

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 179 – March 14, 2014
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

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

Others:

Al Adamson	Consultant & Treasurer
Paul Gioia	Counsel
Erin Hogan, P.E	NYSERDA – ICS Chair
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Henry Chao	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)*
Howard Tarler	New York Independent System Operator (NYISO)
Edward Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Kathy Whitaker	New York Independent System Operator (NYISO) - Phone*
Chris Sharp	New York Independent System Operator (NYISO)*

Visitors – Open Session

Phil Fedora	Northeast Power Coordinating Council (NPCC)
Herb Schrayshuen	Power Advisors, LLC
Rick Brophy	New York State Electric & Gas/RG&E - Phone
Dave Johnson	Reed & Laniado, LLC for IPPNY - Phone*
Kevin Jones, Esq.	Hunton & Williams, LLC for NYISO*
Stuart Caplan	Legal Counsel, Bayonne – Phone*
Liam Baker	U.S. Power Generation - Phone*

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was held to discuss black start and compensation issues.
- II. **Open Session**
- 1.0 **Introduction**– Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.179 to order at 10:30 am on March 14, 2014.
- 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** – Prior to the Open Session an Executive Session was held to discuss black start and staff compensation issues.

- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 178 (February 14, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. There being no additional comments, Mr. Altenburger moved for approval of the revised draft minutes. The motion was seconded by Mr. Dahl and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #179-1**.
- 2.2 **Action Items List** – The Executive Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
173-3	Dr. Sasson gave a presentation on ConEd’s latest Black Start analysis at the January 10, 2014 Executive Committee meeting.
177-2	A revised template was presented at the February 14, 2014 Executive Committee meeting by Messrs. Dahl and Smith (Conference Call).
177-6	The 2013 Reliability Compliance Program Highlights were presented by Mr. Clayton at the February 14, 2014 Executive Committee meeting (Conference Call).
178-4	Mr. Adamson forwarded The NYSRC position to NPCC on March 8, 2014.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

- i. **Summary of Receipts & Disbursements** - Mr. Adamson discussed the Summary of Receipts and Disbursements which showed a surplus of \$181,000 at the end of February 2014. Member receipts of \$30,000 were received in February 2014 which completes the 1st Quarter Call-for-Funds of \$165,000 issued in December 2013. Mr. Adamson noted that a new budget item, R & D

Programs, has been added to the Treasurer's Report.

- ii. **Call-for Funds** – Mr. Adamson requested approval for a 2nd Quarter Call-for-Funds of \$30,000 per TO due by April 1, 2014. Mr. Mager moved for approval of the request. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).
- iii. **2013 Audit** – The 2013 audit of the NYSRC, prepared by Slocum, DeAngelis, & Associates, P.C., was completed in February 2014 and distributed to the Members and Mr. Gioia on March 14, 2014. No problem areas were found. In summary, the Auditor stated, “In our opinion, the financial statements referred to above present fairly, in all material respects, its support, revenue and expenses for the years ended December 31, 2013 and 2012 in accordance with the cash basis of accounting.” Mr. Adamson thanked Colleen Campoli for the excellent preparation and presentation of NYSRC accounting information to the Auditor.

3.2 **Other Organizational Issues –**

- i. **2014-15 IRM** – Mr. Gioia noted that the PSC had adopted the NYSRC minimum installed reserve margin requirement.

4.0 **Installed Capacity Subcommittee (ICS) Status Report/Issue**

- 4.1 **ICS Chair Report** – Ms. Hogan, Chair of ICS, provided the ICS Report on the highlights of its March 5, 2014 meeting. The written report addressed the status of the following tasks: (a) Voltage Reduction Degradation, (b) Value of Neighboring Area SCR Resources, (c) Confidence Intervals, (d) Use of Transmission Outage Data in Determining the IRM, (e) IRM Process Guide, and (f) New Business. Ms. Hogan focused attention on the tasks that were completed. The NYISO presented a white paper, NYISO Methodology for Error Analysis of the IRM, and explained that the MARS Model cannot optimize on both the number of iterations and standard error. It was decided, per NYISO suggestion, to run 1000 iterations and then manually check that at 1000 iterations a standard error of 0.025 has been achieved. This is better than the Policy 5's requirement of 0.05. If a standard error of 0.025 is not achieved, the number of iterations will be increased until the desired standard error is met or bettered. This approach will require modifications to Policy 5 – **AI #179-2**.

Regarding the IRM Process Guide, Ms. Hogan indicated that at the start of the effort, she and Messrs. Adamson, Vitale, and Adams felt that a review of all current documents would be helpful in identifying topics for inclusion in the Guide. As Mr. Adams went through his review, he found a number of areas where Policy 5 needs to be clarified or updated. Therefore, ICS suggested that this year the focus be placed on Policy 5 and the development of a Process Guide outline for completion next year – **AI #179-3**. The Executive Committee concurred.

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

5.0 **Reliability Rules Subcommittee Status Report/Issues**

- 5.1 **RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on March 7, 2014. Two separate meetings were held, each with its own agenda and minutes. Chairman Sasson recused himself from Chairing the discussion of PRR #116, Identification of Black Start Resources Needed for an Effective System Restoration Plan, due to ConEd's direct involvement in the PRR. The Chair was turned over to Mr. Dahl, the Vice Chair. Mr. Clayton indicated that RRS re-considered PRR #116 including the mandate and has not changed its original recommendation for approval. Mr. Gioia added that there is a second version of the PRR #116 connoted as Option (2) which would adopt the entire proposed Rule with the exception of the mandate. The mandate would allow the NYISO to direct a generator to provide black start service provided the designated resource did not prevail when seeking an exemption through the exemption process defined in the PRR.

Dr. Sasson summarized the highlights of his March 5, 2014 Memorandum to the NYSRC Executive Committee which addressed most of the technical and legal issues regarding PRR #116 discussed over

the past several months. In Section A, characterized as the most important, Dr. Sasson explained in general how ConEd does restoration using islands. To the extent that an island cannot be energized due to lack of black start resources, it must wait for other islands to be energized and provide the necessary black start capability. This wait period is the source of the delay that is of concern. The possibility of delay exists today with the loss of a single black start provider dependent on location. Mr. Clayton, Chair of RRS, has reviewed the details of ConEd's Restoration Plan and confirmed that the delay is a matter of hours. Dr. Sasson noted that the PRR #116 is identical to requirements in the existing NYISO Tariff for new or repowered units. Further, he stated that PRR #116, which applies only to ConEd's territory, is comprised of three steps:

- (a) ConEd would do a study to identify the need for black start from a unit having the capability, but currently not providing the service,
- (b) The unit has the opportunity to go to the NYISO to explain why it is unable to provide the service,
- (c) The NYISO, an independent party, makes the final decision either way. Therefore, the rule is "conditional" on the NYISO decision.

Dr. Sasson stated Con Ed feels strongly that without the third step, as is the case with PRR #116 (Option 2), the proposed Rule does nothing for reliability. Also, since ConEd currently has the potential for restoration delays, the New York City electric system needs the full PRR #116 Rule. The representatives of the Generation Sector raised several points/issues that were discussed including the following:

- (a) There is no known current black start provider planning to leave the Restoration Plan,
- (b) The generators prefer Option 2, and if PRR #116 is adopted, they would also prefer that FERC (vs. the NYISO) be the final decision maker on whether a generator must provide black start service,
- (c) PSC/FERC jurisdictional issues may occur and PRR #116 may violate Federal statutes,
- (d) The ConEd study, verifying the need for a black start unit, must be made available to the generator in order to make reasonable arguments for not providing black start service (it was clarified that the rule already contemplated this),
- (e) A bright line for the restoration delay trigger of a generator's obligation to provide service is preferred, and
- (f) Current generator black start systems were designed without knowledge of a mandatory obligation.

Mr. Bolbrock expressed the view that PRR #116 has been fully vetted, and it was time to vote. Dr. Sasson moved for adoption of PRR #116(with mandate) as recommended by RRS. The motion was seconded by Mr. Ellsworth and approved by the Executive Committee members – (12 to 1).

Mr. Gioia noted that in preparing PRR #116 (Option 2) he added specific language to expressly include a participating unit that provides a notice of withdrawal. Following discussion, Vice Chairman Dahl directed Mr. Clayton to have RRS review PRR #116 with the phraseology suggested by Mr. Gioia inserted and bring a recommendation to the Executive Committee at its April 10, 2014 meeting regarding whether or not to include the phraseology – **AI #179-4**.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

- a. List of Potential Reliability Rules ("PRR") Changes** – Mr. Clayton indicated that PRR #117, List of NYS Bulk Power System Facilities, and PRR # 118, Retirement of System Protection Reliability Rules H-R1 and H-R2 and Related Measurements, have been posted for comment.

Comments are due by April 3, 2014 and March 18, 2014, respectively. No comments have been received so far. Under the Reformatting Program REP-01 and REP-02 received final approval on January 10, 2014. Comments were received from the NYISO on REP-03. It will be submitted for final approval at the April 10, 2014 Executive Committee meeting – **AI #179-5**.

b. Status of New/Modified Reliability Rules

1. PRRs for EC Final Approval – Mr. Clayton indicated that REP-04 through REP-07 were “Posted for Comment” and no comments were received. RRS recommends final approval of the proposed PRRs. Mr. Loehr moved for approval of REP-04 through REP-07. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee members – (13 to 0).

2. PRRs for EC Approval to Post - Mr. Clayton introduced REP-09 through REP-011 and described the minor changes in each to accommodate the Reformatting Program. RRS recommends approval to “Post for Comment”. Mr. Loehr moved for adoption of the RRS recommendation. The motion was seconded by Mr. Ellsworth and approved by the Executive Committee members – (13 to 0).

3. PRRs for EC Discussion

- None

5.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson noted that the NYSRC voted NO on the first ballot of PRC-004 (System Protection Coordination).

5.4 Other RRS Issues – Mr. Clayton indicated that RRS has begun applying the Reformatting Program to Section B of the Reliability Rules. Completion is several months away – **AI 179-6**.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on March 8, 2014 following the RRS meeting.

6.2 2014 New York Reliability Compliance Program (NYRCP) – RCMS found the NYISO to be in full compliance for the following Measurements:

- (a) A-M1, Establishing the NYCA IRM requirement,
- (b) C-M1, Procedures for resource verification capacity testing requirements, and
- (c) K-M2a, 2013 NYCA transmission review.

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Key Reliability Issues

7.1 Defensive Strategies – Mr. Smith reported that the kick-off meeting for the Major Disturbance Mitigation Study (MDMS) was held by phone on Tuesday, February 18, 2014 beginning at 10:00 am. It was attended by Zack Smith, (NYISO), Kevin DePugh (NYISO), Dejan Sobajic (NYISO), Mike Razanousky (NYSERDA), George Loehr and Mr. Smith. EnerNex was represented by Bob Zavadil, Dave Mueller and Jiaxin Ning. Mr. Smith noted the presentation by EnerNex and the minutes prepared by Mr. Ning. Both documents were distributed to the Executive Committee before today’s meeting. NYSERDA’s Mr. Razanousky emphasized that the MDMS should meet the technical objectives of the NYISO and NYSRC, as represented in the proposal. NYSERDA is acting in this case as a funding agency for research and studies that promote development of a smart grid that benefits New York’s customers. As part of the study, a 30-bus equivalent simplified representation of the Eastern Interchange will be developed. This will permit disclosure of selected results; thereby respecting the Critical Electric Infrastructure (CEI) and disclosure problems with the full representation. The separation component of disturbance mitigation will be treated as a “last resort” mitigation measure. The need for testing security against normal disturbances was emphasized to ensure no misoperations for normal contingencies. During the meeting, Mr. Sobajic noted that later in the day there would be a

PSERC webinar “Slow Coherency Based Controlled Islanding in Large Power Systems” led by Vijay Vittal, the Ira A. Fulton Chair Professor in the Department of Electrical Engineering at the Arizona State University. Among the findings were: (a) Controlled islanding is superior to uncontrolled islanding, and (b) Islanding the Cleveland, OH area avoided cascading during the events leading up to the 2003 Blackout. Mr. Smith added that Phase 1 of the MDMS is a literature review which will begin upon finalization of the details of the contract. The next Phase will be development of disturbance simulations.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided the recently published statistics associated with violations of Electric Reliability Standards. Questions should be directed to Mr. Forte or Dr. Sasson.

8.2 NPCC Report – Mr. Fedora reported that FERC has an open meeting on March 20, 2014. FERC has given notice that it is going to rule on the revised Bulk Electric System (BES) definition as part of its agenda.

NERC is doing the final testing on the software application tool to allow registered entities and Regions to submit their self-determined BES notifications and process their exception requests. This is expected to be effective July 1, 2014. NERC is waiting for FERC to rule before making its announcement on the type of training that will be available for registered entities. NERC will have canned presentations on its website by early May 2014 as well as the released plans for its specific training. Mr. Fedora suggested watching the NERC website on the Reliability Assessment and Performance Analysis page where there will be links to documents and schedules as they become available.

NPCC is holding its own training at the next NPCC Standards and Compliance Workshop in Cooperstown, NY the last week of May 2014. The training for NPCC members and registered entities will include the mechanics of using of the software application (BESnet) and classroom sessions to inform members of their requirements. Questions may be directed to Mr. Fedora by entities wishing a non-binding assessment of their self-determined notifications or exception requests.

8.3 State Energy Plan – Ms. Hogan indicated that comments on the Energy Plan were extended for a month and are now due on April 30, 2014. Public Hearings are complete. There was considerable discussion of the fracking technology.

8.4 Micro-Grid Technology – Ms. Hogan noted at the last Executive Committee meeting that the anticipated PSC proceeding on the State Energy Plan will focus on distributed energy resources and offered to ask a person from NYSERDA’s Research Group to give a presentation to the Executive Committee on its work regarding micro-grids for critical services. Ms. Hogan has completed an outline for the presentation and requested volunteers to critique the topics selected. Messrs. Altenburger and Dahl volunteered. The micro-grid concept will be presented at May 9, 2014 Executive Committee meeting – **AI #178-6**.

9.0 State/Federal Energy Activities

9.1 CARIS - The NYISO staff continues to work with the ESPWG to define “Lessons Learned” from the 2013 CARIS 1 process, identify updates to the Economic Planning Manual, and develop the 2014 CARIS 2 data base. The NYISO staff presented a review of its analysis of the Hurdle Rates at the February 6, 2014 ESPWG meeting with follow-up at the February 25, 2014 meeting. Based on the analysis and feedback from NYISO market participants, the NYISO will be utilizing a slightly different set of inter-control area hurdle rates for CARIS 2 than CARIS 1.

9.2 Order 1000 – The FERC Order 1000 Interregional Compliance Filing was submitted on July 10, 2013. Regional compliance filings were submitted on October 15, 2013. Process manuals will be revised and new processes will be implemented beginning in 2014. The NYISO staff is preparing revisions to the CARIS and Reliability Process manuals. They were presented to the ESPWG in February and March 2014.

9.3 2014 RNA – The compilation of the Gold Book and the FERC 715 filing continues, and will be used for the 2014 RNA. The 2014 RNA will be the first RNA to be performed according to the new Order 1000

planning requirements. The Assumption Matrix for the 2014 RNA will be presented to the ESPWG on March 11, 2014 for stakeholder discussion and input.

9.4 Interregional Transmission Studies

i. **EIPC Study** – EIPC members created a 2018 and a 2023 roll-up integration summer peak powerflow cases for the Eastern Interconnection. The roll-up Model Report discusses the gap analysis, gap solutions (enhancements), and linear transfer analysis. The Report was posted February 14, 2014 at <http://www.eipconline.com/non-DOE-Documents.html>.

In 2014, EIPC will perform power flow analyses of scenarios to be selected with input from stakeholders. The scenarios currently proposed include winter and spring peak and heat wave/drought conditions. A webinar is scheduled for March 25, 2014 to discuss the scenarios. The scenario analysis is expected to begin in April 2014

The Gas-Electric System Interface Study will be performed by Levitan & Associates. The Study timeline includes a baseline assessment of the existing system to be completed by April 4, 2014.

An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in draft form by July 11, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by December 26, 2014. A draft review of dual fuel capability is expected on September 5, 2014. The draft report is scheduled for a February 17, 2015 delivery to stakeholders.

A Stakeholder Steering Committee (SSC) webinar was held on February 28, 2014 to present Target 1 draft report highlights. Stakeholder comments are due March 14, 2014. A SSC webinar will be held on March 23, 2014 to discuss Target 2 status and sensitivity cases. The NYISO Interregional Planning Task Force meetings will be scheduled throughout 2014 to provide updates.

9.5 **Other Studies/Activities** – Nothing additional to report.

10.0 Other Items

10.1 **NYISO Operations Report** – Mr. Yeomans provided the NYISO Operations Report for February 2014.

The peak load occurred on Tuesday, February 11, 2014 at 23,487MWs. The Operating Reserve requirement at the time was 1965Mws resulting in a total Operating Capacity of 25,452MWs.

There were no Major Emergencies declared during the month. Alert states were declared on 23 occasions; 18 times for low system frequency. There was 1 TLR Level 3 declared during the month for a total of 7 hours. One NERC/NPCC Reportable DCS event occurred at 08:51 on February 8, 2014. A SAR was initiated for loss of Bowline 1 loaded at 500MWs. The ACE crossed zero and the SAR was terminated at 09:15.

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

11.0 **Visitors' Comments** – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#180	Apr10,2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#181	May 9, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Committee Meeting No.179 was adjourned at 2:15 PM.