

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 159 – July 13, 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
George Loehr	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
William H. Clagett	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
George Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Vice Chair
Arnie Schuff	New York Power Authority – Member
Joe Hippius	National Grid, USA – Member
Tom Duffy	Central Hudson Gas & Electric – Member - Phone
Scott Leuthauser	HQ US(Wholesale Sellers) – Alternate
Paul DeCotis	LIPA - Member

Others:

Paul Gioia, Esq.	Counsel
Al Adamson	Consultant – Treasurer
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chairman
Henry Chao	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
John Adams	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Kristin Bluvias, Esq.	New York Independent System Operator (NYISO)
Edward Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Bob Boyle	New York Power Authority – ICS Chairman

Visitors – Open Session:

Phil Fedora	Northeast Power Coordinating Council (NPCC) - Phone*
Mark Younger	Slater Consulting

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – None

II. Open Session

1.0 Introduction – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.159 to order at 9:30 A.M. on July 13, 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 with the exception of New York State Electric & Gas.

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. 158 (June 8, 2012) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Following discussion, Mr. Bolbrock moved for approval of the draft minutes. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee Members – (12 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #159-1**.

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>
108-8	Duplicates Action Item #148-4.
154-6	The Compensation Report was provided at the June 8, 2012 Executive Committee Meeting.
156-2	The Policy 1 update was approved at the June 8, 2012 Executive Committee meeting.
157-2	Adequate Level Reliability (ALR) was discussed by the Executive Committee at its May 11, 2012 meeting.

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 \$171,000 at the end of June 2012. The projected budget variance is \$61,000 below budget for the 2012. Also, he noted Member Receipts of \$100,000, which when combined with the Member Receipts received in early July 2012, complete the 3rd Quarter 2012 Call-for-Funds of \$150,000.
- ii. 2013 NYSRC Proposed Budget** – Mr. Adamson introduced the draft proposed budget for 2013 which had been provided to Members in advance. The proposed budget of \$752,000 is a reduction of \$11,000 from the previous year primarily due to reductions in Insurance and Consulting Services. The proposed budget includes the adjustments to compensation approved at the June 8, 2012 Executive Committee meeting and printing costs for the NYSRC 2011-12 Biennial Report. Following further discussion, Mr. Clagett moved for approval of the 2013 proposed budget. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee Members – (12 to 0).

- iii. **Funding Mechanism** – Mr. Adamson provided copies of the NYSRC Funding Mechanism for 2013. He noted that the Funding Mechanism has not changed over the last several years with the exception of the date and budget amount. All members are assessed a membership fee of \$5,000 due in January of each year and the remainder of the budget is split evenly between the TOs. Mr. Loehr moved for approval of the 2013 proposed Funding Mechanism. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee Members – (12 to 0).

3.2 Other Organizational Issues

- i. **Election of Officers** – Mr. Gioia indicated that the Executive Committee must elect a Chair and Vice Chair for the next year beginning August 1, 2012. He noted that it has been the practice of the Executive Committee to elect Officers for two consecutive one year terms. Both Mr. Mager and Dr. Sasson have expressed a willingness to serve for one more year and there have been no additional nominations. Mr. Ellsworth moved for the election of Mr. Mager and Dr. Sasson for Chair and Vice Chair, respectively, for a second one year term beginning August 1, 2012. The motion was seconded by Mr. Clagett and approved by the Executive Committee – (12 to 0).

4.0 Key Reliability Issues

- 4.1 **Defensive Strategies** – Mr. Smith reported that a webex on the Controlled System Separation Study was held by the NYISO on June 28, 2012. Additional results were presented for the most severe extreme contingency cases. The cases tested assumed peak loading. Further testing of a controlled separation scheme indicated positive results, but the feasibility of certain actions requires further review. This continues to be a work in progress.

Initial simulations of disturbances external to the NYCA were presented. The first area investigated involved faults on the PJM system. Interestingly, some simulations of relatively severe faults showed relatively minor impact on the New York control area. Further work is planned in this area to better define disturbances that have a more dramatic impact than was experienced in the 2003 blackout. All simulations to date involved peak load cases. It was suggested that some testing with lighter load cases should be added. A CSSS workshop or face to face meeting at the NYISO is planned for the July/August 2012 time frame. The next CSSS monthly webinar is scheduled for late July 2012. In addition, Mr. Smith provided a summary of the DSWG Meeting on July 11, 2012 hosted by the NYISO. He provided a comparison of the NPCC Task 5 work with the CSSS work noting some similarities and differences. Also, a presentation by Quoc Le of the NPCC staff provided the current status of the SS-38 System Dynamics Working Group. The Group is now embarking on a review of industry practices with respect to load modeling under dynamic conditions, performing simulations and developing a white paper with findings and recommendations in this area. Mr. Loehr provided additional comments on the load modeling presentation provided by Mr. Le. He added that WECC has done a lot of work in this area and that this will be included in the SS-38 review. Mr. Smith reported that Jim Ingleson, the system protection consultant for the CSSS, provided a presentation on out-of-step relaying concepts. Mr. Ingleson highlighted a suggested approach developed by the IEEE Power System Relaying Committee regarding out-of-step relaying practices for consideration. Mr. Smith indicated that Kevin Depugh, NYISO's lead engineer for the CSSS, provided an excellent overview of the CSSS including status and some of the concepts developed to date. Mr. Clayton commented on some of the separation indicators involving angle differences. He noted that some of these separation indicators appeared to provide an early indication for differentiating between stable and unstable cases. Mr. Depugh's presentation stimulated a good discussion of the technical aspects of the CSSS work to date. Mr. Smith discussed the next steps for the DSWG after completion of the CSSS work in December 2012. He believes work in the defensive strategies area should continue. He will explore this possibility further.

4.2 Southwest Blackout – Follow up – Mr. Fedora indicated that the Regional Entity executives received a letter from NERC requesting that each Regional Entity provide a status report on the actions being taken to address the applicable findings and recommendations from the NERC/FERC Joint Inquiry Report regarding the September 8, 2011 Southwest Blackout. The letter divides the findings, recommendations and associated questions into two groups:

Group A - Next Day and Real-Time Operating Issues, and
Group B – Long-Term and Seasonal Planning Issues

For Group A, NERC requested a preliminary report within 30 days of the June 5, 2012 letter and a final report within 60 days. Group B responses were requested by September 1, 2012. The schedule is driven by a desire of the NERC/FERC to make a public statement on or before the anniversary of the September 8, 2011 blackout.

NPCC assigned the Group A tasks to be coordinated Mr. Mosher (NPCC) and the question addressed by TFCO. Group B tasks will be coordinated by Mr. Fedora with TFCP addressing the specific questions. The remaining NPCC task forces will be asked to provide input depending on the nature of the question. The NPCC Group A initial response was completed via a preliminary survey and provided to NERC on July 5, 2012.

4.3 Other Items – Mr. Gioia reported that he filed version 31 of the Reliability Rules Manual with the PSC on June 20, 2012. Also, Mr. Gioia indicated that when he was at Dewey & LeBouef, he used his Washington, DC colleagues to assist with FERC filings. Mr. Gioia did the substantive work and they would put it into the proper form and made the filing. Those colleagues are now at Winston & Strawn. Mr. Gioia has established an Agreement whereby he will continue to use those individuals as before. A representation in the Agreement, states that if they cease to assist Mr. Gioia in behalf of the NYSRC, they may represent parties whose interests may be adverse to those of the NYSRC. Lastly, Mr. Patka requested that a change be made to Section 4.2, 2012/13 Black Start Program – Update, of the minutes of the May 11, 2012 Executive Committee meeting. The changes involved replacing “NYISO’s” System Restoration Plan with “NYCA” System Restoration Plan. His reasoning is that the Executive Committee’s concern relates to the ConEd portion of the NYCA System Restoration Plan which is not in the NYISO’s System Restoration Plan – **AI #159-2.**

5.0 State/ NPCC Federal Energy Activities

5.1 NPCC Board Meeting – Mr. Forte provided a written summary of the June 26, 2012 Board of Directors meeting. He reported that the 2013 Business Plan & Budget was approved. The Total Budget for 2013 is a 1.5% increase over 2012. The most significant funding drivers were increased Standards, Compliance and Assessment Workload (i.e. meetings, travel and consultants) offset by a decrease in Legal Fees.

Also, Mr. Forte noted that NERC publishes statistics associated with compliance violations of the NERC Standards. These statistics provide information regarding new compliance violations identified during the current month, as well as updates to previous violations that remain in the compliance process.

Below are highlights from the April/May 2012 Violation Statistics:

- (a) CIP-007 (Cyber Security- System Management) surpassed PRC – 005 (Protection System Maintenance and Testing) as the most violated standard of all time,
- (b) The number of new violations reported to NERC was 194 in May and 145 in April versus 171 and 131 for March and February, respectively.
- (c) There were 55 Find, Fix, Track (FFT) minor violations in March and 66 in April, and
- (d) The six month average violations from December 2011 to May 2012 was 232 violations per month.

5.2 NPCC Report – Mr. Fedora noted that FERC issued a Notice of Proposed Rulemaking (NOPR), Revisions to Electric Reliability Organization Definition of Bulk Electric System and Rules of Procedure, on June 22, 2012. The NOPR was published in the Public Register on July 5, 2012. Responses to questions raised in the NOPR regarding the revised Definition of Bulk Electric System (BES) and the proposed Rules of Procedure (ROP) for implementing the Exceptions Process are due on September 4, 2012. The Standards Drafting Team (SDT) has begun developing responses to the Definition questions and a smaller subgroup is addressing the ROP questions. The responses will be consolidated by NERC Staff for NERC Legal’s review and filing. Also, the SDT has been working on a Guidance Document based on the Definition that was filed. The Guidance Document is intended to clarify the scope of the bright line Definition.

Mr. Gioia added that the Definition of BES includes a series of exclusions and a process whereby facilities above or below 100kV can be included or excluded from the Definition. He further pointed out that the NOPR specifies that all black start resources will be included as BES regardless of size. The cranking path was initially included in the Definition of BES. However, comments were received indicating that the cranking path could include local distribution which is not FERC jurisdictional. Because of this fact, the current Definition of BES does not include the cranking path regardless of voltage level. The issue was to be addressed in Phase 2 but has subsequently been dropped. FERC is now seeking comments on whether a reliability gap may exist with regard to the cranking path and the appropriate role of State regulators in assuring that the cranking path is available to black start generators. Mr. Clayton noted that the NYSRC comments on the initial NOPR specifically specified that the cranking path should be included in the Definition of BES regardless of voltage level. After further discussion, the Executive Committee requested that Mr. Clayton draft a statement from the NYSRC to the NPCC Reliability Standards Committee indicating that NPCC should support inclusion of the cranking path in the Definition of BES regardless of voltage level – **AI #159-3**. Mr. Duffy was asked to keep the Executive Committee informed of the position being developed by NPCC – **AI #159-4**.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1 ICS Chairman’s Report – Mr. Boyle summarized the major topics from the June 27, 2012 ICS meeting. He noted that ~~the~~ on July 2, 2012 the ~~initial~~ Assumptions Matrix was issued for review in preparation for delivery to the Executive Committee for approval at its July 13, 2012 meeting. Prior to discussion of the ~~full~~ Assumption Matrix, Mr. Boyle summarized the following key base case modeling assumptions, two of which are documented in the ICS Report, Load Shape and EFORD Models For The 2013 IRM Study:

(a) Load Shape Model

For a number of years, the Assumption Matrix has used the 2002 load shape which is known to have a comparatively large number of daily peak hours that are nearer to the summer peak demand than other years from 1999-2012. This results in a larger IRM than would be expected from a more typical load shape year. In December 2011, the Executive Committee requested ICS to review whether a different load shape should be used in the 2013-2014 IRM Study. The NYISO developed a white paper for ICS which concluded that the 2007 load shape represents a typical or average year. The impact of using the 2007 load shape is a reduction of 2.7 percentage points. Also, it was emphasized that a new probabilistic load shape model in MARS using multiple historical load shapes is currently being reviewed by ICS. ICS was unable to reach a Member consensus on a recommendation for the 2013 IRM Study. Dr. Sasson indicated that in 2002 there were 32 days with temperatures in excess of 90° in New York City while in 2007 there were only 10 days. During the past ten years it has ranged from a low of 2days in 2004 to a high of 37 days in 2010. 2012 will also be a high number year given that to date there has already been 12 days.

Executive Committee discussion preferred the technical advantages of the new probabilistic load shape model, but acknowledged that further testing was necessary. Further, it was felt that introducing new modeling methodologies in two consecutive years was ill-advised. Consequently, it was agreed to continue using the 2002 load shape for the 2013 base case and introduce the probabilistic modeling methodology, if approved by ICS, in the 2014 IRM Study.

(b) EFORd/APA Model Development

The current EFOR model determines the probability of a generator being in a forced outage. ICS recognized in 2010 that a better measure of performance, especially for peaking and intermediate cycling units, is to recognize the EFOR only when the unit is needed or requested. This approach is referred to as the EFORd methodology. In the spring of 2011 the NYISO retained Dr. Chanan Singh, Associated Power Analysts, Inc. (APA) to develop the EFORd approach. Mr. Boyle indicated that the majority of the ICS felt the APA/EFORd methodology was sufficiently validated to recommend that the Executive Committee adopt the APA/EFORd model. Dr. Sasson recommended that studies continue on the new software to get a higher level of trust that it is working correctly. The NYISO was asked to document test differences between the two approaches. Following discussion, the Executive Committee concurred with the recommendation for the base case.

(c) SCR Modeling

At the request of ICS, Donna Pratt (NYISO), Manager, Demand Response Products, presented an analysis and recommendation for forecasting Special Case Resources (SCRs). The analysis used data supplied by Aggregators to calculate performance and energy payments. The NYISO stated that it is committed to using the baseline methodology to calculate SCR performance, i.e. Average Coincident Load (ACL). Though committed to this methodology, the NYISO recommended an adjustment to the SCR performance values (95%³ times the ACL) to recognize: (i) the difference between the ACL value and the methodology used to compute energy payments, (ii) requests lasting longer than four hours, and (iii) reduced performance due to the number of days being activated. Mr. Boyle indicated that ICS recommends the NYISO preferred methodology and adjustment providing an average adjustment across the state of 81.4% of ACL and an SCR growth rate of 1.75%.

Following discussion, the Executive Committee adopted the ICS/NYISO recommendation for the base case.

6.2 IRM Assumptions Matrix – Mr. Boyle introduced the 2013-2014 IRM Study Assumption Matrix developed by ICS. The Matrix provides for each of 35 parameters (including the three parameters discussed above): (a) 2012 Model Assumptions, (b) 2013 Model Assumptions Recommendation, (c) Basis for the Recommendation, and (d) Potential IRM Impact.

Mr. Mager provided opportunity for informational questions regarding each of the parameters included in the Matrix before requesting a vote on approval. Mr. Dahl suggested that one load shape sensitivity case include a full Tan 45 curve. Mr. Boyle added that a Tan 45 curve for an APA/EFORd sensitivity case may also be appropriate. The NYISO agreed to make a “best efforts” attempt given the manpower and computer intensive nature of the Tan 45 curve.

Mr. Clagett moved for approval of the proposed base case Assumptions Matrix for 2013-2014. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee – (11 to 0, 1 abstention).

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 June 27, 2012. Two separate meetings were held, each with its own agenda and minutes. There were no new additions to the List of Potential Reliability Rules – Outstanding.

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

- None

3. PRRs for EC Discussion

- None

7.3 NPCC/NERC Standard Tracking

i. **NERC Standards Development** – Nothing new to report.

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

7.4 Other RRS Issues

i. **Request to Rescind Con Ed Exception 14** – Dr. Sasson gave a presentation on Con Ed’s request to rescind Exception 14 from the exceptions to the NYSRC Reliability Rules. Exception 14, approved by the NYPP Operating Committee on January 29, 1997 states that for the operation of the Linden Cogen Plant for transmission outages on the Con Ed system:

The post-contingency flow on feeder 42232, Gowanus-Greenwood 138 kV, is allowed to exceed its STE rating following the simultaneous loss of feeders 21 and 22, Gowanus-Fresh Kills 345 kV, which run on common towers. In the event that this contingency occurs, the Con Edison System Operator will immediately reduce the generation of the Linden Cogeneration Facility to alleviate the overload to less than its STE rating within 5 minutes and to less than its LTE rating within 10 minutes from the initial overload.

However, with the establishment of the Gowanus 345kV Ring Bus in the summer of 2012, the Con Ed System can be operated within NYSRC Reliability Rules without the Exception. In accordance with NYSRC Policy 1-7, Con Ed has submitted this request to the Executive Committee to initiate the review process.

The Executive Committee agreed to remand the request to RRS for its review and recommendation. ConEd has also made the same request to the NYISO. - **AI #159-5**. The Executive Committee will make the final determination upon receipt of the technical input. Also, the Executive Committee requested that RRS review the full Exception List and identify, in particular, Exceptions that allow post contingency flows to exceed STE.

ii. **Black Start** – Mr. Gioia noted that FERC issued an order accepting, on an interim basis, a TC Ravenswood proposal to offer its own tariff and rate schedule. Also, FERC assigned an ALJ to try to work out a settlement that would be acceptable to all the parties. The first Settlement Conference was held at FERC on June 28, 2012. Mr. Gioia represented the NYSRC at the Settlement Conference and informed the ALJ that: (a) the NYSRC would be interested in reviewing any proposed settlement to determine whether there would be an impact on reliability and would want to provide input on any reliability issues, and (b) given the governance structure in New York State, if TC Ravenswood is going to provide black start services under a separate tariff outside the NYISO Tariff, the NYSRC would want some assurance that its Reliability Rules would be applicable to TC Ravenswood and the NYSRC would have the ability to monitor compliance. The next Settlement Conference is scheduled for July 30, 2012. This Conference may determine whether a settlement is feasible and, if not, what the next steps will be.

Dr. Sasson reported that this week TC Ravenswood filed with FERC indicating that no matter what the outcome of the New York Stakeholder process is regarding revision of the Reliability Rules, TC

Ravenswood will not return to the NYISO Tariff. Mr. Gioia indicated that he informed the ALJ for the FERC Settlement Conference that the NYSRC is currently reviewing the NYISO and TC Ravenswood's proposed black start testing requirements.

Mr. Clayton indicated that RRS has received from the NYISO a draft PRR on G-M3 plus a white paper on black start. At the last RRS meeting the Subcommittee reviewed both documents in detail. There were several areas where RRS asked for additional information, revision and clarification. Ms. Whitaker (NYISO) assured Mr. Clayton that the request would be completed one week before the August 2, 2012 RRS meeting. In particular, RRS is looking for the validity of the claim that the test for the intermediate years is sufficient to test for the reliability of the black start unit to perform when called upon. The intermediate year testing includes: (a) bringing power from the GT to the power and light bus, (b) energizing the auxiliaries, but (c) not firing the boiler or spinning the rotor. The current requirement is a full test which includes firing the boiler, spinning the rotor and synchronization.

RRS has requested the NYISO to provide the typical percentage load on the GT to meet the requirements of the intermediate and full tests (excluding synchronization). Mr. Mager emphasized that RRS and the Executive Committee remain willing to consider rule changes in response to a proposal from the NYISO, TC Ravenswood, or a third party. However, if a party wishes changes to the testing requirements, the Executive Committee will expect that party to justify the change to RRS.

Mr. Gioia suggested that RRS also consider sending a letter to TC Ravenswood inviting them to provide supporting information regarding its test protocol. Mr. Gioia agreed to prepare a draft letter for RRS review – **AI #159-6**. Also, Mr. Gioia indicated that the NYISO's statement that NERC has found that testing black start units once every three years is sufficient should be documented.

Mr. Clayton noted that if a modification to the black starting testing protocol is adopted, G-M1-3 will require changes.

- iii. **Other** – Mr. Clayton reminded the Executive Committee that RRS is undertaking a re-write of the Reliability Rules. RRS received a report from Zack Smith (NYISO) regarding the NPCC re-write of Directory 1. NPCC's objective is to re-write the rules so that only the most stringent rules are included. This approach is one of the options being considered by RRS.

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 2012 New York Reliability Compliance Program – Mr. Clayton indicated that at its June 27, 2012 meeting RCMS found the following Measurements to be in full compliance:

- (a) B-M4, List of NYS Bulk Power System Facilities; and
- (b) K-M2b, NYCA Resource Adequacy Report.

K-M2b was due from the NYISO on May 24, 2012 was granted 30 days to submit the required compliance documentation in accordance with the NYSRC policy on lateness. It was received on June 22, 2012.

8.3 Other RCMS Issues – Mr. Clayton introduced the RCMS final report, RCMS Review of Measurement G-M3 Compliance Violation for the 2012/2013 Capability Year, regarding the failure of TC Ravenswood to fulfill its black start testing requirements before April 30, 2012. The report considers various actions the NYISO has taken in order to determine whether or not the NYISO has taken "all reasonable actions" to secure compliance with Measurement G-M3. The results of the RCMS review will lead to a recommendation to the Executive Committee regarding whether the NYISO should be found

in non-compliance. In accordance with NYSRC Policy 4-5, the NYISO topics examined by RCMS are shown below:

- (a) Issuance of a Non-Compliance Letter to the Provider,
- (b) Actions by the NYISO to Direct the Provider to Schedule and Successfully Conduct Black Start Tests for the 2012/2013 Capability Year,
- (c) Adequacy of the NYISO System Restoration Procedures, and
- (d) Reporting the G-M3 Violation to the NYSRC.

The RCMS evaluation of the above actions concluded that the NYISO had taken “all reasonable actions” to secure compliance with Measure G-M3. Therefore, in accordance with Policy 4-5 procedures, RCMS recommended that the Executive Committee exercise its discretion to waive the NYISO’s non-compliance in this matter.

The report further stated that if the Executive Committee agrees with the above recommendation, a letter should be sent to the NYISO Vice-President of Operations stating the Executive Committee’s findings and conclusions – **AI #159-7**. RCMS suggested that the letter should specify, in addition to waiving non-compliance, the following actions be implemented by the NYISO: (a) periodically report to the Executive Committee and RCMS on the status of Provider actions to complete a full test of its facilities as required by the NYISO in its May 21, 2012 non-compliance letter, and (b) continue to keep the NYSRC informed and involved concerning its proposal to modify black start testing and scheduling procedures.

Further, RCMS recommends that the NYSRC should carefully evaluate the black start test and test schedule procedure changes proposed by the NYISO, particularly if these changes would require that existing NYSRC Reliability Rules be modified to be less stringent than current requirements. With this in mind, RCMS recommended that any NYSRC system restoration rule changes wait until the reliability implications of NYISO’s proposed black start program changes are thoroughly reviewed.

Mr. Ellsworth moved for approval of the RCMS Report and its recommendations. The motion was seconded by Dr. Sasson and approved by the Executive Committee – (11 to 0, 1 abstention).

9.0 State/Federal Energy Activities

9.1 NYISO 2011 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams reported that the preparation for the CARIS 2 studies began upon completion of the CARIS 1 Report. An Assumption Matrix is being developed for updating and extending the CARIS database.

A draft of the 2012 RNA was distributed on June 27, 2012. Mr. Chao summarized the results of the resource adequacy and transmission security analyses. He indicated resource adequacy violations in 2020 (LOLE=0.11) and 2022 (LOLE=0.24). Transmission security violations occurred in: (a) 2013 (N-1-1) for RG&E Station 80 transformers above STE, RG&E Pannell transformers above STE, Clay-Teall 115 kV at 103% of LTE and O&R Ramapo transformers above STE, and (b) 2022 for Leeds-PV and Athens-PV 1-2% above LTE. He noted that the latter violations would be resolved by fixes to the 2020-2022 resource adequacy violations. Mr. Chao indicated the following scenario results:

- (a) IP retirement would show LOLE violation in 2016 at 0.5 and 2022 at 3.6 and, even with low load and no IP, the LOLE would hit 0.8 in 2022, and
- (b) Retirement of all NYCA coal generation would advance the year of LOLE violation by approximately two years (2020 to 2018).

An Executive Summary is being prepared and a complete final draft is expected in time for the July 18, 2012 ESPWG meeting.

The 2012 Load and Capacity Report (Gold Book) was completed and released on April 27, 2012. It can be found on the NYISO web site at <http://www.nyiso.com/public/webdocs/services/planning/planning>

9.2 Interregional Transmission Studies

i. **EIPC Study** – The final Phase I report is posted at <http://eipconline.com/Resource Library.html/>. The three final scenarios selected were: (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 are being evaluated with fully developed transmission build-out options that meet reliability requirements (Tasks 7 & 8). The reliability review (Task 8) of Scenarios 1 & 3 is nearly complete. Transmission options are being developed for Task 2. The results and draft map of constraints and transmission build-outs are posted at <http://eipconline.com/PhaseII Modeling Results.html>. Production cost analyses will be performed for each scenario based upon the power flow modeling and transmission expansion options developed under Tasks 7 & 8 (Task 9). The analysis is scheduled to begin in July 2012. 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 completion by the end of December 2012.

The Transmission Options Task Force (TOTF) is a forum for stakeholders to review and comment on the development of transmission build-out alternatives during Phase II (<http://eipconline.com/TOTF.html>).

An in-person meeting was held on June 29, 2012 in Baltimore, MD. The modeling Working Group (MWG), a forum for stakeholder review of inputs to the production cost analysis, has been meeting twice a week to prepare CRA, EIPC’s consultant, to start production cost analyses in mid-July 2012.

ii. **IPSAC Study** – Mr. Adams indicated that a webex/teleconference was held on June 22, 2012 which focused on FERC Order 1000 compliance including Northeast Protocol revisions, response to stakeholder comments and interregional transmission cost allocation. An additional webex/teleconference is scheduled for July 16, 2012 to discuss the scope of work for the 2012 NCSP and next steps, an interregional gas study update and an environmental regulations update.

9.3 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 **NYISO Operations Report** – Mr. Yeomans reported that for June 2012, the peak load occurred on Thursday June 21, 2012 at 32,127Mws versus the all time summer peak of 33,939Mws on August 2, 2006. Alert states were declared on 14 occasions; 4 for system frequency. Storm Alerts were declared 5 times during the month for a total of 23 hours. There were no TLRs declared during the month. Also, Mr. Yeomans gave a presentation, NYISO Heat Wave Operations June 20-22, 2012. The presentation showed graphs of: (a) Summer Peak Loads and Demand Response – 2006 to 2012, (b) Daily Peaks and Demand Response – June 17 to June 23, 2012, and Daily Actual, without Demand Response and Day-Ahead Forecast curves for June 20 through June 22, 2012. For the peak day (June 21), operating conditions included:

Transmission Operation

- (a) HQ Chateauguay-Massena 765kV Interconnection – forced out from HB10 through HB14.
- (b) PJM Neptune HVdc Interconnection force out.
- (c) Dysinger East interface was limited to maintain pre-contingency Oakdale voltage.

Generation Operations

- (a) Over 1100MWs of Southeast NY capacity was unavailable for operation at peak.
- (b) NYISO activated SRE of Oswego 6 and Kintigh for statewide needs.

Demand Response Operations

- (a) EDRP/SCR resources were activated in Zones A-F from HB13 through HB17.
- (b) EDRP/SCR estimated value (per RIPS) was 1703 Mws.

Mr. Yeomans pointed out that the declaration of a major emergency was not necessary. He emphasized the importance of accurate day-ahead load forecasts, particularly under strained operating conditions.

10.2 North American Energy Standard Board (NAESB) – Mr. Ellsworth noted that the NAESB Quarterly Report is available on the NAESB website.

10.3 NYSERDA T&D Study – Mr. Loehr reported that on or about June 20, 2012, Ms. Hogan was pulled off the T&D Study to work on another project. This resulted in a delay of the end-game process. Her Program Manager was comfortable with providing the draft ‘report’ (a.k.a. executive summary) and final ‘study’ (a.k.a. full report) to the Energy Planning Board the second week of July 2012.

The schedule has now been further delayed. The ‘study’ (full report), presumably including the ‘report’ (executive summary), has been through one review by the technical editor, and will be finalized and sent to the Energy Planning Board for their August 6, 2012 meeting. Ms. Hogan is still double checking the edits. She will give the T&D Reliability WG a more detailed update soon.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#160	Aug 10, 2012	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#161	Sept 14, 2012	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No.159 was adjourned at 3:30 P.M.