

Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 166 – February 8, 2013
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Chair
Ray Kinney	New York State Electric & Gas/RG&E – Member - Phone
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member - Phone
George Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of N.Y. – Member - Phone
Joe Hipius	National Grid, USA – Member - Phone
Arnie Schuff	New York Power Authority – Member - Phone
Tom Duffy	Central Hudson Gas & Electric – Member - Phone
Paul DeCotis	LIPA – Member
Chris LaRoe	Independent Power Producers of New York (IPPNY) - Member

Others:

Al Adamson	Consultant & Treasurer - Phone
Paul Gioia, Esq.	Counsel
Henry Chao	New York Independent System Operator (NYISO)
John Adams	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Wes Yeomans	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:

Erin P. Hogan, P.E.	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC) - Phone
Kevin Jones, Esq.	Hunter & Williams (NYISO)
Steve Whitley	New York Independent System Operator (NYISO) - Phone

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was held to discuss Black Start issues.

II. Open Session

1.0 Introduction – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.166 to order at 9:30 A.M. on February 8, 2013 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 Mr. Ellsworth.

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 – See item I above.

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 165 (January 11, 2013) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Following discussion, Mr. Clagett moved for approval of the draft minutes. The motion was seconded by Mr. Loehr and approved by the Executive Committee Members in attendance – (12 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #166-1**.

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>
164-2	Mr. Adams indicated at the January 11, 2013 Executive Committee meeting that the capability to provide IRM Study data for validation to ConEd and LIPA is in place.
164-5	The draft without dates was provided by Mr. Clayton at the January 11, 2013 Executive Committee Meeting.
164-6	Mr. Clayton indicated at the January 11, 2013 Executive Committee meeting that discussions of Major Emergencies had been initiated with the NYISO.

Mr. Gioia suggested a list of seven new Actions Items. The Executive committee concurred with their addition to the “Outstanding Action Items List – 2013” – **AI #166-2-8**.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

i. Summary of Receipts & Disbursements - Mr. Adamson provided the Summary of Receipts and Disbursements which showed a balance of \$149,500 at the end of January 2013. He noted that there remains one outstanding TO payment (\$25,000) to complete the 1st Quarter Call-For-Funds of \$165,000. He also reported that two weeks ago Colleen Campoli mailed out the IRS 1099 Forms. Regarding the 2012 audit, Mr. Adamson and Ms. Campoli have provided a substantial amount of financial information to the auditors, Slocum DeAngelius & Associates. In addition, letters were sent to the nine affiliated members requesting the amount of their payments to the NYSRC during

2012. Mr. Adamson expects the Audit Report to be received prior to the March 7, 2013 Executive Committee meeting.

- ii. **2011-12 Biennial Report** - Mr. Adamson reported that on January 12, 2013 he sent a letter to the Executive Committee members and Subcommittee chairmen requesting suggested NYSRC topics, issues and achievements from 2011-2012 for inclusion in the Biennial Report. The information was requested by January 24, 2013. Combining these inputs with his own, Mr. Adamson produced a Report outline which includes the following topics: (a) NYSRC Overview, (b) NYSRC Accomplishments, (c) Reliability Rules, (d) Compliance, (e) NYCA Installed Capacity Requirements, and (f) NYS Power System Protection (Defensive Strategies WG Activities).

In addition, individual members were asked to provide the items summarized below – **AI #166-9:**

Mr. Mager – “Letter from the Chairman” by February 18, 2013,

Mr. Clayton – Description of important activities of the Joint NYSRC/DEC WG by February 18, 2013, and

Mr. Smith – A draft of DSWG activities and achievements, plus plans for 2013 by February 18, 2013.

Mr. Adamson requested electric facilities pictures from the Executive Committee members. The photograph of the Executive Committee will be taken during the April 11, 2013 meeting.

- iii. **IRM Filing** – Mr. Gioia noted receipt of an order from FERC accepting the revised IRM (17.0%) for 2013-14. The order is subject to a petition for rehearing which is not expected.

4.0 Installed Capacity Subcommittee Status Report/Issues

- 4.1 **ICS Chairman’s Report** – Mr. Boyle indicated that ICS met on January 29, 2013. Primary attention was directed to the Executive Committee’s request to define a method for “lockdown” of the preliminary and final IRM base cases. Mr. Boyle suggested the preliminary base case be “locked down” in August, as was done in the past, following approval of the sensitivity test methodology by the Executive Committee. Sensitivity cases will then be run against the preliminary base case. At the October Executive Committee meeting, ICS will announce that the final base case has been “locked down”. The final base case will include changes that took place subsequent to the “lock down” of the preliminary base case, namely the UDR declarations, update of the load forecast, corrections to the model from GE’s review, and any other known system changes. Significant changes that occur after the final base case “lock down” will be combined into a Special Sensitivity Case (a.k.a. final base case prime) which will become part of the IRM Report. ICS, with Executive Committee guidance, must notify the NYISO by November 15 regarding whether or not to undertake the Tan 45 analysis on the special sensitivity case.

In response to a question from Mr. Mager, it was noted that the NYISO is in concurrence with the approach described above as are all but one ICS member. Dr. Sasson questioned the need for retaining the original final base case in the instance that a special sensitivity case and accompanying Tan 45 analysis has been completed. Mr. Adamson responded that he needs the final base case specified in early November to have time to write a quality IRM Report and avoid last minute errors in rewriting the IRM Report in a limited timeframe for approval by the Executive Committee in early December. Dr. Sasson suggested that the completion date of the Report could be delayed for as much as two weeks.

With the concurrence of the Executive Committee, Mr. Mager requested that Mr. Boyle take the feedback from Dr. Sasson, Mr. Adamson, and others back to ICS and proceed to develop a written proposed modification to Policy 5 for the Executive Committee to vote at the March 7, 2013 Executive Committee meeting – **AI #166-10.**

Mr. Boyle added that in a circumstance in which the IRM has been selected and the IRM Report approved in early December, ICS feels that the direction regarding analysis of any subsequent system changes must come from the Executive Committee. Mr. Mager suggested that such situations could be dealt with on a case-by-case basis.

Dr. Sasson expressed concern that a post-approval change may have a significant impact on the LCRs. He

volunteered to provide a presentation on ConEd's thoughts at the March 7, 2013 Executive Committee meeting. Mr. Mager accepted the offer. Mr. Whitley indicated that the NYISO is anxious to work with all stakeholders to re-examine the LCR calculation process.

4.3 New Capacity Zone Study – Mr. Boyle indicated that the NYISO has recently given presentations on how it is going to develop its indicative LCRs. Two TOs have voiced concern over the NYISO's methodology. At the next ICS meeting LIPA will be presenting its approach. ConEd has not indicated when it will present its approach. The NYISO is filing its methodology with FERC toward the end of March 2013.

5.0 Reliability Rules Subcommittee Status Report/Issue

5.1 RRS Status Report & Discussion Issues – Mr. Adamson reported that the joint RRS/RCMS meeting was held on January 31, 2013. Two separate meetings were held, each with its own agenda and minutes.

Mr. Adamson introduced the List of Potential Reliability Rule Changes and noted that PRR #114, System Restoration G-M1 & G-M3 was approved at the January 11, 2013 Executive Committee meeting. A new version of the Reliability Rules Manual reflecting the revisions to G-M1 and G-M3 has been issued. PRR#113, System Restoration, will revise G-M1 and G-M2. RRS believes this revision is particularly important for reliability and to comply with Reliability Rule G-R1 which requires the system to be restored promptly following a blackout. Mr. Clayton will provide a detailed presentation at the March 7, 2013 Executive Committee meeting that will show the need for revising G-M1 and G-M2 and the key elements of the proposed Rule change. The proposed revision will require that the NYISO and TO Restoration Plans have sufficient black start resources to provide assurance that the system will be restored as promptly as reasonably possible. The inventory of black start units that may be required to participate in restoration plans will not only include those units currently participating in the NYISO and TO Restoration Plans, but may include units with black start capability that do not currently participate in the Restoration Plans. There are numerous issues that RRS is considering in developing next month's presentation by Mr. Clayton. This has required input from the NYISO Staff and Legal Counsel from the NYSRC and NYISO.

Dr. Sasson pointed out that Policy 4 discussion does not currently discuss the case when the NYSRC adopts a new rule that requires a tariff change by the NYISO. Absent recognition of this case the NYISO could be instantly found in non-compliance. Mr. Adamson indicated that the time provision issue would be dealt with directly within PRR#113. Dr. Sasson further clarified that since NYISO tariff changes require FERC approval, it must also be recognized that there may be cases in which FERC does not grant approval and the NYISO would be left with no means to comply.

Mr. Gioia expressed the view that since the issue is well known, it can be addressed if and when the need arises.

5.2 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

5.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Loehr inquired regarding the "no" votes by the NYSRC on Standards TPL and PRC. Mr. Adamson indicated that he relies on the NPCC Standards Committee

to provide recommendations. Also, these two standards do not involve the NYSRC Reliability Rules.

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

5.4 Other RRS Issues – Mr. Adamson indicated that RRS has a plan to reformat and modify the Reliability Rules. The Plan is comprised of three phases:

(a) Phase 1 – Reformat the Rules to follow the NERC Standards format,

(b) Phase 2 – Modify the Rules where necessary to be consistent with NERC and NPCC Standards and Criteria, while retaining the more stringent and specific NYSRC requirements, and,

(c) Phase 3 – Revise the Reliability Rules Manual Introduction and other Sections as required.

At the January 11, 2013 Executive Committee meeting, Mr. Clayton indicated that RRS had decided to proceed with the reformatting methodology (Option A) and he provided an example. At the same meeting, Mr. Hipius requested the development of an additional example using the most recent Directory 1 draft. However, at today's meeting it was pointed out that NPCC has recently decided to modify the Directory 1 development process to resolve differences between the drafts developed by the planning and operating task forces. The understanding is that a joint working group of NPCC-CP-11 and CO-7 members has been assigned to reconcile the planning and operating parts of a new draft Directory 1 and that work is expected to be completed in 3-4 months. Therefore, RRS will hold off responding to Mr. Hipius' request until a new draft Directory 1 is available. In addition, RRS will monitor the progress of the joint working group. If it becomes clear that lengthy delays (6-12 months) will occur, RRS will re-consider how it will proceed to respond to Mr. Hipius' request.

A white paper will be prepared addressing the changes resulting from the Reformatting Project - **AI #156 - 3**.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Adamson noted that RCMS met on January 31, 2012 following the RRS meeting.

6.2 2012 New York Reliability Compliance Highlights - Mr. Adamson reminded the Executive Committee that each year RCMS develops the RCMS Reliability Compliance Program Highlights Report for the prior year. Mr. Adamson summarized the content of the 2012 Highlights Report including: (a) 32 of the total of 60 Measurements requiring action by Market Participants were reviewed and all were found to be in full compliance, (b) Transmission and Generation assessment results, (c) Non-compliance findings, (d) A summary of the black start program evaluation study and report, and (e) NYISO compliance documentation performance regarding late or incomplete submissions to RCMS. In the Conclusions Section, Jim Grant, the NYISO representative, is recognized for his valued assistance during the compliance review process.

Mr. Smith moved for acceptance of the 2012 Reliability Compliance Program Highlights Report. The motion was seconded by Mr. Clagett and accepted by the Executive Committee in attendance – (12 to 0).

6.3 2013 New York Reliability Compliance Program (RCP) – Mr. Adamson noted that per the process for development of the RCP for the subsequent year, the Executive Committee approved the assessment topics in December 2012. The final step in the development process is approval of the entire program including the due dates of the documentation and the compliance documentation requirements.

Mr. Adamson presented the proposed 2013 Reliability Compliance Program which was developed in conjunction with the NYISO and has its concurrence. Mr. Clagett moved for approval of the proposed RCP for 2013. The motion was seconded by Mr. Smith and approved by the Executive Committee – (12 to 0).

6.4 Other RCMS Issues

- i. **Compliance Template Manual (version 25)** – Mr. Adamson indicated that the Compliance Template Manual has been updated (to version 25) to include G-M1 and G-M3 revisions in accordance with PRR #114 and the removal of tables relating to non-compliance letters and overdue documentation. These tables are now included in Policy 4 per its approval at the January 11, 2013 Executive Committee meeting.

7.0 Key Reliability Issues

- 7.1 **Defensive Strategies** – Mr. Smith gave an abbreviated discussion on the progress of the Controlled System Separation Study (CSSS). A complete presentation was previously provided to the NYISO Staff on January 25, 2013. Mr. Smith noted the accomplishments of the CSSS including: (a) Gained knowledge of the NY system's dynamic behavior, (b) Developed indicators to predict instability, (c) Developed separation/control measures to mitigate instability, and (d) Tested measures to determine what is necessary to stabilize the system. He discussed findings from system exposure to extreme contingencies, external faults, and power swings. Also, he discussed potential solutions in the protection/control and hardware areas. Regarding future transmission, Mr. Chao described potential transmission projects that are under consideration to strengthen the NYCA system. Mr. Loehr suggested that a careful review of existing substations, i.e. breaker configurations and common mode failures, for potential upgrades may be very helpful in strengthening the NYCA system.

Mr. Mager requested that Mr. Smith coordinate with the NYISO and provide a detailed presentation of the CSSS at the March 7, 2013 executive Committee meeting.

- 7.2 **Black Start – FERC/Ravenswood Settlement** – In Executive Session, Mr. Gioia led a discussion of recent events impacting the Ravenswood black start issue.

8.0 State/NPCC/Federal Energy Activities

- 8.1 **NPCC Report** – Mr. Fedora reported that the NPCC Board of Directors met on January 29, 2013 for a strategy session followed on January 30, 2013 by its regular committee meeting. One of the items to be decided upon was the NPCC policy input for the February 7, 2013 NERC Board of Trustees (BOT) meeting. The document was provided to the Executive Committee by Mr. Forte.

Janice Case, Chairman of the NERC BOT, attended the January 30, 2013 meeting and was very helpful in the development of the NPCC 2013 Corporate Goals to align with the 2013 NERC Goals.

NERC is holding a technical conference on the Communication Protocol at its Atlanta, GA offices on February 14&15, 2013.

9.0 State/Federal Energy Activities

- 9.1 **NYISO 2012 Comprehensive System Planning Process (CSPP)** – Mr. Adams provided a written summary indicating that four drafts of the CRP Report were submitted for review at the January 2013 ESPWG meetings. The Schedule calls for presentation of a final draft to the Operating Committee on February 13, 2013 and to the Management Committee on February 27, 2013.

A letter requesting the necessary updated information for the 2013 Gold Book was sent to all Market Participants in January 2013 with a response date of February 27, 2013.

9.2 Interregional Transmission Studies

- i. **EIPC Study** – The final draft of the Phase II Report was submitted to DOE for review on December 22, 2012. The Report is posted at <http://eipconline.com/Phase II Resources.html>.
- ii. **IPSAC Study** – An IPSAC WebEx meeting was held on January 28, 2013 to consider: (a) Order 1000 and the Northeast Protocol, (b) the back-to-back HVDC Converters at Hudson, (c) an Interregional Production cost Study update, (d), a Multi-regional Gas/Electric Study update, and (e) next steps. The PJM/PSEG Hudson back-to-back HVDC will replace the B & C PARs. It will mitigate fault current levels in PSEG, and reduce potential overloads on the A line identified for certain post-

contingency conditions. The impact on voltage transfer limits is being evaluated. Transient and dynamic stability studies are yet to be performed. The NYISO is coordinating the analysis with PJM, PSEG, ConEd, and ISO-NE.

The FERC Order 1000 discussions are ongoing. A compliance filing is due April 11, 2013. The next WebEx meeting is scheduled for February 15, 2013 and will focus on FERC Order 1000 and the Northeast Planning Protocol drafts.

9.3 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Adams provided the NYISO Operations Report for January 13, 2013.

The peak load occurred on Thursday, January 24, 2013 at 24,658Mws versus the all time winter peak of 25,541Mws on Monday, December 20, 2004. There were no Major Emergencies declared during the month. Alert states were declared on 32 occasions; 8 times for system frequency. There were 2 TLR Level 3s declared for a total of 2 hours. On 10 occasions reserves were activated, 3 for ACE. There were no NERC/NPCC reportable DCS events.

On Wednesday, February 13, 2013 FERC is sponsoring a technical conference to elicit input pertaining to information sharing and communication issues between natural gas and electric power industry entities.

Mr. Yeomans will be representing the NYISO.

10.2 North American Energy Standard Board (NAESB) – Nothing new to report.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#167	Mar. 7, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.
#168	Apr. 11, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Committee Meeting No.166 was adjourned at 12:45 P.M.