

Revised Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 189 – January 9, 2015
NYISO Krey Control Center, Rensselaer, NY

Members and Alternates

in Attendance:

Mayer Sasson	Consolidated Edison Co. of New York, Inc., Chairman
Curt Dahl, P.E.	LIPA – Member – Vice Chair
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 – Alternate - Phone
Jim McCloskey	Central Hudson Gas & Electric – Member - Phone
Chris LaRoe	Independent Power Producers of NY – Member
Arnie Schuff	New York Power Authority – Member - Phone
Peter Altenburger	National Grid, USA - Member

Other

Paul Gioia, Esq.	Counsel
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)*
Rana Mukerji	New York Independent System Operator (NYISO)*
Ed Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Al Adamson	Treasurer, Consultant*- Phone

Visitors- (Open Session)

Phil Fedora	NPCC
Rich Brophy	New York State Electric & Gas/RG&E – Rep.
Chris Wentlent	Constellation

“*” Denotes part-time

- I. **Executive Session** – None were requested.
- II. **Open Session**
 - 1.0 **Introduction** – Vice Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No.189 to order at 9:35 a.m. on January 9, 2015.
 - 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 at the December 2014 meeting the possibility of consulting for Siemens-PTI who had bid on a project for a consortium of utilities in the Western Interconnection called WestConnect. He indicated that Siemens–PTI had recently lost the bid.
 - 1.5 **Executive Session Topics** – An Executive Session was not requested.
- 2.0 **Meeting Minutes/Action Items**
 - 2.1 **Approval of Minutes for Meeting No. 188 (December 5, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. He noted that Agenda 4.3, IRM Voting, required further consideration by the Executive Committee. Messrs. Gioia and Bolbrock and Dr. Sasson commented on the inclusion in the minutes of the specific number of votes received in selection of the IRM and the reasoning behind a member’s vote for or against a specific IRM. The final minutes will be updated per the direction of the Executive Committee to eliminate the specific number of votes but to retain the reasoning behind various IRM preferences discussed prior to the voting process. Mr. Ellsworth moved for approval of the revised draft minutes. The motion was seconded by Mr. Smith 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 #189-1**.
 - 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>
165-5	The RR&CM was completed January 1, 2015.
181-3	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.
188-2	The letters transmitting the 2015 IRM Report were sent by Mr. Gioia on December 5, 2014 and the information filing to FERC was filed on January 5, 2015 (2015 IRM Report).
188-5	The NYSRC comments on the NYISO Tariff filing (Black Start) were filed on December 23, 2014 by Mr. Gioia.

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 \$242,600 at the end of December 2014. He noted that this includes payments of \$110,000 received in December 2014 toward the 1st Quarter 2015 Call-For-Funds of \$165,000.

Since December 31, 2014, two additional payments of \$25,000 each were received. One \$5,000 payment is delinquent. Excluding the December payments, the end of year cash balance is \$132,600, a variance from budget of \$119,000 (surplus) at year-end. \$50,000 of the year-end surplus is unused contingency.

- ii **2014 Audit** – Mr. Adamson indicated that the same auditing process will be used for 2014 as was used in prior years. Presently, Ms. Campoli is providing the Auditor (Slocum, DeAngelus & Assoc., PC.) with the accounting data, and Mr. Adamson will be providing the 2014 receipts and the bank statements later this month. In about two weeks the Executive Committee members will be receiving a letter from the Auditor requesting a summary of payments made to the NYSRC in 2014. Mr. Adamson requested that the Members expedite their responses to the Auditor – **AI #189-2**.

3.3 Other Organizational Issues

- i. **NYSRC Biennial Report** - The Executive Committee discussed whether a 2013-14 Biennial Report would add value. Messrs. Mager and Dahl spoke to the Report's value in raising the awareness of the NYSRC and, among other things, the value of the Report as a reference. Mr. Adamson asked the Executive Committee members to provide a list of issues and achievements they would like to see in the Report within the next two weeks – **AI #189-3**. Mr. Adamson will then prepare an outline for the February 12, 2015 Executive Committee meeting. Mr. Adamson would like to complete the Biennial Report, as in prior years, in May 2015.

4.0 Capacity Subcommittee (ICS) Status Report/Issue

- 4.1 **ICS Chair Report** – Ms. Hogan reported that ICS held a conference call on January 6, 2015. ICS discussed the inventory of issues from 2014 that will need to be addressed in 2015. The major item discussed was the PJM DRs. ICS decided that the investigation of this issue would begin with a review of whether or not to use of neighboring system EOPs, which are not currently permitted by Policy 5, should be permitted in future IRM Studies. ICS members will bring their comments on: (a) the effort required, (b) the schedule and (c) milestones for the inventory items to the February 4, 2015 ICS meeting in preparation for development of a work plan. Executive Committee approval of the work plan will be sought at its February 12, 2015 meeting. This upfront organizational work is necessary since the 2016-17 IRM base case assumptions will need to be approved at the July 10, 2015 Executive Committee meeting – **AI #189-4**.

- 4.2 **Other ICS Issues** – Mr. Gioia noted that comments were filed with FERC on the NYISO's proposed Black Start Tariff as well as a response to IPPNY's comments. Also, the informational filing with FERC on the IRM decision including a copy of the Report was filed and the transmittal letter containing the IRM Report was sent to the NYPSC and Mr. Whitley.

5.0 Reliability Rules Subcommittee Status Report/Issues

- 5.1 **RRS Status Report & Discussion Issues** – In Mr. Clayton's absence, Mr. Adamson reported that a joint RRS/RCMS conference call was held on January 6, 2015. Two separate meetings were held, each with its own agenda and minutes. There were no entries on the List of Potential Rule Changes. Instead, he presented an updated 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, and RRS decided to start work on all priority 1 items. Even though the NPCC Directory 1 will not be completed for several months, RRS decided to tentatively start work on the “Transmission Planning B-R1 and B-R2” Rules. It is tentatively planned that the B-R1 revision will include Table 1 of NPCC Directory 1 which specifies performance and contingency event requirements for transmission planning. The B-R1 revision would also include NYSRC transmission planning rules that are more stringent than NPCC requirements.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (“PRR”) Change - None

5.3 Proposed NYSRC Reliability Rule Revisions

a. 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.

5.4 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson indicated that the NYSRC voted “yes” on PRC-001,019, and 024, Standards Applicability for Dispersed Generation. Preferences on voting are regularly received from NGrid and ConEd. These preferences together with the NPCC recommendation are taken into consideration in developing the NYSRC position. Mr. Adamson encouraged additional input from the other Executive Committee members.

5.5 Other RRS Issues –

i. RR&C Manual – Mr. Adamson noted that the Manual was completed prior to January 1, 2015. Chairman Sasson, speaking for the Executive Committee, commended RRS for an extraordinary effort in completing the transition of the NYSRC Reliability Rules and Compliance Monitoring Manuals to a single manual that is now consistent with the NERC Standards and NPCC Directories. Dr. Sasson noted that the RR&C Manual was approved by the Executive Committee by virtue of its approval of PRRs for each rule section during the development process over the last year. Therefore, the content of the RR&C Manual can be posted immediately. Dr. Sasson and Messrs. Adamson and Clayton will complete the cover within the next week – **AI #189-5**.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Adamson reported that RCMS held a conference call on January 6, 2015 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 Measurement: K-M2d, Monthly Operations Reports for November and December 2014. This completes the 2014 Reliability Compliance Program. RRS is drafting a Highlights Report on the 2014 Reliability Compliance program summarizing the assessments. It is planned to present the Report to the Executive Committee at its February 12, 2015 – **AI #189-5**. Dr. Sasson thanked RCMS and commended the NYISO for its efforts in attaining full compliance for all 2014 assessments without any compliance documentation delays. RCMS has completed the 2015 Compliance Program, and the NYISO is now reviewing the due dates of the documents supporting compliance of each Requirement in the Program. The 2015 Program will be presented for approval by the Executive Committee at its February 12, 2015 meeting.

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 EnerNex will begin the MDMS technical analysis soon. He noted a call from Dejan Sobajik indicating that he, as requested by Rick Gonzales, will be participating on behalf of the NYISO in the study. Mr. Sobajik has considerable experience in state estimation theory and PMU technologies and participated on the CSSS.

Also, at the last MDMS, face-to-face meeting, Mike Razanouski of NYSERDA indicated that similar work was being done by Georgia Tech. Mr. Smith spoke with Sakis Meliopoulos who is author of Section 3 of the PSERC report Real-time PMU-based Stability Monitoring and member of the PSERC (Power System Engineering Research Center) representing Georgia Tech. He offered a related paper to Mr. Smith for review which includes his work on Dynamic State Estimation and Out-Of-Step System Protection which is one of the concepts being addressed by MDMS. Some of the concepts associated with Dynamic State Estimation may be applicable to the MDMS. Also, Mr. Meliopoulos is doing work for NYPA on System Protection associated with the Gilboa facility. Mr. Smith will contact Mr. Schuff for more information.

The MDMS working group continues to meet every two weeks via conference calls for updates and face-to-face as required.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a written summary of NPCC’s Event Analysis Program. Questions should be directed to Dr. Sasson or Mr. Forte.

8.2 NPCC Report – Mr. Fedora reported that most of the entities Self Determined Notifications (facilities that would now either fall or not fall under the new BES definition) have been submitted and processed. NPCC is now addressing Exception Requests. These are elements that would fall under the new BES definition, but the submitting entity feels there is evidence it could supply supporting an exception. Also, elements could be included if the entity is so inclined. The Regions review the exceptions to verify that the required information is provided. Next, the request moves into the substantive review phase that has prescribed time frames for the Regions to make a recommendation to NERC to either accept or reject the request. The Regions will reach out to “Scope of Responsibilities Entities” (TOs, RCs, TOPs, ISOs) to engage in further discussion of an exception request. If NPCC recommends rejection of an Exception Request to NERC, it must be accompanied by three affidavits from knowledgeable subject experts with no conflicts of interest. Each Region has its own “Technical Review Panel” to provide affidavits as required. NPCC is dealing with elements in the US only.

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 were submitted as of December 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 at “Planning Manuals”. 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 analyses may occur in the spring of 2015, as needed.

9.3 2014 RNA – Requests for Developer Qualification applications were received from both NYCA TOs and out-of-state companies. The applications have been reviewed by the NYISO for completeness. They are now being evaluated by the NYISO for approval.

9.4 2014 CRP – 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 to re-assess system reliability, consider risk factors, and 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 final report is posted 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 are: (a) an updated base case with firm transmission and generation plans, and the TOTS projects and (b) the ability of the system to transfer power among Eastern Interconnection Regions during a heat wave/drought under summer conditions. A draft study report was posted on December 30, 2014 at:

<http://epiconline.com/Non-Doe Documents.html>.

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 a May 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 Dual Fuel capability results. The NYISO Interregional Planning Task Force meetings are scheduled as needed in 2015.

ii. IPSAC – An IPSAC WebEx meeting was held on December 12, 2014. The agenda included 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 filings.

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 is continuing its evaluation of comments received from stakeholders to determine what, if any changes are necessary. The NYISO has received requests from a number of stakeholders to slow the initiative until the implications of the NYPSC's "Reforming the Energy Vision" (REV) proceeding and the uncertainty surrounding the Court of Appeals decision FERC Order 745 are better understood.

Therefore, the initiative to change the performance obligation of SCRs from 4 to 6 hours is on hold.

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 20Mws in the capacity market. Another is the Rochester Kodak Industrial Park which has 200Mws of generation and would like to sell its excess. NYISO has initiated discussions to determine how they can earmark a certain amount of capacity and energy to fall under the NYISO's energy and capacity market rules. Also, the NYISO Marketing staff is working with the Planners to determine ways to model the new rules. The NYISO would like to have the Tariff approval by the end of June 2015 and implementation completed in twelve months. The Comprehensive Shortage/Scarcity/ Fuel Assurance initiative encourages 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. The NYISO stakeholders approved the enhanced Shortage/Scarcity pricing Tariff changes at the December Management Committee meeting. 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. Also, the NYISO is creating a new reserve zone in SENY (Long Island, NYC and the Lower Hudson). Detailed market design discussions are continuing with the expectation of receiving stakeholder approval by the end of the year.

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 December 2014.” The monthly peak load occurred on Monday, December 8, 2014 at 23,095Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 25,060Mws. A Major Emergency was declared on December 4, 2015 at 11:00 due to Moses South flow exceeding 105% as a result of a trip of Massena-Marcy MSU-1. The Emergency was terminated at 11:07.

Alert states were declared on 14 occasions - 4 times for system frequency. There were no TLR Level 3s declared during the month. A NERC/NPCC Reportable DCS Event occurred at 11:00 hours on December 4, 2014. A SAR and RPU were initiated for loss of Chateaugay-Massena 7040 loaded at 1100Mws. ACE crossed zero and the RPU was terminated at 1:07. The SAR was terminated at 11:30.

Also, Mr. Yeomans reported that on December 4, 2014 Hydro Quebec (HQ) experienced two simultaneous 735kv outages resulting 500Mws of load shedding in Montreal and a 3100Mws cut in exports to NY, NE and Ontario over the hour following the interruption. As HQ's load grew in the late afternoon, HQ imported 600Mws over the NY 765kV tie and another 150Mws through Chateaugay. New England sent an additional 1200Mws north. Both circuits were reclosed the next day after no causes were found. The circuits stayed in.

10.2 North American Energy Standard Board (NAESB) – Mr. Ellsworth reported that the annual NAESB Board meeting was held on December 11, 2014. There used to be four quadrants; two wholesale and two retail. NAESB has consolidated the two retail quadrants into a single quadrant.. The registry that was run by NERC has been officially taken over by NAESB. In order to administer the registry, the price to participate in the registry was raised from \$150 to \$200 per registrant. There will be no

increase in 2015 membership dues.

FERC has accepted five Business Practice Standards that NAESB was required to file for: (a) Business acronyms, abbreviations, and definition of terms, (b) Open access Same Time Information Systems (OASIS), (c) Communication protocols, (d) Data Dictionary Practices, and (e) Coordinate Interchange.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#190	Feb 12, 2015	Conference Call	9:30 A.M.
#191	Mar 13, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Executive Committee meeting was adjourned at 12:05 PM.