

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 187 – November 7, 2014
Albany Country Club, Voorheesville, NY

Members and Alternates

in Attendance:

Curt Dahl	LIPA – Member – Vice Chair
Rich Brophy	New York State Electric & Gas/RG&E – Rep.
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
George Smith, P.E.	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) - Alternate
Scott Leuthauser	Generation Sector – Alternate Member
Frank Pace	Central Hudson Gas & Electric – Alternate
Chris LaRoe	Independent Power Producers of NY – Member - Phone
Arnie Schuff	New York Power Authority – Member
Peter Altenburger	National Grid, USA - Member
Greg Chu	Consolidated Edison Co. of New York, Inc.

Other

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

Visitors- (Open Session)

Phil Fedora	NPCC
Mark Younger	Hudson Valley Economics

“*” Denotes part-time

I. Executive Session – None

II. Open Session

1.0 Introduction – Vice Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No.187 to order at 9:30 a.m. on November 7, 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 – An Executive Session was not held.

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 186 (October 9, 2014) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. No additional comments were offered. Mr. Smith moved for approval of the revised draft minutes. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #187-1**.

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>
183-5	Mr. Gioia indicated “yes” at the October 9, 2014 Executive Committee Meeting.
186-2	Mr. Tarler confirmed the availability of the NYISO for the January 9 and July 10, 2015 Executive Committee meetings at the October 9, 2014 Executive Committee Meeting.
186-4	The Executive Committee provided comments on the RR&C Manual by October 10, 2014.

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 \$184,000 at the end of October 2014 and a projected variance from budget of \$79,000 (surplus) at year-end. \$50,000 of the year-end projected surplus is unused contingency. Further, he noted the receipt of three payments from TOs which completes the 4th Quarter Call-for-Funds.

3.2 2015 Meeting Location – Mr. Tarler confirmed that the January, February and July 2015 Executive Committee meetings will be held at the NYISO.

3.3 Other Organizational Issues – Nothing additional to report.

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

4.1 ICS Chair Report – Ms. Hogan introduced the draft technical study report “New York Control Area Installed Capacity Requirement for May 2015 to April 2016 (a.k.a. the IRM Report). Her intent was to gain Executive Committee approval of the base case IRM and comments on the report. Approval of the entire report will be addressed at the December 5, 2014 Executive Committee meeting.

Ms. Hogan reviewed the Tan 45 curves for NYC and Long Island. The results showed that the required NYCA IRM is 17.3% for the 2015 Capability Year under base case conditions together with corresponding Maximum Local Capacity Requirements (MLCR) of 83.4% and 103.7 % for NYC and Long Island, respectively. She noted that the updated neighboring control area decreased the 2015 IRM vs. 2014 by -1.0% as a result of including 5,600 Mws of PJM Demand Resources (DR) and recognizing 6000 Mws of conventional capacity retired from the PJM system. Mr. Brophy expressed some concern in the way PJM DRs were represented resulting in a PJM LOLE of 0.235. Mr. Adamson pointed out that only about 1/3rd of PJM DRs were included in the model because the remainder appears to more closely coincide with the NYCA definition of EOPs. Neighboring Area EOPs are restricted from use in the model by Policy 5.

However, DRs are in a state of flux until the Appeals Court decision on FERC Order 745 is resolved. Mr. Mager suggested that a more rigorous wind shape model (vs. a single year) should be investigated by ICS. Ms. Hogan concurred, but added that development of a more sophisticated model may not be cost effective – **AI #187-2**.

Mr. Clagett moved approval of the 17.3% base case IRM and associated MLCRs. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee – (11-0-2 abstentions)

Ms. Hogan requested the receipt of comments on the draft IRM Report by November 14, 2014. A relined version of the Final IRM Report will be circulated prior to the December 5, 2014 Executive Committee meeting – **AI #187-3**.

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 October 31, 2014. Two separate meetings were held, each with its own agenda and minutes.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (“PRR”) Change

b. Status of New/Modified Reliability Rules

1. PRRs for EC Final Approval – Mr. Clayton referred to the List of Potential Rule Changes and indicated that PRRs REP 18 through 29 were approved by the Executive Committee to post for Review and Comment on September 17, 2014 and comments were due by November 3, 2014. No comments were received. Therefore, RRS requested final approval by the Executive Committee of the PRRs:

- REP-18: E-R1 Establishing Operating Transfer Limits
- REP-19: E-R2 Post-Contingency Operation
- REP-20: E-R3 Outage Coordination
- REP-21: E-R4 Operation Prior to and During Extreme Weather Conditions
- REP-22: E-R5 Fault Current Assessment
- REP-23: E-R6 Applications of the NYSRC Reliability Rules

- REP-24: E-R7 Exceptions to the NYSRC Reliability Rules
- REP-25: E-R8 Real Time Operations of the NYS Bulk Power System
- REP-26: I-R1 New York City Operations
- REP-27: I-R2 Loss of Gas Supply - New York City
- REP-28: I-R3 Loss of Gas Supply - Long Island, and
- REP-29: I-R4 System Restoration from Eligible Black Start Resources

Mr. Bolbrock moved for final approval of PRRs REP-18 through 29 as a block. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

5.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson reviewed the status list of “NERC Reliability Standard Development” noting several “yes” votes based on input from ConEd, NGrid and NPCC.

5.4 Other RRS Issues – Nothing additional to report.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on October 31, 2014 following the RRS meeting.

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

- (a) A-M3, Certify LSE ICAP obligations are met,
- (b) C-M7, Scope of load data to be reported by MPs,
- (c) G-M2, TO System Restoration Plan requirements, and
- (d) G-M3, Black Start requirements.

Measurement C-M8, NYCA load forecasts was conditionally approved subject to revision of the C-M8 self-certification form. The revision has been completed.

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Reliability Initiatives

7.1 Physical Security – Nothing new to report.

7.2 Defensive Strategies – Mr. Smith reported that there was a meeting held October 15, 2014 on MDMS. EnerNex, NYSEDA, NYISO, and the NYSRC advisors were in attendance. Task 2 was reviewed and the schedule evaluated. The schedule appears to have slipped by about one month, but NYERDA feels the time can be made up. Recurring meetings were set up for every two weeks. During the meeting, Mr. Smith gave a presentation on the “Hybrid” protection scheme which he and Mr. Loehr hope to have included in the study.

The first recurring meeting was held on October 30, 2014. The Group discussed what base case to use. Messrs. Smith and Loehr prefer 2015 to accommodate benchmarking against CSSS results and further advised an initial replication of an actual disturbance like that of 2003. Mr. Loehr noted some concern regarding the load modeling which is being investigated by the NPCC SS-38 Working Group. Messrs. Smith and Loehr further suggested consideration of the loss of one and two substations.

Mr. Smith reported that NERC Standard PRC 026-1 which relates to relays that are likely to trip under stable power swing conditions, was re-posted at the end of October 2014 and the Standards Committee has scheduled a meeting in early December 2014 to address the comments. Balloting and approval is expected by January 1, 2015.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a written summary of NERC’s Risk Based

Registration Initiative, which will be discussed at the November 12, 2014 BOD meeting. Questions should be directed to Dr. Sasson or Mr. Forte.

- 8.2 NPCC Report** – Regarding the BES definition, Mr. Fedora reported that NERC has accepted 87 self determined notifications of exclusions and 277 inclusions from NPCC. This represents about one half of the total accepted by NERC to-date. NPCC has 23 exclusions pending NERC action and 102 inclusions. NPCC has yet to act on 6 exclusion requests and 13 inclusion requests. Exception requests will be the last to be acted upon.

NPCC received a data request from the FERC Office of Electric Reliability concerning follow-up actions identified in the recently issued Polar Vortex Report. Most of the NPCC questions are basic operations oriented (size of coal pile, oil in storage, etc.). Gerry Mosher (NPCC) is working with TFCO on the responses. For the NYISO only, FERC asked, “How are extreme cold weather scenarios being incorporated into the seasonal planning studies and assessments for 2014-15?” NPCC has the CO-12 report, i.e. the “Operational Preseason Winter Reliability Assessment”. NPCC-RCC will approve the Assessment at its December 2, 2014 meeting. Also, at the New York FERC Technical Conference, Emily Nelson (NYISO) covered in her sworn testimony what the NYISO is doing in preparation for the coming winter. NPCC will incorporate her testimony in its response. The draft response needs to be completed for NPCC by November 12, 2014 and will be filed with FERC by November 25, 2014.

NERC has just released its report on the potential reliability implication of EPA’s Section 111(d) of the Clean Air Act. Initially, there will be follow-up work at the NERC level. Once the states decide how to address their Implementation Plans, NPCC will provide technical support to NERC.

The NERC Long-Term Assessment was approved by the Board of Trustees at the end of October 2014.

9.0 State/Federal Energy Activities

- 9.1 CARIS** – NYISO staff continues the development of the 2015 CARIS 1 database. No specific 2014 CARIS 2 project proposals have been submitted as of October 30, 2014. NYISO Staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

- 9.2 Order 1000** – The 2014 Reliability Planning Process Manual was revised and approved by the Operating Committee on September 11, 2014. It may be found on the NYISO web site. Additional revisions have been made to the Manual. The revised Manual is posted on the NYISO web site at “Manuals Under Review.” It will be presented to the Operating Committee for approval on November 13, 2014. The revisions address the viability and sufficiency reviews that are presented as transmission or other other solutions regulated needs.

The new Public Policy Transmission Planning Process Manual is being drafted. The process began on August 1, 2014 with the NYISO issuing a solicitation for transmission needs driven by public policy requirements. Eight responses were received from the solicitation by September 30, 2014 and were provided to the NYPSC for determination of transmission needs, if any, driven by public policy requirements. The eight responses can be found on the NYISO web site at:

http://www.nyiso.com/public/webdocs/markets_operations/services/planning/documents/index.jsp.

The NYISO expects to hear from the NYPSC in the spring of 2015.

- 9.3 2014 RNA** – Proposed solutions for the Reliability Needs found in the 2014 RNA should be submitted to the NYISO by December 1, 2014. Guidelines for submitting solutions may be found in Attachment B of the Reliability Planning Process manual on the NYISO web site. Developers, planning to propose solutions to the 2014 RNA, need to submitted Developer Qualification applications by October 30, 2014. Proposed solutions should be submitted to the NYISO on or before December 1, 2014. Applications received from NYCA TOs and out-of-state companies are being reviewed by the NYISO for completeness prior to a review for approval. The Tariff requires that the NYISO act on the

completeness of an application within 30 days of its receipt.

- 9.4 2014 CRP** - All proposed solutions will be evaluated against the CRP base case, which will originate with the RNA base case and be revised to include all the generation that has returned or plans to return to service. The assumptions for the 2014 CRP base case were presented to ESPWG/TPAS for discussion on October 10, 2014. There are approximately 2000 Mws of generation returning to service, proposing to return to service, or rescinding their intent to mothball, and applicable LTPs are proposed to be included in the 2014 CRP base case. The preliminary results of analyses showing the need year and the compensatory Mws based on the CRP base case were presented to the ESPWG/TPAS on October 23, 2014. Additional presentations will be made at the November 12, 2014 ESPWG meeting. The evaluation of the viability and sufficiency of the proposed solutions begins on December 2, 2014.

9.5 Interregional Transmission Studies

i. EIPC Study – EIPC members created 2018 and 2023 roll-up integration summer peak power flow 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>.

Non-DOE-Grant Scenario Analysis - In 2014, EIPC is performing power flow analyses of two scenarios that were selected with input from stakeholders. The scenarios include an updated base case with firm transmission and generation plans, and the TOTS project. Also, the ability of the system to transfer power among Eastern Interconnection Regions during a heat wave/drought under summer conditions will be assessed. A webinar was held on September 9, 2014 to discuss the most recent results.

The Gas-Electric System Interface Study will be performed by Levitan & Associates. The Study timeline including a baseline assessment of the existing system was completed in draft form on April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in final draft form by November 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by January 30, 2015. A review of dual fuel capability is posted on the EIPC web site. The draft report is scheduled for an April 10, 2015 delivery to stakeholders. A final report is scheduled to be delivered to the DOE on June 12, 2015. The next SSC webinar is scheduled for November 14, 2014 to discuss Target 4 results. The NYISO Interregional Planning Task Force meetings are scheduled on a regular basis to provide updates. The next meeting is scheduled for November 19, 2014.

ii. IPSAC – An IPSAC WebEx meeting is scheduled for December 12, 2014. The agenda will include discussion of system needs, interconnection queue projects and production cost database updates. The NYISO Staff is waiting for the FERC Order on the interregional compliance filing.

- 9.6 Market Initiatives Impacting Reliability** – Mr. Pike (NYISO) provided an update of four Market initiatives that are felt to have significance from a reliability perspective. The SCR Performance Obligations project will revise the performance obligations of Special Case Resources (SCRs) and Energy Limiting Resources (ELRs) that sell into the NYISO's Capacity market. It is proposed to move the performance obligation of SCRs from 4 to 6 hours. Aggregation options are being considered to avoid losing some SCR providers.

The NYISO has deferred the project to 2015. There is concern regarding possible conflicts with the NYSPSC's "Reforming the Energy Vision" (REV) proceeding and uncertainty surrounding the Court of Appeals decision FERC Order 745.

The Behind the Meter: Net Generation project addresses generators whose primary purpose is onsite load, but would like to sell any excess generation into the wholesale electricity markets. The NYISO

initiated discussions with stakeholders in September 2014. Given the number of new MPs in this field, the NYISO has provided basic education on what is required to participate in the NYISO Market. The Comprehensive Shortage/Scarcity/ Fuel Assurance initiative will encourage resource performance during critical operating conditions by identifying improvements in shortage and scarcity pricing. This will increase the financial incentive to perform and maintain price consistency with NYCA neighbors (PJM, NE) to insure that power is not drawn from a neighbor when the neighbor has a reliability need for the power. Expectations are that the project will increase the New York 30 minute control area reserve requirement and make adjustments to the reserve shortage pricing levels.

Detailed market design discussions are continuing with the expectation of receiving stakeholder approval by the end of the year. A recent consumer impact assessment has estimated a cost savings in the range of \$200M in the energy market which is partially off-set by a decrease in the capacity market. It represents a net savings of 3-4%.

The NYISO is undertaking a Forward Capacity Market Evaluation at the request of stakeholders to determine the potential benefits and drawbacks of establishing a forward capacity procurement market structure to improve signals to address fuel assurance, resource performance and stabilize investment incentives. The evaluation is expected to be presented to stakeholders in late January 2015.

9.7 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans discussed “NYISO Operations Report for October 2014.”

The monthly peak load occurred on Wednesday, October 15, 2014 at 21,125Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 23,090Mws. A Major Emergency was declared on October 8, 2014 for the first time in a year. It was due to Moses South flow exceeding the 105% stability limit. The cause was a trip of 260Mws of industrial load north of the interface. The Major Emergency was terminated after 8 minutes.

Alert states were declared on 16 occasions - 4 times for system frequency. There were no TLR Level 3s declared during the month for a total of 0 hours. There is a large amount of utility maintenance going on due to efforts to avoid the summer peak months and January 2015. A NERC/NPCC Reportable DCS Event occurred at 15:16 hours on October 15, 2014. A SAR and RPU were initiated for loss of Bowline 1 loaded at 565Mws. ACE crossed zero and the RPU was terminated at 15:24. The SAR was terminated at 15:30.

PJM believes its peak load set last winter of 144,700Mws exceeded its summer peak of 144,300Mws. PJM is checking its metering as a result of the surprising results. Also, NE is scheduled to have 1200Mws less of non gas fired resources.

Mr. Yeomans will be providing the Executive Committee with two presentations at its December 5, 2014 meeting. One will address the Winter Operating Assessment and the other the status of PMU use – **AI #186-5.**

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>
#188	Dec 5, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#189	Jan 9, 2015	Krey Blvd Cntrl Cntr, Rensselaer, NY	9:30 A.M.

