

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 71 – March 11, 2005**  
**Albany Country Club, Voorheesville, NY.**

**Members and Alternates:**

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Thomas J. Gentile	National Grid – Vice Chairman
Richard J. Bolbrock	Long Island Power Authority
Curt Dahl	LIPA – Alternate Member – ICS Chairman
William H. Clagett	Unaffiliated Member
Timothy R. Bush	Muni. & Elec. Cooperative Sector – Alternate Member
George C. Loehr	Unaffiliated Member, RCMS Chairman
Michael B. Mager	Couch White, LLP (Retail Sector-Alternate Member)
Ralph Rufrano	New York Power Authority
George E. Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Phone*
Joseph C. Fleury	New York State Electric & Gas/Rochester Gas & Electric
Glenn Haake	IPPNY (Wholesale Seller Sector – Alternate Member)
Thomas Duffy	Central Hudson Gas & Electric
Thomas Piascik	PSEG Power, LLC (Wholesale Seller Sector)

**Others:**

Alan M. Adamson	Consultant & Treasurer
John M. Adams	New York Independent System Operator (NYISO)
Roger E. Clayton	Electric Power Resources, LLC - RRS Chairman
Paul L. Gioia, Esq.	Counsel, LeBoeuf Lamb Greene & MacRae (LLG&M)
Don Raymond	Executive Secretary
King Look	Consolidated Edison Co. of NY, Inc. - ICS Member*

**Visitors – Open Session:**

Erin P. Hogan, P.E.	NYSERDA
Philip Fedora	Northeast Power Coordinating Council (NPCC) - Phone

“\*” – Denotes part time attendance at the meeting.

**Agenda Items – (Item # from Meeting Agenda)**

**I. Executive Session** – There were no requests for an Executive Session.

**II. Open Session**

**1.0 Introduction** – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 71 to

order at 9:30 A.M. He noted scheduling conflicts for the May meeting and suggested a meeting date change from May 13, 2005 to May 6, 2005. The Committee concurred with the suggested change.

**Meeting Attendees** – Thirteen Members and/or Alternate Members of the NYSRC Executive Committee were represented at the meeting.

- 1.1 **Visitors** – See Attendee List, page 1.
- 1.2 **Requests for Additional Agenda Items** – No requests were made.
- 1.3 **Executive Session Topics** – An Executive Session was not requested.

**2.0 Meeting Minutes/Action Items List**

- 2.1 **Approval of Minutes for Meeting No. 70 (February 11, 2005)** – Mr. Raymond noted that Mr. Duffy’s name had been inadvertently left off the Attendee List. The Committee offered several additional points of clarification. Subject to these corrections and clarifications, Mr. Bolbrock moved that the Committee approve the revised draft minutes for Meeting No. 70. The motion was seconded by Mr. Piascik and approved unanimously by the Committee Members in attendance (13-0). The Executive Secretary will issue the final minutes for Meeting No. 70 and post them on the NYSRC web site – **AI #71-1**.
- 2.2 **Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete:

<u>Action Item #</u>	<u>Comment</u>
60-10	The ICS Work Plan for the 2006-07 IRM Study includes the incentive for generators to sell their gas.
64-9	Mr. Adams sent the final NYISO Blackout Report to the Committee on February 28, 2005.
67-6	The ICS Work Plan for the 2006-07 IRM Study includes a re-evaluation of the surrounding areas.
69-5	Mr. Gioia filed the Reliability Rules Manual with FERC on March 10, 2005.
69-6	The Committee provided comments on the Frequency Response and Resource Adequacy SARs during its March 11, 2005 meeting.
70-1	The Executive Secretary issued and posted the minutes for Committee meeting #69 on March 15, 2005.
70-2	The Committee provided comments on the Biennial Report during its March 11, 2005 meeting.
70-3	The Committee discussed “next Steps” for the Defensive Strategies concepts during its March 11, 2005 meeting.
70-7	A “Horizon Year” assessment is included in the ICS Work Plan.
70-9	Mr. Gioia reported that a December finalization date for the NYCA IRM provides reasonable lead time.

### 3.0 Organizational Issues

#### 3.1 NYSRC Treasurer's Report

- i. **Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements for February 2005 which indicates \$165,000 in cash as of the end of February. Further, Mr. Adamson proposed a 2<sup>nd</sup> quarter Call-For-Funds (\$20,000) for each TO due on April 1, 2005. Mr. Bolbrock made a motion to approve the Call-For-Funds which was seconded by Mr. Smith and approved unanimously by the Committee Members (13 to 0). Mr. Adamson then distributed the Slocum, DeAngelus, and Associates Audit Report for 2004. The Auditor indicated that no improvements were required. Mr. Adamson provided the Auditor with a letter indicating that to the best of his knowledge the information provided to the Auditor was correct. The Auditor in turn provided Mr. Adamson with a letter indicating the scope of the 2004 audit. Finally, Mr. Adamson was authorized by the Committee to request a proposal from the Auditor to perform the 2005 Audit – **AI #71-2**. Mr. Fleury ask whether multiple institutions should be used by the NYSRC since our current account exceeds the FDIC insured limit of \$100,000 per institution. Mr. Ellsworth asked Mr. Adamson to look further into the available options – **AI #71-3**. Next, Mr. Adamson indicated that Tracy Cross, his Administrative Assistant, is using a seven-year-old laptop computer which has begun failing regularly. Mr. Adamson moved that the NYSRC purchase a computer for a cost not to exceed \$3000 including software, high speed interface, hard drive backup and installation costs for use by Ms. Cross. Following discussion, Mr. Smith seconded the motion which was unanimously approved by the Committee Members (13 to 0).

#### 3.2 Other Organizational Issues

- i. **Meeting With FERC Director of Reliability** – Mr. Ellsworth described a meeting held in Washington, DC with Mr. Joseph McClelland, the Director of FERC's newly created Division of Reliability under the Office of Markets, Tariffs, and Rates. Messrs. Gentile and Gioia also attended. Mr. McClelland was very interested in the NYSRC activities, particularly our emphasis on the need to be able to establish Rules that may be more stringent than those of NERC. Mr. Gioia indicated that Mr. McClelland requested additional input on our more stringent Rules. Further, Mr. McClelland urged the NYSRC to participate actively in the FERC Technical Conference on Reactive Power and to provide written comments which are due by April 4, 2005. Also, he expressed interest in attending at least a portion of one of the Committee's future meetings. Mr. Gentile emphasized Mr. McClelland's genuine interest in on-going input and dialog. Mr. Bolbrock suggested sending Mr. McClelland a sample NYSRC Rule indicating where it is more stringent and/or specific than the corresponding NERC Rule(s). Mr. Clayton indicated that RRS is developing the suggested Rules comparison for all forty-seven NYSRC Rules, but the process is time consuming – **AI #71-4**. Mr. Gentile suggested sending Mr. McClelland a list of the forty-seven Rules accompanied by 2-3 comparisons as suggested by Mr. Bolbrock. Mr. Raymond will prepare a letter to Mr. McClelland for Mr. Ellsworth's signature thanking him for the meeting, indicating that the Rules comparison will follow, and inviting him to attend a future Executive Committee Meeting – **AI #71-5**. Finally, Mr. Ellsworth noted that similar calls by the NYSRC Officers on NPCC and NERC would be valuable in giving the NYSRC viewpoints greater exposure – **AI #71-6**.
- ii. **NYSRC Transmission Workshop Proposal** – Mr. Loehr discussed his proposal for a transmission workshop to be presented by himself and any Committee and NYISO members who wish to participate. Mr. Waldele (NYISO) has agreed to present the section on the NYCA.

Mr. Piascik moved that the Workshop proceed without cost to participants and be held on June 28, 2005. The motion was seconded by Mr. Gentile and approved unanimously by the Committee (13 to 0). The workshop would be open to anyone in New York wishing to sharpen his/her basic understanding of how bulk power transmission systems function and the criteria that guide their operation and planning.

- iii. **NYSRC Biennial Report** – Mr. Adamson reviewed the NYSRC 2003-04 Biennial Report. The Committee offered several comments that will be incorporated in the Report. Also, Mr. Raymond agreed to prepare a closing section on “Challenges Ahead” – **AI #71-7**. The Committee was asked to provide any additional comments as quickly as possible so that a draft report could be ready for approval at the Committee’s next meeting - **AI #71-8**.

#### **4.0 Key Reliability Issues**

**4.1 Defensive Strategies** – Mr. Clagett expressed strongly the view that the defensive strategies presented by Messrs. Clagett, Loehr, and Smith in their March 11, 2005 presentation to the Committee titled, Defensive Strategies: Two Concepts, require the support of the NYISO if the Strategy(s) are to move forward. He further suggested that a letter be sent to Mr. Lynch (NYISO) requesting a meeting with the appropriate NYISO personnel. Mr. Bolbrock strongly supported Mr. Clagett and suggested the inclusion of NPCC. Mr. Adams noted that the NPCC Blackout Study Plan contains a section for this type of evaluation. Following lengthy discussion, both “pro” and “con”, the Committee asked Mr. Gentile to prepare and circulate a draft letter from Mr. Ellsworth to Mr. Lynch requesting a meeting with the appropriate NYISO personnel – **AI #71-9**. The purpose of the meeting would be to engage the NYISO in discussion of advanced reliability concepts, such as the Defensive Strategies, and request the NYISO’s support of NYSRC reliability issues that may be initially of lower priority in a real-time operating organization, like the NYISO. The letter should be very specific taking into consideration the integration of the current reactive resource initiatives and the Blackout Study work plan. Once an understanding of how to move forward is agreed upon with the NYISO, NPCC participation will be sought. The Committee further suggested that the Eastern Interconnection Phasor Project (NYPA, LIPA, and National Grid) be approached as a potential ally in advancing new reliability concepts.

**4.2 Future Role of Regional Reliability Councils - Feedback** – Nothing new to report.

**4.3 Regional Greenhouse Gas Initiative** – Ms. Hogan handed out a preliminary RGGI Electricity Sector Modeling Results – Carbon Policy Scenarios and Sensitivities prepared for the February 16, 2005 RGGI Stakeholders’ meeting and discussed the key issues. Dave Lawrence (NYISO) has followed the Study work closely. A final report is not expected before July 2005. Karl Michael, NYSERDA Project Manager, passed along an invitation for the Committee to provide comments directly to him. Additionally, he would like the Committee to consider how they might approach a study of possible Carbon caps on electric generators and how they might address reliability. The Committee asked Mr. Dahl to prepare and circulate draft comments for consideration at the Committee’s April 15, 2005 meeting – **AI #71-10**.

#### **5.0 Blackout Reporting**

- 5.1 NYISO August 14, 2003 Blackout Investigation – Status** – Mr. Adams noted that NYISO final report, Blackout August 14, 2003 Final Report, was issued in early February 2005 and may be found in its entirety on the NYISO web site.
- 5.2 DOE Report – NYISO Follow-up List** – Nothing new to report.
- 5.3 Verify NYISO Blackout Report Meets NYSRC Expectations** – Mr. Adams indicated that the NYISO Report has been delayed one month.
- 5.4 NYSRC Actions on Blackout Report Recommendations** – Mr. Clayton reported that RRS continues to work on six new PRRs (#76, 8, 73, 74, 77, and 67) which are either under development or posted for comment. The new PRRs are derived directly from Blackout Report recommendations (#19, 23, 24, 26, 28, and 29).
- 5.5 PSC Blackout Report** – Nothing new to report.
- 6.0 NYISO Status Report/Issues**
- 6.1 NYISO Reliability Criteria Study – Status** – Nothing new to report.
- 6.2 NYISO Planning Process** – Mr. Adams indicated that the NYISO has begun implementing the Comprehensive Planning Process. There is an ESPWG meeting during the week of March 13, 2005 to establish the base case. Finally, the stakeholders have agreed on a proposed Economic Assessment Process which will be sent to FERC for approval shortly.
- 6.3 Studies – Status**
- i/ii. Reactive Resource Adequacy** – Mr. Adams indicated that the Load Power Factor (LPF) process is proceeding with the formation of a joint TPAS and SOAS Working Group to address gaps between planning and operations issues. Mr. Calimano spoke on the LPF process at the March 9, 2005 FERC Technical Conference. Mr. Adams agreed to forward his remarks to the Committee – **AI #71-11**. A 2005 reactive resource analysis has begun, but is moving forward very slowly. A completion date has not yet been established.
- iii. Electric Deliverability Study** – Mr. Adams indicated that the NYISO filed a request with FERC for an extension of the Study until March 2006. As part of the filing a proposed study scope must be filed with FERC by April 1, 2005.
- iv. NYSERDA/NYISO Gas Study** – The Northeast Gas Association is holding a workshop on March 23, 2005 to discuss “Gas Power Plants”. Mr. Adams noted the NYISO Staff will be forwarding an internal report to the NYISO’s Management Committee indicating that gas unavailability has led to an increase in lost electric capacity for the third straight year. Mr. Adams agreed to provide the report to the Committee – **AI #71-12**.
- v. NYSERDA/NYISO Wind Study** – Mr. Adams reported that the Economic Study, which is a follow-on from the PSC’s Renewables Portfolio Standards hearings, is expected from the consultant, David Patton, in the week of March 13, 2005. The Study assesses the impact of renewable resources on the electric markets. The NYISO now has 4300MWs of wind power in the interconnection request queue.
- 6.4 Other Studies/Activities –**
- i. FERC Reactive Power Study** – See **Item 6.3i**. Also, Dr. Sasson noted that conclusions from the FERC Technical Conference on Reactive Power favored mandatory requirements for reactive power accompanied by appropriate compensation and recognition that different unit types will provide differing forms of service. In addition, compensation should be on a capacity basis.
- 7.0 Installed Capacity Subcommittee Status Report/Issues**
- 7.1/.2 ICS Status Report and Discussion Issues** – Mr. Dahl reported that the ICS Subcommittee met on

March 2, 2005. He discussed in detail the NYSRC 2006-07 NYCA IRM Study Work Plan. He expects that an ICS “white paper” on the IRM Study Methodology Review will be available for discussion at the April 15, 2005 Executive Committee meeting. The “white paper” will include discussion of the “Cedars” issue, e.g. the counter-intuitive increase in IRM when generation (Cedars) is added upstate. Mr. Bush raised an issue regarding the NYISO use of 17.6% IRM vs. 18.0% when determining LCRs – **AI #71-13**. Mr. Dahl also discussed, among other items, coal plant retirements, updating the DMNC capacity adjustment and the “outside world” representation. About 1200MWs of coal capacity is expected to retire in the next three years. Mr. Adams noted that the NYISO is looking into a retirement process to protect reliability – **AI #71-14**. The “outside world” representation currently reduces the IRM requirement by 8%. Mr. Gioia noted that approving the IRM requirement on a December schedule would reasonably accommodate filings that may be necessary with FERC.

**7.3 IRM Requirement – “Cedars” Issue – See Item #7.1/2.**

**7.4 Locational Capacity Requirement (“Anchor Point”,etc.)** – Mr. Dahl emphasized the need for consistency in the methodologies used to determine IRM requirements and LCRs. The NYISO Operating Committee is interested in participating with the NYSRC in resolving the apparent inconsistencies.

**7.5 Other ICS Issues**

**i. PSC Renewables Proceeding – See Item 6.3v.**

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

**8.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the Subcommittee met on March 3, 2005.

**8.2 Status of New/Revised Reliability Rules**

**i. Proposed NYSRC Reliability Rules Revision**

**a. List of Potential Reliability Rules (PRR) Changes** – Mr. Clayton referred to the table,

List of Potential Reliability Rule Changes – Outstanding. He reviewed with the Committee the status of PRRs # 72, Extreme System Conditions Assessment, and 69, Disturbance Recording. The latter PRR is pending resolution with the NYISO of wording that properly reflects the lines of authority and responsibility of the NYSRC. Following a review by Mr. Gioia of the history behind the related issues, Mr. Bolbrock moved that the phrase “be required to” be included in C-M13. The motion was seconded by Mr. Smith and approved by the Committee (9 to 2) with two members abstaining. Mr. Bush then moved that the phrases “including determination of the root cause whenever possible, and to validate simulation models” in C-R5 and C-M12 be removed and the phrase “as per” in C-M13 be replaced by “in accordance with”. The motion was seconded by Mr. Bolbrock and approved by the Committee (10 to 2). Finally, Mr. Gentile moved to approve PRRs # 69 and 72 for posting with the changes noted. The motion was seconded by Mr. Fleury and approved unanimously by the Executive Committee Members in attendance (12 to 0). The Executive Secretary will post the approved PRRs – **AI #71-15**.

**b. Status of New/Modified Reliability Rules**

**1. PRRs for Final EC Approval** – None at this time.

**2. PRRs for EC Approval to Post for Comments** – See **Item 8.2i.a**.

**3. PRRs for EC Discussion** – None at this time.

**8.3 NPCC/NERC Standard Tracking -**

**i. NERC Standards Development – Status** – Mr. Adamson reported that the NYSRC submitted comments on ORG-001-1 through ORG-008-01 (Transmission Operator Certification) and FAC-003-1,

006-1, and 007-1 (Transmission Vegetation Management Program) on February 17, 2005. Comments on the Frequency Response SAR were provided on the same date and comments on the Resource Adequacy SAR will be provided on March 21, 2005. The Resource Adequacy comments will recommend use of the .1 days/year Loss-of-Load criteria by NERC. Mr. Adamson focused the Committee's attention on FAC-010-1 (Determining Facility Ratings, Operating Limits, and Transfer Capabilities) for which draft three was posted on February 18, 2005 and comments are due on April 4, 2005. The draft continues to ignore prior comments indicating a weakening of Reliability Standards by excluding Category C contingencies. Mr. Adamson agreed to prepare comments and circulate them to the Committee – **AI #71-16**. He will encourage the NYISO and NPCC to emphasize the omission in their comments.

#### **8.4 Other RRS Issues –**

- i. Informal Filing of Reliability Rules Manual With FERC** – Mr. Gioia indicated that the filing with FERC was made on March 7, 2005.
- ii. Web Site Update** – Mr. Clayton reported that, per the Committee's request, it had been determined that approximately five hours of Tracy Cross' time will be required to update the web site to include access to archived data. Also, an update of the web site to improve functionality will cost \$2,000 – \$2,500. After discussion, the Committee gave its approval to proceed.

#### **9.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues**

**9.1 RCMS Status Report and Discussion Issues** – Mr. Loehr noted that the RCMS spent considerable time at its March 10, 2005 meeting reviewing the NYISO's final Blackout Report.

#### **9.2 Status of NYSRC Reliability Compliance Program (NYRCP)**

- i. 2004 NYRCP Responsibilities and Milestones** – Mr. Loehr reviewed the 2004 NYRCP Report and asked the Committee to provide any comments in time for approval at the April 15, 2005 Executive Committee meeting – **AI #71-17**.
- ii. 2005 NYRCP** – The Committee approved the 2005 NYRCP at its January 13, 2005 meeting.

**9.3 Other RCMS Issues** – None at this time.

#### **10.0 Other Items**

**10.1 Energy Legislation** – Mr. Gioia noted that a Comprehensive Energy Bill was introduced in the Senate as well as a separate Reliability Bill.

**10.2 Millennium Gas Pipeline** – Nothing new to report.

**10.3 NYISO Operating Report** – Mr. Raymond reported that the performance statistics for January 2005 were within normal bounds and Emergency Operating Procedures were not invoked during the month. However, Oswego Unit 6 tripped at 850MW of load on January 18, 2005 at 18:54. Similarly, Bowline Pt. 2 and Roseton 2 tripped at full load on January 19, 2005 at 08:13 and 19:12, respectively. Also, Mr. Fleury noted that Ginna tripped in the first week of March 2005. In each instance shared activation of reserves was invoked and terminated in full compliance with Operating Procedures.

**10.4 North American Energy Standards Board (NAESB) Report** – Mr. Ellsworth will compile a package for the Committee's review before addressing formal membership in the NAESB – **AI #71-18**.

**10.5 NPCC Report** – Mr. Bolbrock indicated that a NPCC RCC received a draft from CP-11 of a proposed new A-10 Document, Criteria for Defining Bulk Power Elements. Also, Mr. Bolbrock noted that a NPCC representative will begin attending NYSRC Executive Committee meetings.

**10.6 D&O Insurance** – Mr. Gioia noted that Mr. Ellsworth has signed an application for renewal of the NYSRC's D&O Insurance which expires April 6, 2005.

**12.0 Visitor's Comments** – No visitor comments were received.

**13.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#72	April 15, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#73	May 6, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 71 was adjourned at 3:40 P.M.