

Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 188 – December 5, 2014
Albany Country Club, Voorheesville, NY

Members and Alternates

in Attendance:

Mayer Sasson	Consolidated Edison Co. of New York, Inc., Chairman
Curt Dahl	LIPA – Member – Vice Chair
Ray Kinney	New York State Electric & Gas/RG&E – Alternate
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
Jim McCloskey	Central Hudson Gas & Electric – Member
Chris LaRoe	Independent Power Producers of NY – Member
Arnie Schuff	New York Power Authority – Member
Syed Ahmed	National Grid, USA – Rep.

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)*
Rick Gonzales	New York Independent System Operator (NYISO)
Rana Mukerji	New York Independent System Operator (NYISO)*- Phone
Ed Schrom	NYS Department of Public Service
Diane Barney	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
Bob Boyle	New York Power Authority – Phone*
Rich Brophy	New York State Electric & Gas/RG&E

“*” Denotes part-time

- I. **Executive Session** – Dr. Sasson requested an Executive Session on the status of PMUs.
- II. **Open Session**
- 1.0 **Introduction** – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.188 to order at 9:30 a.m. on December 5, 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”** – Mr. Loehr announced the possibility of consulting for Siemens-PTI who has bid on a project for a consortium of utilities in the Western Interconnection called WestConnect. WestConnect is carrying out one of the joint planning efforts to satisfy FERC 1000. The consulting would involve running load flow and stability cases and providing technical advice. The Executive Committee found no potential “conflicts of interest.”
- 1.5 **Executive Session Topics** – An Executive Session was held for Item 7.3, Status of PMU Use.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 187 (November 7, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. No additional comments were offered. Mr. Ellsworth moved for approval of the revised draft minutes. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members or representatives – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #188-1.**
- 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>
183-3	The Tariff containing Black Start changes was submitted on December 4, 2014.
186-5	Mr. Gonzales presented the status of PMUs at the December 5, 2014 Executive Committee meeting (Executive Session).
187-3	The redline of the Final 2015 IRM Report was circulated on December 3, 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 \$153,000 at the end of November 2014 and a projected

variance from budget of \$98,000 (surplus) at year-end. \$50,000 of the year-end projected surplus is unused contingency.

3.2 2015 Cash Flow – Mr. Adamson presented the “2015 Monthly Cash Flow Estimate” which he uses to determine the quarterly Call-For-Funds. Based on the monthly results, Mr. Adamson requested approval of a 1st Quarter Call-For-Funds comprised of Member Fees totaling \$45,000 and a TO assessment of \$20,000 each due by January 1, 2015. Mr. Bolbrock moved for approval of the Call-For-Funds. Mr. Clagett seconded the motion which was unanimously approved by the Executive Committee members and representatives – (13 to 0).

3.3 Other Organizational Issues – Nothing additional to report.

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

4.1,2 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 2015 IRM Report) which was discussed by the Executive Committee at its November 7, 2014 meeting. She focused discussion on the changes to the Report since the last meeting and the modeling of PJM’s Demand Resources (DRs). The base case has not changed from 17.3%.

The changes highlighted included: (a) the parametric impact of the updated neighboring control area model increased by 0.1% while the updated topology declined by the same amount, (b) the Monte Carlo error analysis results were added, and (c) an updated narrative on the shape of the UCAP curve.

Ms. Hogan reminded the Executive Committee that the “Limited” component of PJM’s DRs (approximately 2/3 of 15,500Mws) were not included in the study since they appear to coincide with the NYCA definition of EOPs. Neighboring Area EOPs are restricted from use in the model by Policy 5. However, PJM has indicated it would provide assistance from the “Limited” component if it were available. After further discussion, Mr. Smith moved for approval of the 2015 IRM Report. The motion was seconded by Mr. Dahl and unanimously approved by the Executive Committee members or their representatives – (13 to 0).

4.3 Vote on 2015 -16 IRM – Mr. Gioia summarized the Executive Committee’s IRM voting procedure which may be found in Section 5.2 of Policy 5-6. Prior to the non-binding Straw Poll, each meeting attendee was given an opportunity to express his/her preference regarding the 2015 IRM.

After a full discussion, the non-binding Straw Poll was carried out to establish the starting point for the binding voting. The Straw poll resulted in the largest number of votes for a 17.0% IRM.

Some members requested that their vote for a 17.0% IRM expressed their view that the IRM should remain unchanged given the concerns they had for the uncertainty they believed there is in the treatment of PJM SCRs this year. The follow-up vote to accept or reject the 17.0% IRM, resulted in 9 or more affirmative votes for 17.0%.

Mr. Ellsworth moved for approval of a 17.0% IRM for 2015-16. The motion was seconded by Mr. Clagett and approved by the Executive Committee members or their representatives – (12 to 1).

Mr. Gioia agreed to prepare an informational filing with FERC and to prepare letters to Steve Whitley and the PSC informing them of the Executive Committee’s IRM determination along with a copy of the 2015 IRM Report – **AI #188-2**.

4.4 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 December 2, 2014. Two separate meetings were held, each with its own agenda and minutes. Mr. Clayton noted that there are no entries on the List of Potential Rule Changes. Instead, he presented a table “Candidates for Changes to NYSRC RR&CM Manual” (a.k.a. the Bucket List). The

table is divided into two blocks to delineate Potential Rule Changes from Potential Administrative Changes. Both blocks are prioritized showing “Revise manual to be consistent with NPCC Directory 1 (Tables 1 & 2) revisions” as the highest priority for potential rule changes – **AI #188-3**. If any of the NYSRC’s Rules are less or more stringent, it will need to be reflected in the new RR&CM Manual. For example, Directory 1 (Table 1) includes a contingency event “loss of a single pole of a direct current facility without a fault.” However, this contingency is not included in the RR&CM Manual. The issue for RRS consideration then becomes whether the Manual should or should not include the contingency. Priority #2 is resolution of the facilities list to which the RR&CM Manual applies – **AI #188-4**.

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** – Nothing new to report.
- 2. PRRs for EC Approval to Post** - Nothing new to report.
- 3 PRRs for EC Discussion** - Nothing new to report.

5.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Nothing new to report.

5.4 Other RRS Issues – Mr. Clayton noted that the latest version of the RR&MC Manual was posted on the NYSRC website on December 4, 2014. It will become effective January 1, 2015.

Also, the DEC/NYSRC ad hoc Group held a conference call on December 4, 2014. The discussion focused on the EPA’s new CO₂ Rule. Many entities in NY State have filed comments indicating that the rule is unfairly harsh as it pertains to NYS. The proposed date for the rulemaking is 2016. The ad hoc Group is trying to set up a meeting of the NYS entities and the EPA. The next meeting of the ad hoc Group is in February 2015.

Mr. Clayton indicated that RRS discussed the facilities “Exceptions List”. ConEd felt that the removal of an element could be viewed as administrative and therefore a basis for shortening the “Exceptions List” process per Policy 1 for the removal of facilities. Dr. Sasson presented an example to clarify the ConEd position. After discussion, the Executive Committee decided to maintain the status quo. However, Mr. Clayton reminded the Executive Committee that Policy 1 states, “For a request to remove a current exception, the applicant will not be required to submit a technical assessment.” Dr. Sasson thanked the Executive Committee and indicated that ConEd would follow the process described by Mr. Clayton.

5.5 Other RRS Issues – Mr. Gioia asked whether the Executive Committee wishes to file supporting comments on the NYISO Tariff filed yesterday, December 4, 2014. The filing contains the changes necessary to implement the new NYSRC Rule regarding Black Start requirements. The Executive Committee responded in the affirmative. Mr. Gioia agreed to prepare a draft filing – **AI #188-5**.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on December 4, 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) B-M4, List of NYS Bulk Power system facilities
- (b) I-M5, Con Ed procedures for operating its system per Local Area Rule I-R1, R2 and R4 requirements, and
- (c) I-M6, LIPA procedures for operating its system per Local Area Rule I-R5 requirements.

This completes the 2014 Reliability Compliance Program. RRS is currently in the process of preparing the 2015 Program.

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 face-to face (get acquainted) MDMS meeting yesterday, December 4, 2014. The Study Group reviewed the base case and added clarification to some of the contingencies. Analysis will begin January 2015. At the meeting, Mr. Smith discussed some of the more important results of the CSSS to bring all participants up to speed. He also reviewed the NERC Standard PRC-026-1, Stable Power Swing Relay Response. The Standard is in the midst of its comment period and up for final vote later this month.

Mr. Smith feels the Standard may be slightly too stringent, but will bring important issues up for discussion. Mr. Loehr asked if Mr. Smith thought that the Standard would have a positive impact on reliability. Mr. Smith responded that he thought it would.

Mr. Smith noted that prior to the MDMS meeting, EnerNex distributed a report by PSERC (Power Systems Engineering Research Center) which contains the latest developments on predicting instability. It included three papers based on the work of Liapunov who is well known in the analytical domain for his work in stability analysis of non-linear systems. The PSERC report included a paper titled, “Predictive Transient Stability Monitoring” which may apply to the MDMS analysis. Mr. Smith indicated that he would review the paper in more detail as part of his work on MDMS.

7.3 Status of PMU Use – Mr. Gonzales gave a presentation titled, “NYISO Situational Awareness Using PMUs” in Executive Session.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a written summary of NPCC’s Fall 2014 Compliance and Standards Workshop held on November 19-21, 2014 in Cambridge, MA. Questions should be directed to Dr. Sasson or Mr. Forte.

8.2 NPCC Report – Mr. Fedora reported that the NPCC General Meeting was held in Halifax, Nova Scotia. The RCC approved the NPCC Winter Assessment and the Long Range Adequacy Overview. The latter Report is an independent review of each Area’s ability to achieve its LOLE over the next five years. The Reports are posted on the NPCC website.

NPCC received a report from Northeast Utilities on the loss of the Milestone station on May 25, 2014. Northeast Utilities followed up with a report to NPCC on its lessons learned and recommendations. The Report was reviewed by the NPCC Task Forces. The RCC accepted the recommendations and actions taken. Next, the Report will be presented to the NERC Operating Committee and FERC attendees.

The status of the BES Definition as of November 21, 2014 is 482 self-determined notifications accepted by NERC from NPCC out of a total of 837 acceptances.

NPCC is in the process of reviewing exception requests. Also, NPCC responded to a FERC data request pertaining to the Polar Vortex and cold weather preparedness on November 25, 2014.

The General Meeting was held on December 3, 2014. Speakers addressed: (a) Physical Security, (b) Cyber Security, and (c) The Gas/Electric Coordination Study.

9.0 State/Federal Energy Activities

9.1 CARIS – The 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 November 13, 2014. It may be found on the NYISO web site.

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.

Solicitation of Public Policy solutions and technical analysis may occur in the spring of 2015, as needed.

- 9.3 2014 RNA** – Developer Qualification applications were due by October 30, 2014. Thirteen applications were received from both NYACA TOs and out-of-state companies. The applications have been reviewed by the NYISO for completeness. They are now being reviewed by the NYISO for approval.

- 9.4 2014 CRP** – When including the returned capacity (the ConEd additional 125MW EE/DR, and the updated LTPs) the resource adequacy and transmission security needs identified by the 2014 RNA are fully mitigated. The NYISO announced on November 14, 2014 that the NYISO is no longer requesting or accepting reliability projects for the 2014 planning cycle.

It remains for the NYISO and the stakeholders to (a) properly document the LTPs and returned capacities in the CRP, (b) assess risk factors to those projects/resources, and (c) complete the report.

- 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 November 21, 2014 to discuss the most recent results.

The Gas-Electric System Interface Study is being performed by Levitan & Associates. The Study timeline including a baseline assessment of the existing system was completed on April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system was in final draft form in November 2014. The identification of gas-side contingencies that could impact electric reliability is in draft form and has been shared with the IGA and DOE. 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.

A SSC webinar was held on 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 November 19, 2014 was cancelled.

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. Mukerji (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 NYPSC'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. For example, Fort Drum would like to sell 40Mws in the capacity market. 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 NYISO would like to have the Market rule in place during the 1st Quarter of 2015. 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. Also, the NYISO is creating a new reserve zone in SENY (Long Island, NYC and I\Lower Hudson). Expectations are that the project will increase the New York 30 minute control area reserve requirement from 1.5 times the largest unit to 2.0 times 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 has engaged the Brattle Analysis Group to undertake 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 addressing fuel assurance, resource performance and stabilization of 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 November 2014." The monthly peak load occurred on Tuesday, November 15, 2014 at 22,466Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 24,431Mws. No Major Emergencies were declared.

Alert states were declared on 14 occasions - 6 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 11:27 hours on November 4, 2014. A SAR and RPU were initiated for loss of Chateaugay DC Pole 1 loaded at 500Mws. ACE crossed zero and the RPU was terminated at 1:33. The SAR was terminated at 15:30. At 13:52 on November 15, 2014 a RPU was initiated for the loss of NYPA Astoria Loaded at 500Mws. ACE crossed zero and the RPU was terminated at 14:02.

10.2 Winter Capacity Assessment – Mr. Yeomans summarized the "2014-2015 Winter Capacity Assessment & Winter Preparedness". The assessment included 541Mws net capacity additions and retirements beyond the 2014 Gold Book and excludes 959Mws of forced outages. Consideration was given to two fuel cases (Base and Loss of Gas) and two weather scenarios (Normal and 90/10 cold weather). The Base Case and Loss of Gas Case indicate 5000 – 10,500Mws of capacity depending on the weather assumption.

In preparation for the winter 2014-15, the NYISO has issued the winter preparedness fuel surveys and reviewed the status of oil inventories, and oil replacement and gas transportation arrangements. A communications protocol is in place to improve the speed and efficiency of generator requests to the NYSDEC for emissions waivers, if needed for reliability. Also, minimum oil burn procedures related to NYSRC I-R3 and I-5 are in place as well as improvements to the daily fuel solicitation process, monitoring of gas storage, and communicating how gas balancing during non- OFO time periods can be allowed in reference level developments.

ISO-NE projects a 1,287Mw capacity margin for 50/50 peak load conditions. Tariff modifications have been made to allow capability for increased generator bids in real time, increased reserve shortage pricing and recovery of fuel carrying costs.

PJM projects +50,000Mws of capacity margin for 50/50 load conditions. IESO and HQ are projecting adequate winter capacity margins.

The Transco North Connector and Rockaway Delivery Lateral pipelines are expected to be completed in January 2015. The Constitution pipeline from Pennsylvania to the NY Capitol District is waiting for NYSDEC approvals and a FERC decision. Completion of the pipeline could be the winter of 2015 or 2016. The FERC Office of Enforcement review of high gas prices in the winter of 2013-14 concluded that: "...Having conducted our extensive review, staff found no evidence of widespread or sustained market manipulation in either the gas or electric markets..."

10.3 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>
#189	Jan 9, 2015	Krey Blvd Control Ctr, Rensselaer, NY	9:30 A.M.
#190	Feb 12, 2015	Krey Blvd Control Ctr, Rensselaer, NY	9:30 A.M.