to discuss the preliminary modeling results which indicate existing units are far above limits. The NYSDEC field monitoring for SO₂, which has been going on for years, is showing results that are far below EPA's modeling results and no exceedances of the limits are being observed. If the EPA model is correct, the impact would prohibit use of low sulfur coal and FGD to bring a unit into compliance.

The next meeting of the Working Group is March 29, 2012 at the DEC from 9:00am – noon.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1 ICS Chairman's Report – Mr. Dahl summarized the major topics from the ICS February 24, 2012 conference call and February 28, 2012 meeting as shown below:

2013/14 IRM Study

ICS discussed plans to address outstanding modeling issues from the 2012/13 IRM study including:

- a) 2002 load shape modeling methodology – ICS continued discussion on the methodology for evaluating alternate load shapes which involves testing of several historic years. Also, ICS discussed IRM sensitivity test results and the need to align external area models for the target year and obtain loads prior to demand response reductions. The NYISO contacted GE to obtain neighboring area information. The NYISO mentioned a scheduling concern regarding the obtaining of information in sufficient time to support May 2012 implementation.
- b) APA EFORD method – The NYISO gave an updated report on progress in implementing the APA EFORD transition rate methodology. The NYISO prepared data from the two test units, which was provided to interested parties. Based on this information, Dr Singh has completed a hand calculation of transition rates. The intent is to compare the results of this calculation against the software code developed in conjunction with R. Fluegy. The NYISO is addressing several data issues with the resolution expected shortly.
- c) PJM modeling issues and delays in obtaining model – The NYISO raised the need for timely modeling updates to NPCC CP-8 for further review and discussion with neighboring regions. PJM representatives are reviewing the feasibility of advancing the updates from August to June 2012. However, ICS may need to proceed with the best available model once the assumptions are approved.
- d) Assumption matrix/ report template – ICS reviewed the second draft of the 2013/14 IRM assumptions matrix and identified areas requiring updating. The NYISO provided its IRM report template for ICS review and comment. ICS identified several areas requiring spring 2012 updates including Wind modeling, EDRPs and the Transmission Topology. Questions were raised regarding the continued value of modeling EDRP resources given their limited benefit. The NYISO provided an updated report template which incorporated ICS comments.
- e) Retirements – A proposed method for treatment of retirement notifications in the IRM /LCR assumptions matrix was discussed. A proposed Policy 5 revision is under internal ISO review.

SCR analysis

- a) NYISO Study report status – The NYISO indicated continued study progress on both MARS modeling and work related to the performance of SCR resources. The MARS modeling of SCRs is being conducted by an external consultant with overall completion expected by April 30, 2012. Key elements of the investigation include Effective Load Carrying Capability of SCRs under various

operating assumptions and information on performance and persistence of SCR resources. Draft information is anticipated for the April 4, 2012 ICS meeting.

- b) Estimated/Actual SCR performance – The NYISO indicated completion of a written report to the ICS on an Approach for Top Down Estimation of Demand Response Impacts. The report requires Legal review prior to issuance.

PRR 109 - Special Case Resource Reporting Requirements

PRR 109 was posted for comments on February 11, 2012 for 45 days. Comments are due on March 26, 2012. To-date, no comments have been received. Executive Committee approval will be sought at its April 13, 2012 meeting.

Policy 5

ICS discussed progress on updates to Policy 5. Areas needing updating include: (a) SCR performance reporting and modeling requirements, (b) improved procedures for screening outside world data requirements, and (3) issues related to locational capacity requirement calculations. An ICS strawman proposal was discussed that provides the NYISO discretion in addressing minor changes to the base case (less than 0.5% below base case IRM). ICS will be holding a Conference Call in the week of March 18, 2012 to discuss this issue further.

Mr. Mager requested that the ICS make every effort to complete its work on load shape, EFOR'd and SCR issues in time for this coming year's IRM process.

- 6.2 Other ICS Issues** – Nothing additional to report.

7.0 Reliability Rules Subcommittee Status Report/Issue

- 7.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on March 1, 2012. 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 PRR #109, SCR Performance Data Reporting in C-R2, C-M14 and C-M15, was approved at the February 9, 2012 Executive Committee for posting for comment. No comments have been received as of yet. The comment period ends on March 26, 2012.

7.2 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 introduced PRR #111, Revision to the Extreme Contingency Table B(i). PRR#11 is intended to clarify that the extreme contingency referenced in the Table is an electrical event, not a gas event. The clarification is achieved by changing the syntax of the current contingency definition to ensure that the subject is an electric event. RRS has approved the revision and recommends Executive Committee approval to post.

Following additional discussion, Mr. Loehr moved for approval to post for comment. The motion was seconded by Mr. Smith and unanimously accepted by the Executive Committee members – (13 to 0).

3. PRRs for EC Discussion

- None

7.3 NPCC/NERC Standard Tracking

- i. NERC Standards Development** – Mr. Adamson reported that NPCC is proceeding with the revision of Directory 1, “Design and Operation of the BPS”, to reflect the NERC Board of Trustees

adoption of TPL-001-2. The revision is expected to be available for comment in about two months. RRS is monitoring this effort closely before considering revisions to NYSRC Reliability Rules B-R1 through B-R4.

ii. **NPCC Standards** – Nothing new to report.

7.4 Other RRS Issues

i. **New Facility Impact on Transfer Limits** – Mr. Clayton noted that he and Mr. Adamson are in the process of developing words for inclusion in the introduction to the Planning Section of the Reliability Rules indicating that studies should include the impact on interface limits and/or minimize the impact on interface limits. The final wording will be available for discussion at the April 13, 2012 Executive Committee meeting – **AI #147-7**.

8.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

8.1 **RCMS Status Report & Discussion Issues** – Mr. Clayton indicated that RCMS met following the RRS meeting.

8.2 **2011 Reliability Compliance Program Highlights** – Mr. Clayton introduced the report, 2011 Reliability Compliance Program Highlights which was held pending Executive Committee action at its February 12, 2012 meeting on the report, RCMS Review of Measurement G-M3 Compliance Violation For 2011/2012 Capability Year. The report was presented to the Executive Committee for its information.

8.3 **2012 New York Reliability Compliance Program** – Mr. Clayton indicated that at its February 2, 2012 meeting RCMS found the following Measurements to be in full compliance pending an acceptable revision of the 2011 NYCA Transmission Review report:

- (a) B-M1, Thermal, voltage, stability and fault duty assessments for the planned NYCA system,
- (b) B-M2, Extreme contingency assessment for the planned NYCA system,
- (c) B-M3, Demonstration that the system is planned considering ease of restoration system,
- (d) I-M4, Consideration of local rules in transmission planning and the determination of operating Limits,
- (e) K-M2a, 2012 NYCA transmission review; and
- (f) K-M3, Extreme system condition assessment.

The revisions to the 2011 NYCA Transmission Review were received by RCMS prior to its March 2, 2012 meeting and found to be acceptable.

8.4 **2012/2013 Black Start Program Report** – Mr. Clayton introduced and summarized a preliminary draft RCMS report titled, RCMS Evaluation of the NYCA Black Start Program dated February 7, 2012.

Among the primary considerations of the report are: (a) determining the impact of the potential withdrawal of TC Ravenswood, a ConEd black start provider, from the ConEd and NYCA System Restoration Plans (SRP) and, if necessary, (b) developing recommendations for the Executive Committee on ways to mitigate the impact in the immediate and medium timeframes.

Mr. Clayton indicated that ConEd has completed a technical analysis of the impact on restoration time should the TC Ravenswood units (1672 Mw) no longer provide black start service. The evaluation provided the time difference between “with” and “without” the black start provider for a ConEd restoration scenario in which the NYC electric system is restored as an island. Under this scenario there are no electric ties to adjacent systems, the system is at or near peak load, and TC Ravenswood is fully operational when the interruption occurs. Without black start capability, the TC Ravenswood units would be unable to commence startup until the transmission was sufficiently restored to provide the necessary cranking power. The ConEd evaluation concluded that if the TC Ravenswood units were no longer part of its Black Start Program and the system was to be restored under the foregoing scenario, the restoration time for a significant amount of load in NYC could increase by up to five hours. RCMS believes that this delay is unacceptable and could seriously imperil the health and safety of the residents of NYC and violate the “prompt” restoration requirement of NYSRC Reliability Rule G-R1.

In order to avoid a potential Reliability Rule violation for the 2012/2013 Capability Year and minimize the possibility of other violations in the future, the draft report offers a number of preliminary recommendations based on the foregoing evaluation by ConEd and direct discussions with the NYISO and Market Participants including TC Ravenswood. Those recommendations include the following:

Actions with Immediate Effect (preliminary)

1. Notify the NY PSC of the NYSRC's reliability concern for the 2012 Summer period commencing May 1, 2012 and recommend that the NY PSC enforce its Declaratory Order (Case10-E-0423).
2. Notify FERC of the NYSRC's concern for the 2012 Summer period, commencing May 1, 2012, and recommend that FERC take whatever action may be appropriate to ensure TC Ravenswood's continued participation in the NYISO's black start program.
3. Follow up on TC Ravenswood's offer to meet with all parties in an effort to resolve this situation.

Actions with Medium Term Effect (preliminary)

1. Request Con Edison to study the impact of retro-fitting existing Zone J units that are not presently black start units,
2. Request Con Edison study the impact of planned transmission (if any) internal to Zone J,
3. Consider changes to NYSRC Reliability Rule G-R1, and
4. Support NYISO and Market Participants in an initiative to develop possible regulatory changes: (a) Reasonable compensation to black start providers, (b) A process for enlisting black start providers, and (c) Obligations of black start providers.

During discussion, Mr. Patka emphasized that the NYISO has reviewed the ConEd evaluation and concurs with the results. Mr. D'Andrea, TC Ravenswood Counsel, expressed interest in having access to the data and information used in the ConEd evaluation. Also, he suggested that other solutions may exist that could mitigate the delay found by ConEd. Mr. D'Andrea asked that interested parties should contact him to establish a small group of experts to meet and develop a practical solution to the black start issues. Mr. Drexler, DPS Counsel, indicated that the DPS Staff is very sensitive to reliability concerns and is closely monitoring the Ravenswood situation and reviewing all options available. The DPS hopes to make a recommendation(s) to the Commission in due course. However, it is premature, in his view, to even suggest what the recommendation(s) might be. At the request of Mr. D'Andrea, Mr. Drexler agreed to include negotiations with TC Ravenswood as one of the options. Mr. Patka stated that the NYISO considers TC Ravenswood to be in the SRP currently and in the future per the PSC Declaratory Ruling that requires black start providers to receive PSC authorization to exit the SRP. Mr. D'Andrea acknowledged that TC Ravenswood has not filed such a request with the PSC. Mr. Ellsworth suggested that the report's recommendations should be augmented to include the coordination activities between the NYSRC and NYISO.

Following completion of discussion, Mr. Mager requested that RCMS finalize the draft report for consideration and possible action at the April 13, 2012 Executive Committee meeting – **AI #155-4**.

8.5 Other RCMS Issues – Nothing additional to report.

9.0 State/Federal Energy Activities

9.1 NYISO 2011 Comprehensive Reliability Planning Process (CRPP) – Mr. Chao reported that the CARIS Phase 1 was approved by the Business Issues Committee on February 23, 2012. Board approval will be requested in March 2012. Following Board approval, the report will be posted on the NYISO website and a public information meeting will be scheduled.

The preparation for the CARIS 2 studies will begin upon completion of the CARIS 1 Report. An Assumption Matrix is being developed for updating and extending the CARIS database. It will be presented to the ESPWG shortly. There is currently one pending request for a CARIS Study. Additional requests for studies are expected.

The preparation for the 2012 RNA began in January, 2012 with requests to transmission owners and other stakeholders for information to be used in the base case development. An Assumption Matrix was developed and discussed at the ESPWG meeting on February 24, 2012. Further discussion will take place at ESPWG. It is expected that the RNA study modeling could begin after the March 6, 2012 ESPWG meeting in preparation for the finalization of the 2012 Load and Capacity Report (Gold Book).

9.2 Interregional Transmission Studies

i. EIPC Study – The Phase I report is posted at <http://eipconline.com/Resource Library.html/>. Three final scenarios were selected: (a) national carbon constraint with increased energy efficiency/demand response/distributed generation, (b) regionally implemented national RPS, and (c) “business as usual”. The Phase II schedule is posted at <http://eipconline.com/Phase II Resources.html/>. The three future resource scenarios will be evaluated with fully developed transmission build-out options that meet reliability requirements. Currently the base cases for each scenario are being developed using macro-economic outputs from Phase I. The gap analysis will be performed using linear analysis to identify initial transmission deficiencies (Tasks 7 & 8). Production cost analysis will be performed for each scenario based upon the power flow modeling and transmission expansion options developed under Tasks 7 & 8 (Task 9). High-level estimates of the capital costs of the interregional generation resources and transmission expansion options will be developed (Task 10). A Phase II report is scheduled for October 2012.

A Transmission Options Task Force (TOTF) has been formed as a forum for stakeholders to review and comment on the development of transmission build-out alternatives during Phase II. A face-to-face meeting was held on February 22-23, 2012. The next meeting is scheduled for March 28-29, 2012 in Memphis, TN to review the gap analysis and initial transmission build-outs.

ii. IPSAC Study – Mr. Chao indicated that a teleconference is scheduled for March 30, 2012. Registration information may be found on the calendar. A draft 2011 Northeast Coordinated System Plan is expected to be available prior to the teleconference. The next steps of the IPSAC study include: (a) coordination of 2011 ISO-NE/NYISO/PJM production cost models and development of 2017 models, (b) production cost analysis with IREMM and Gridview (ISO-NE), MAPS (NYISO), and PROMOD (PJM), and (c) continued coordination of FERC Order 1000 compliance.

9.3 Other Studies/Activities – Mr. Adams noted that the NYISO has established an Electric and Gas Coordination Group. The Group has met twice and at the last meeting the NYISO announced that it will be initiating an Electric/Gas Study. The Study scope was just posted on the NYISO website. March 20, 2012 is the deadline for comments.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans reported that for February 2012, the peak load occurred on Wednesday February 8, 2012 at 23,901Mws versus the all time winter peak of 25,541Mws on December 20, 2004. Alert states were declared on 12 occasions, 9 for system frequency. No major emergencies were declared during the month. Seventeen TLR Level 3s were declared in the month of February 2012 for a total of 156 hours. There were no NERC/NPCC reportable events.

Mr. Yeomans noted that the NYISO continues to experience high off peak transmission voltages. However, it has not been necessary to open any upstate transmission lines since December 2011. Also, the NYPA Moses 230kV substation experienced a breaker failure which resulted in the loss of four transmission lines including both Moses – Willis 230kV lines. The North Country load pocket was served by the remaining two transmission lines, Colton-Malone 115kV and PV-20 PAR, the Saranac generator, and wind generation.

10.2 North American Energy Standard Board (NAESB) – Mr. Ellsworth reported that the NAESB Advisory Council met in Washington, DC on February 4, 2012 in conjunction with the NARUC Winter meetings. The Advisory Council is comprised of stakeholders who, for one reason or another, are not members of the Board of Directors or Executive Committee but who are interested in, and affected by, the business practice standards developed by the NAESB. Mr. Ellsworth reported that: (1) NAESB’s responsibilities with regard to Smart Grid are almost completed; (2) the Ground Water Protection Council (GWPC) and the Interstate Oil and Gas Compact Commission (IOGCC) have requested that the NAESB consider potential standards related to the disclosure of chemicals used in the fracking process; and (3) NAESB has initiated a Gas-Electric Harmonization Committee to consider whether one of the following initiatives should be pursued: (a) a recommendation for gas/electric standards development; (b) framing a policy or market issues that might lead to standards development; or (c) identify areas in which standards development is not the best course of action because regional service agreements or other organizations’ efforts would be more appropriate.

10.3 Defensive Strategies – Information Access - Mr. Mager indicated that during the Executive Session a concern was expressed regarding the communications and access to information practices of the NYISO with respect to the Defensive Strategies Working Group (DSWG). Mr. Smith, the Chair of the DSWG, reported that recently there was a DSWG meeting in which EnerNex had volunteered to give a presentation. He pursued this opportunity with NYISO management as well as code of conduct requirements regarding inclusion in the meeting of a small group of additional technical experts. These experts would be certain members of the NPCC SS-38 Working Group and other DSWG members (beyond the Advisory Group) who have particular expertise in system protection and stability analysis. Mr. Smith was told by the NYISO that EnerNex was disallowed from making the presentation. The reasons given by the NYISO were preliminary information and other issues relating to critical infrastructure. Additionally, he was informed that EnerNex could not participate in the meeting in any capacity. The Executive Committee considers this exclusionary policy to be a “choke point” on information flow and will cause a successful outcome from the Controlled System Separation Study to be less likely. Mr. Smith issued two requests for reconsideration by the NYISO and received no response to either. The Executive Committee feels that this project is a genuine opportunity to work cooperatively on potentially ground breaking concepts. Also, it was noted that initially NYISO involvement was encouraged by the NYSRC.

Mr. Patka responded that the NYISO appreciates the contributions of the members of the Defensive Strategies Working Group (DSWG) to its ongoing Controlled System Separation Study. This study involves data and results that are preliminary and that contain Critical Energy Infrastructure Information (CEII). This study is being conducted by the NYISO under a grant by the U.S. Department of Energy with assistance from its consultant EnerNex. Because the topic is sensitive, the NYISO has obtained non-disclosure agreements from five members of the NYSRC who are serving as advisors for the NYSRC on the study. Those advisors can have access to data and preliminary results under the NDA, but other members of the DSWG and other persons cannot. Regarding the participation of EnerNex in meetings about the study, the NYISO is willing to work with the advisors and with the DSWG to figure out how best to move forward on the study, including participation by EnerNex in a listening mode to obtain input from the DSWG. The NYISO believes that its concerns over CEII, preliminary results, confidential information, and managing the obligations of EnerNex and the NYISO to the DOE can be addressed within this process. The NYISO suggested a meeting between the NYISO staff and the DSWG Chairman to discuss a mutually acceptable resolution of the issues. Accordingly, Mr. Smith agreed to contact Messrs. Patka and/or Yeomans – **AI #155-5**.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#156	Apr. 13, 2012	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#157	May 11, 2012	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No.155 was adjourned at 3:15 P.M.