

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 192 – April 10, 2015**  
**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
George Smith, P.E	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Chris LaRoe	Independent Power Producers of NY. – Member
Jim McCloskey	Central Hudson Gas & Electric – Member – Phone*
Peter Altenburger	National Grid, USA – Member
Ray Kinney	New York State Electric & Gas/RG&E – Member - Phone
Arnie Schuff	New York Power Authority – Member – Phone
Mike Mager	Couch White (Large Customer Sector) – Member
Scott Leuthauser	Generation Sector – Alternate Member

**Other**

Paul Gioia, Esq.	Counsel
Greg Campoli	New York Independent System Operator (NYISO)
Henry Chao	New York Independent System Operator (NYISO)
Howard Tarler	New York Independent System Operator (NYISO)
Nicole Bouchez	New York Independent System Operator (NYISO)* - Phone
Ed Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Al Adamson	Treasurer, Consultant - Phone
Erin Hogan, PE	Department of State – ICS Chair – Phone*
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair

**Visitors- (Open Session)**

Phil Fedora	NPCC
Rich Brophy	New York State Electric & Gas/RG&E - Phone
Mark Younger	Hudson Valley Economics
Chris Wentlent	Exelon – Phone
Kelly Joseph	NRG
Liam Baker	U.S. Power Generation*
Diane Barney	NYS Department of Public Service*

“\*” Denotes part-time

I. **Executive Session** – None was requested.

II. **Open Session**

1.0 **Introduction** – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.192 to order at 9:35 a.m. on April 10, 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 were requested.

1.4 **Declarations of “Conflict of Interest”** – None.

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. 191 (March 13, 2015)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. There were no additional comments. Mr. Loehr moved for approval of the revised draft minutes. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee members in attendance – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #192-1**.

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>
183-6	Mr. Clayton noted that the Action Item is on hold pending approval of NPCC Directory 1.
190-8	Mr. Gioia indicated that the D&O Policy was bound on April 6, 2015.
190-9	Mr. Gioia confirmed that the Selection of certain members of the Executive Committee was posted on the NYISO website.

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 \$182,000 at the end of March 2015. He noted that two TOs have not yet responded to the 2<sup>nd</sup> Quarter 2015 Call-For-Funds of \$25,000 per TO due by April 1, 2015.

3.2 **Other Organizational Issues**

i. **Renewal of the D&O Policy** – Mr. Gioia reported that the D&O Policy was bound on April 6, 2015.

ii. **Selection of Non-TO Affiliated Members** – Mr. Gioia reported that the notice for the selection of non-TO affiliated members for the next two years has been posted pursuant to procedures adopted by the

NYISO for the Wholesale Suppliers, Municipals and Cooperatives, and Large Customer Sectors The current terms expire on July 31, 2015.

Also, Mr. Gioia will canvas (a) the unaffiliated members to see if they are willing to serve another term and (b) the Executive Committee regarding nominations for Chair and Vice Chair of the Executive Committee. It is intended to complete the selection process at the June 12, 2015 Executive Committee meeting – **AI #192-2**.

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

**4.1 ICS Chair Report** – Ms. Hogan indicated that the April 1, 2015 ICS meeting focused on the draft white paper, Outside World EOPs/PJM Modeling, recommendations. The draft white paper proposes a layering process to bring the PJM LOLE down to .1 days/year. The layering sequence proposed is: (a) model the entire PJM service area (versus only the mid-Atlantic area) including all generation and internal transmission constraints, (b) allow emergency assistance from PJM’s western and southern areas, and (c) utilize the extended and annual Demand Response. The layering process will terminate once PJM falls to an LOLE = .1 days/year. ICS will be reviewing modeling runs by the NYISO over the next month. The runs will be done in sequence to capture the effect of each incremental layer. ICS will discuss the results at its April 28, 2015 meeting to determine if it is appropriate to use this layering procedure for the 2016-17 IRM base case.

**4.2 ICS Work Scope** – Ms. Hogan introduced a reformulated Installed Capacity Subcommittee (ICS) Work Scope. She characterized the changes as primarily adding specificity and maintaining consistency with Policy 5. Dr. Sasson and Mr. Gioia offered changes to the Responsibility and Approval Sections, respectively. The Work Scope will be modified to capture the changes and returned to the Executive Committee for approval at its May 8, 2015 meeting – **AI #192-3**.

#### **4.3 Other ICS Issues**

- i. **Review of EISPC Report** – Mr. Adamson reported that his white paper titled, “The Economic Ramifications of Resource Adequacy” is unchanged with the exception of an additional final Section, “Best Practices” Conclusions suggested by Ms. Hogan. The primary point is that the EISPC/NARUC Report prepared by Astrape Consulting does not take any issue with NYSRC’s IRM study process. Also, he noted that NPCC does annual peer reviews of the NYCA resource adequacy studies to ensure they are in compliance with NPCC procedures, requirements, and criteria. Lastly, Mr. Adamson indicated that ICS has had a process in place for many years for reviewing and improving IRM study models.

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

**5.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that a joint RRS/RCMS conference call was held on April 2, 2015. Two separate meetings were held, each with its own agenda and minutes. He highlighted several items from the table of “Candidates for Changes to NYSRC RR&CM Manual” (a.k.a. the Bucket List):

- (a) B-R1 & B-R2 (Transmission Planning) – RRS has two PRRs under review to revise B-R1 and B-R2 to be consistent with NPCC Directory 1. RRS is aware that Directory 1 is still under consideration and will not be posted for the third time until summer 2015 and adopted sometime thereafter. An agreement on whether the contingencies apply to the BPS facilities alone or to other non-BPS facilities which may affect the BPS facilities has yet to be reached. New York supports the latter view.
- (b) C-R1 (Operating Transfer Capabilities) – The status is the same as (a).
- (c) B-R3 List of BPS Facilities – Mr. Clayton advised RRS of the Executive Committee directive that in developing a new definition for the NYS BPS, the starting point should be the NPCC

performance based A-10 criterion with the addition of any more stringent criteria that is deemed appropriate for New York State. After discussion, RRS members were asked to review the potential changes to the facilities selection criteria and be prepared to provide specific proposals at the April 30, 2015 RRS meeting.

- (d) Rule Numbering and Table 1, Section A – The NYISO has made two proposals to change the nomenclature of the rules. RRS is reviewing the proposals and the NYISO has agreed to provide more information.
- (e) Section Introductions – Mr. Adamson reviewed all of the Section Introductions to see if there were items that should be part of the rule. Only one was found, the N-1-1 requirement which is included in PRR #120.
- (f) Policies 1 & 4 – A draft Policy 1 revision is on today’s agenda for Executive Committee review. RRS plans to bring Policy 1 to the Executive Committee for approval at its May 8, 2015 meeting.
- (g) Self and Market Participant Certification Forms – Completed.
- (h) PRR Template Form – Completed.

## 5.2 Status of New/Revised Reliability Rules

### i. Proposed NYSRC Reliability Rules Revision

- a. **List of Potential Reliability Rules (“PRR”) Change** – Mr. Clayton introduced the List of Potential Reliability Rule Changes. He noted PRRs #120, #121, #122, #123, and #124 which will revise B-R1, and B-R2, and C-R1 of the RR&C Manual as stated under Sections 5.1(a) and (b) and proposes to relabel Rules and Section A Titles as stated under Section 5.1(d).

## 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** – PRR #127, C-R1, Establish Operating Transfer Limits is a new request from ConEd to change remedial actions under certain operating conditions. Mr. Clayton indicated that under the current Operating rules ten minute operating reserve can be used for generation outages but not for transmission outages. The RRS TO members were asked to prepare comments for its April 30, 2015 meeting.

## 5.4 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Mr. Adamson indicated that the NYSRC voted “no” on BAL-002-2, Balancing Authority Reliability Based Controls & Reserves. He is planning to vote “yes” on PRC-004-5,-010-2, Phase 2 of Undervoltage Load Shedding & Misoperations and CIP-014-2, Physical Security.

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. **Draft RRC Manual** - Mr. Clayton indicated that the draft Manual is the first revision to the new re-formatted Manual and addresses “errata” and a glossary change only. He reviewed each correction for the Executive Committee’s benefit and requested Executive Committee approval. Mr. Gioia expressed concern that “errata” to one person may be substantive to another. The Executive Committee concurred and asked Messrs. Clayton and Adamson to propose the disposition of the “errata” changes in such a way that the public is notified and given an opportunity to comment – **AI #192-4**.
- ii. **Draft Policy 1** – Mr. Clayton indicated that input has been received on the proposed Policy 1 changes from Mr. Gioia, ConEd and the RRS members. RRS is now requesting Executive

Committee review and comments by April 23, 2015.

- iii. **ConEd Exceptions Request** – Mr. Clayton introduced ConEd’s request for the modification of three exceptions to the NYSRC Reliability Rules:
- (a) Exception #21 – The NYSRC Reliability Rules exceptions list contains certain ConEd feeders that have their STE rate limited by either disconnect switches or wave traps. The list needs to be updated per the “Exceptions to Reliability Rules” document revised by ConEd.
  - (b) Exceptions #7 and #17 – Mr. Clayton pointed out that these Exceptions to the RRC Manual currently apply only to Operations, but should also apply to Planning. It is proposed to change the column entry under the NYSRC Reliability Rule heading of the “Exceptions to Reliability Rules” document linking the exceptions to the Reliability Rules to show both B-R1 and C-R1.

RRS has reviewed ConEd’s request and found it to be complete. The NYISO agreed to provide its comments prior to the April 30, 2015 RRS meeting – **AI #192-5**.

- iv. **Should the NYSRC Comment on HR 1558** – Mr. Loehr brought to the attention of the Executive Committee that several members of Congress introduced legislation in the House and Senate that would shield generators from lawsuits if they break environmental regulations while operating under a U.S. Department of Energy order meant to address a grid reliability emergency. The proposed bills would change the Federal Power Act to ensure that compliance with a DOE Section 202(c) emergency order may not be considered a violation of any federal, state or local environmental law or regulation.

The NYISO has made public its favorable view of operational exceptions that allow generators to go to maximum output without being in violation of its air emission permits, in an emergency state to avoid shedding load. Mr. Patka indicated that the NYISO as a rule does not advocate in favor or in opposition to legislation. Mr. Loehr expressed the opinion that the NYSRC, being the only independent reliability organization and having the requisite skills, should be on record supporting the theme of the legislation. Others were concerned regarding lobbying issues, and supporting a bill that will likely change. After further discussion, it was agreed that Mr. Gioia would review options for the NYSRC to publicly express its view. Mr. Ellsworth will look into NARUC’s approach to the lobbying issue and Mr. Clayton agreed to discuss the legislation with NYSDEC - **AI #192-6**.

- v. **Proposed New NYC Local Rule on Gas Generation** – Dr. Sasson provided a presentation titled, Reliability Performance for Gas Generation in New York City. He indicated that in November 2015, FERC requested all ISO/RTOs to report on their programs to assure that generators timely procure sufficient fuel to meet their obligations. The NYISO submitted its report to FERC on February 18, 2015. On March 21, 2015, the NYTOs submitted comments in support of the NYISO. The NYISO reported that sufficient capacity is purchased to meet IRM/LCR requirements, but that it remains critical that the generators are able to perform in the winter because of potential fuel shortages. This is especially critical in NYC which is nearly 95% gas-fired. Other winter concerns are: (a) Generator de-rates due to the inability to procure sufficient fuel, (b) Equipment failures and (c) Non delivery of imports contracted in the day-ahead market. Accordingly, the NYISO is pursuing enhancements to the energy, ancillary services and capacity markets and in fuel reporting.

The NYTOs filings suggested that perhaps consideration should be given to rules such as: (a) All new generators interconnected in NYC have dual-fuel and automatic fuel switching capability, (b) Periodic testing requirements for dual-fuel units to raise the likelihood that fuel switching would perform successfully and (c) A requirement that dual-fuel generators have arrangements to obtain a

certain amount of back-up fuel prior to the winter season.

Therefore, ConEd recommended that the Executive Committee instruct the RRS to look into a PRR that addresses the critical issues facing New York City as noted in the NYTOs filings. The NYISO would work with stakeholders to implement the NYSRC rule in its tariff and submit the tariff changes to FERC for its approval. Also the NYSRC should continue to emphasize the need for exemptions or safety valves under certain operating conditions to prevent a loss of load. Mr. LaRoe indicated that he was not opposed to RRS looking into the situation, but he was opposed to pre-determining that there is a problem and that ConEd's solutions are appropriate.

After further discussion, Mr. Loehr moved that RRS be asked to determine whether: (a) all new gas units in NYC should have dual-fuel capability with automatic switching, (b) same as (a) except for all new gas units in NYS, (c) periodic testing of automatic fuel switching should be required for all new and existing dual-fuel units and (d) arrangements to obtain sufficient fuel back-up prior to the winter and peak months. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee – (11 to 0, 2 abstentions).

- vi. **NYSRC Website** – Mr. Clayton reported that the website graphics were not appearing for a short period in early April 2015. He contacted Ms. Gazone who originally set-up the website, and she corrected the problem in a couple of hours at no cost. On a separate matter, Ms. Garzone submitted an invoice of \$600.00 for previous website maintenance which is below her \$750.00 original estimate. Mr. Clayton spoke with Dr. Sasson, and it was agreed to pay her a \$150.00 bonus. Also, Mr. Clayton will talk to Ms. Garzone about being a back-up when Ms. Lynch is not available – **AI #192-7.**
- vii. **DEC Meeting** - Mr. Clayton noted that the Water Division of DEC is recommending that due to Indian Point's impact on fish, the plant should shut-down during the summer. The shutdown would start in the summer 2017.

## 6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 **RCMS Status Report & Discussion Issues** – Mr. Clayton reported that RCMS met on April 2, 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 Measurements:

- (a) A-R1, Establish Locational Capacity Requirements,
- (b) B-R1, Transmission System Planning performance Requirements,
- (c) B-R2, Transmission System Planning Assessment,
- (d) C-R8, Real-time Operations of the NYS BPS, and
- (e) G-R4, Requirements for Identifying Eligible Black Start Resources.

RCMS provided comments on the documentation which the NYISO agreed to include.

## 7.0 Reliability Initiatives

7.1 **Defensive Strategies** – Mr. Smith reported that work continues on the Major Disturbance Mitigation Strategies (MDMS) Phase 3, Algorithm Development. Phase 3 addresses how to process PMU information in order to detect impending instability on the system. The Working Group is exploring the use of dynamic state estimation in the process to better understand how the PMUs are interacting with the system. Also, the Working Group is examining different types of estimation filters or techniques to use with dynamic state estimation.

Face-to face meetings are currently on-hold due to PSS/E licensing issues. Unfortunately, EnerNex has

an on-site license which prevents loading the software onto a laptop and doing “what if” analyses at other than their own location. Another issue has to do with administration of the contract in the absence of budgeted travel expenses. Mr. Smith is looking into alternatives i.e., WebEx or others to improve information exchange.

## **8.0 State/NPCC/Federal Energy Activities**

**8.1 NPCC Board of Directors (BODs)** – Mr. Forte provided a summary of the draft “NPCC Prioritized Reliability Issue List” discussed at the Board of Directors meeting on March 25, 2015. The draft list was synthesized from the February 3, 2015 NPCC Board Strategy Session. The two areas focused on are: (a) Cyber and Physical Risks and (b) Resource Adequacy. Questions should be directed to Dr. Sasson or Mr. Forte.

**8.2 NPCC Report** – Mr. Fedora reported that the NPCC Board of Directors will meet on April 29, 2015. He will be presenting the 2015 Summer Reliability Assessment. It is currently under review for approval by the Task Forces on Coordination of Planning and Coordination of Operations. The Assessment includes a probabilistic Multi Area Reliability Assessment and a more traditional peak week exposure assessment for the summer period. The assessments are expected to be approved no later than April 17, 2015 and they will be presented to the Board on April 29, 2015. There will be a “Media Event” on April 30, 2015 from 11:00AM to 11:30AM where the results are presented to the media and questions are taken. Mr. Fedora agreed to present the results at the May 8, 2015 Executive Committee meeting - **AI #192-8.**

NERC is in the process of preparing its North America wide outlook.

**8.3 State Resource Planning Analysis** – Ms. Barney (NYSDPS) gave a presentation focusing on “Facing the Brave New World of Planning”. She emphasized that “business as usual” no longer applies. For example, EPA’s Clean Power Plan (CPP) is radically shifting resources on the system toward Renewables and Demand Resources at levels not thought about before. Also, New York State (NYS) policy has a long standing policy goal of 80% reduction in CO<sub>2</sub> by 2050. NYS is likely to lose its coal fleet and half its nuclear fleet as a result.

The PSC is pursuing the Reforming the Energy Vision (REV). The goal is to deploy Distributed Energy Resources (DER), and Smart and Micro Grids to capitalize on the benefits of DER and advanced load management technology. Later this year, the PSC will be engaged in developing implementation strategies for the Clean Power Plan and the REV policy. All of these initiatives will lead to system conditions not seen before, i.e. raising voltage, dump energy, load volatility, power quality issues and radical changes in system flows.

Development of the Clean Power Plan SIP will start later this year. However, Ms. Barney emphasized that planning for the system changes needs to start now. The goal is to focus on the New York system to determine what can be done to implement the policies. There is a need to know the performance boundaries under which the system can be operated and still ensure reliability. Armed with this information, the tools that will be needed to formulate strategies for CCP and REV can be identified. Cases will be developed to test SIPs and provide feedback before they go too far into development. Once the implementation plans are developed, the foundation will exist to formulate what changes need to take place to accommodate operations.

While this is a State study formulated by the DPS, NYSERDA and DEC, the TOs and NYISO will be providing assistance. The years, 2024 and 2030 will be studied for three scenarios: (a) Business as usual without CPP and State goals, (b) EPA Clean Power Plan and (c) REV Implementation to meet system needs with local resources before calling on statewide resources. The scope of the study is under development and consultants will be on board shortly. The CPP final rule is expected this summer. Therefore, the initial focus will be on the “Business As Usual” scenario.

## **9.0 State/Federal Energy Activities**

**9.1 CARIS** – The NYISO staff continues the 2015 CARIS 1 database development effort. On March 20, 2015 an initial presentation was given to the ESPWG on CARIS modeling assumptions on the proposed updates to the NYISO’s fuel forecasting methodology. The NYISO presented its benchmarking efforts for the 2015 CARIS and led a discussion on additional metrics and scenarios at the April 7, 2015 ESPWG meeting. The material is being prepared to update the Gold Book so that CARIS will have the latest 2015 Gold Book information.

No specific 2014 CARIS 2 project proposals were submitted as of April 7, 2015. NYISO staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

**9.2 Order 1000** – The new Public Policy Transmission Planning Process Manual is being reviewed by the stakeholders. The NYISO is answering questions and incorporating suggestions from stakeholders into the Manual.

On August 1, 2014, the NYISO issued a solicitation for transmission needs driven by public policy requirements. Eight responses were received and were provided to the NYPSC for its determination of transmission needs, if any. 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](http://www.nyiso.com/public/webdocs/markets_operations/services/planning/documents/index.jsp).

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

**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 and are now being evaluated 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. The initial draft of the 2014 CRP was reviewed and discussed at the March 3, 2015 ESPWG/TPAS meeting. It was revised for further discussion at the March 20, 2015 ESPWG/TPAS meeting. Sufficient comments have been received to complete the report and deliver it to the Operating Committee in April or May 2015.

## **9.5 Interregional Transmission Studies**

**i. EIPC Study** – For 2015, EIPC members will create roll-up integration for summer and winter peak power flow cases of the Eastern Interconnection representing the year 2025. The gap analysis and linear transfer analysis will be performed and compiled in a Roll-up Model Report. In late 2015, EIPC will seek stakeholder feedback on potential scenarios of interest for analysis in 2016.

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 completed on March 10, 2015. The identification of gas-side contingencies that could impact electric reliability was completed on March 27, 2015. A review of dual fuel capability was completed on December 1, 2014.

The draft report is scheduled for delivery to stakeholders in May 2015. A final report is scheduled to be delivered to DOE in June 2015.

A SSC webinar was held on March 3, 2015 to discuss Target 3 results. Stakeholders’ meetings will be held in May 2015 to discuss the entire report.

The NYISO Interregional Planning Task Force meetings will be 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 a FERC Order on the interregional compliance filings.

**9.6 Other Studies/Activities** – None

**10.0 Market Initiatives Impacting Reliability** – Ms. Bouchez (NYISO) provided an update of five 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 action on FERC Order 745 are better understood. The Order has been taken to the Supreme Court, which will consider in April 2015 whether it will hear an appeal later this year. Therefore, the initiative to change the performance obligation of SCRs 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. NYISO is having on-going stakeholder discussions to fully develop the market design and establish the rules for participation in the energy and capacity markets.

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 2014 Management Committee meeting. The NYISO is working toward implementation in November 2015. The NYISO has engaged the stakeholders in a review of the market design improvements to scarcity pricing. The NYISO initiated review of a fuel-constrained bidding feature to evaluate interest in further developing the concept. On-going discussions are occurring with stakeholders to refine improved fuel and performance incentives with the objective of seeking stakeholder approval by the end of the year.

The NYISO is performing an evaluation of the potential benefits and drawbacks of establishing a Forward Capacity Procurement Market structure to improve market signals to address fuel assurance, improve resource performance and stabilize investment incentives. The NYISO engaged the Analysis Group to perform the assessment of the value of transitioning the capacity market from a spot market structure to a forward market structure. The Analysis Group has completed its evaluation and concluded that the benefits are not sufficient to warrant a change at this time. The results have been presented to stakeholders. The NYS Public Service Commission (PSC) initiated the Proceeding on Reforming the Energy Vision (REV) with the goal of aligning electric utility practices and the regulatory paradigm with technological advances in information management, power generation, and distribution. The NYISO is actively participating in the PSC’s proceeding, directly supporting the working groups formed under Track One to facilitate conceptual discussions of REV market design, system architecture, and potential interactions between retail activities and wholesale markets. Currently, two working groups have been formed from among the parties to the proceeding to further develop these concepts.

## **11.0 Other Items**

**11.1 NYISO Operations Report** – Mr. Campoli discussed “NYISO Operations Report for March 2015”. The monthly peak load occurred on Thursday, March 5, 2015 at 23,122Mws. The Operating

Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 25,087Mws. No Major Emergencies were declared. Alert states were declared on 28 occasions - 19 times for declaration of emergency transfers. There was one TLR Level 3 declared during the month for a total of 5 hours. Reserve activations occurred nine times. No emergency action was taken. However, SCR tests were conducted on March 3, 2015 across multiple zones. There were no NERC/NPCC Reportable DCS Events.

Mr. Campoli addressed questions raised about an event (Washington, DC) that occurred within PJM early in the week of April 12, 2015. PJM called for simultaneous activation of reserves as a result of the loss of the Calvert Cliffs nuclear plant (~2000Mws). The NYISO worked with PJM to restore frequency and ACE on the system. Apparently, multiple faults resulted in a low voltage swing throughout the Washington area. This caused UPS capable systems to disconnect from the system on the low voltage swing and then picking up load.

- 11.2 North American Energy Standard Board (NAESB)** – Mr. Ellsworth reported that the NAESB Board met on April 9, 2015 in Houston, TX. There is a new White House Interagency Quadrennial Review that NAESB may be called upon to participate in. Also, the new DOE Report on Natural Gas Infrastructure may result in recommendations for business practice standards. NAESB is currently not involved in the Micro Grid discussions at various levels of jurisdiction until it determines whether there is a place (and with whom) for NAESB to contribute. NAESB is participating in the Smart Grid, Net Metering, Cyber Security, and the Industry Register discussions.

- 12.0 Visitors' Comments** – None

- 13.0 Meeting Schedule**

**Mtg.**

<u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
193	May 8, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.
194	June 12, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Executive Committee Meeting #192 adjourned at 2:45PM.