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Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 73 – May 6, 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
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	<u>New York Power Authority</u>
George E. Smith	Unaffiliated Member
Joseph C. Fleury	<u>New York State Electric & Gas/Rochester Gas & Electric</u> - phone
Glenn Haake	IPPNY (Wholesale Seller Sector – Alternate Member)
Thomas Duffy	Central Hudson Gas & Electric
Mayer Sasson	Consolidated Edison Co. of NY, Inc.

Others:

Alan M. Adamson	Consultant & Treasurer
John M. Adams	New York Independent System Operator (NYISO)
Don Raymond	Executive Secretary
Edward C. Schrom, Jr	NYS Dept. of Public Service

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. 73 to order at 9:30 A.M. Mr. Raymond suggested adding two items to the Agenda: (a) Appointment of

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Committee Members and (b) General Liability Insurance under Other Organizational Issues (Agenda Item 3.2). The Committee concurred with the suggested additions.

Meeting Attendees – Thirteen Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were present at the meeting.

1.1 Visitors – See Attendee List, page 1.

1.2 Requests for Additional Agenda Items – See Item 1.0 above.

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. 72 (April 15, 2005) – Mr. Raymond introduced the revised draft minutes. The Committee offered several additional points of clarification. It was agreed that Mr. Raymond would incorporate the additional comments and circulate the revised minutes for final approval – AI #73-1.

2.2 Action Items List – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete:

Action Item #	Comment
58-10	Closed out per RRS recommendation at April 15,2005 Meeting.
62-11	Replaced by AI #69-2.
68-4	Mr. Adams circulated the Northeast RTO/ISO Plan.
69-7	Replaced by AI #71-18.
71-12	Mr. Raymond circulated the NYISO Report on the impact of fuel availability for 2004 on May 3, 2005.
72-4	Messrs. Fleury and Gioia circulated the Service Agreement in early May 2005.
72-5	Mr. Gioia determined that Ms. Cross is not covered by the General Liability Insurance.
72-6	The NYSRC Biennial Report was posted on April 23, 2005.
72-7	The Committee decided at its May 6, 2005 meeting to defer completing the comparison of NYSRC and NERC Reliability Rules.
72-10	Mr. Smith noted that this Action Item was completed per discussion with J. Ingleson (NYISO).

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 April 2005 which indicates \$125,000 in cash as of the end of April.

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- Deleted: changes to the draft minutes provided in writing by Dr. Sasson. The Committeeother
- Deleted: Subject to these corrections and clarifications, Mr. Smith moved that the Committee approve the revised draft minutes for Meeting No. 61. The motion was seconded by Mr. Clagett and approved unanimously by the Committee Members (13-0). The Executive Secretary will issue
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- With Reliability Rules, dated May 12, 2004. 60-3
- Mr. Bolbrock provided a memo, Regional Reliability Criteria¶
- and Regional Differences, dated J(... [9]
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Further, Mr. Adamson noted that funds for the 2nd quarter Call-For-Funds (\$20,000 per TO) due on April 1, 2005 is complete.

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3.2 Other Organizational Issues

- i. **NYSRC Service Agreement** – Mr. Fleury noted that Mr. Gioia had sent out a revised Service Agreement on May 5, 2005 which addressed all comments received as of that date. The Committee wished additional time to review the Agreement. Therefore, a vote was tabled until the June 10, 2005 meeting – **AI #73-2**. Mr. Adamson added that a Dell Inspiron 9300 for Ms. Cross' use is scheduled for delivery on May 12, 2005.
- ii. **NYSRC Transmission Workshop Status** - Mr. Loehr indicated that the number of attendees is up to about 150. Further, he expects to have the Workshop materials on the NYSRC web site by June 10, 2005. Video tapes of the Workshop will be available for Committee Members' use without cost. A charge will be considered for others. Also, copyrighting the material will be investigated by Mr. Loehr – **AI #73-3**.
- iii. **McClelland Letter – Feedback** – Nothing new at this time.
- iv. **Appointment of Committee Members** – The terms of the Executive Committee expire on July 31, 2005. Mr. Gioia circulated a memo on the subject together with the appropriate documents on May 4, 2005. Messrs. Raymond and Fleury will review the documents and post them on the NYSRC web site during the week of May 8, 2005 – **AI #73-4**. Also, the Nominating Committee, comprised of Messrs. Loughney, Sasson and Gentile, will prepare nominations for the unaffiliated positions prior to the June 10, 2005 Committee meeting – **AI #73-5**.
- v. **General Liability Insurance** – Mr. Gioia report via e-mail that once he receives the premium quote from Marsh, he will circulate a memo requesting authorization to bind the policy. Also, he indicated that the liability policy is not intended to cover independent contractors. Mr. Gioia will, however, explore with Marsh the possibility of alternative coverage – **AI #73-6**.

4.0 Blackout Reporting

4.1 **NYISO August 14, 2003 Blackout Investigation – Status** – Nothing new to report.

4.2 **DOE Report – NYISO Follow-up List** – Nothing new to report.

4.3 **Verify NYISO Blackout Report Meets NYSRC Expectations** – Mr. Adamson advised that the Report is late by more than six months. If the NYISO's explanation at the RCMS meeting on May 9, 2005 is not satisfactory, Mr. Loehr will draft a letter to Mr. Lynch for Mr. Ellsworth's signature – **AI #73-7**. Mr. Adams will raise the commitment issue with NYISO management.

4.4 **NYSRC Actions on Blackout Report Recommendations** – Mr. Adamson noted that Messrs. Clagett, Smith, and Loehr are meeting with NPCC TFCP on May 11, 2005 to discuss defensive strategies and TFCP's white paper on controlled separation. Also, he indicated that NERC may sponsor an industry symposium on system protection. Mr. Adamson added that he has not received status updates from the NYISO on the Recommendations in over three months. Also, Mr. Adams will talk to Mr. Calimano regarding the status of Recommendation #8 – **AI #73-8**. Further, Dr. Sasson noted, regarding Recommendation #29, that a NYISO "lesson learned" from their Restoration Study was the need to expand the NYS transmission grid into N.Y. City. Mr. Gentile requested that Mr. Fedora act as a liaison with NPCC to assure that NPCC's actions on the Recommendations are as up to date as possible – **AI #73-9**. Mr. Fedora noted that NPCC's status on the Recommendations is now available on the "general" portion of the NPCC web site.

4.5 **PSC Blackout Report** – Mr. Schrom indicated the Report has not yet been issued.

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5.0 Installed Capacity Subcommittee Status Report/Issues

5.1 ICS Status Report and Discussion Issues – Mr. Adamson reported that the ICS Subcommittee met on May 4, 2005. The Subcommittee discussed the joint IRM/LCR Methodology and the Assumptions Matrix for the 2006-07 IRM Study. Three alternate methodologies are undergoing analysis. A special meeting of ICS is scheduled for May 20, 2005 to hopefully reach agreement on a methodology for presentation to the Executive Committee at its June 10, 2005 meeting. The goals are (a) a consistent methodology, (b) determination of the “anchor point” and (c) coordination of the IRM/LCR Studies such that the IRM and LCR are determined in concert. Mr. Bush requested that the Committee see the material for review prior to the next meeting – **AI #73-10**. The Assumption Matrix is under review and should be available for Executive Committee discussion at its August 12, 2005 meeting – **AI #72-11**. There are eighteen major assumptions, four of which are primary to the results. The four assumptions receiving particular scrutiny are (a) the load shape (2004 vs. 2002), (b) new units, retirements (coal), and wind power (Flat Rock modeling), (c) forced and partial outages (use of last 5 years), and (d) the outside world representation (use of NE and PJM models).

5.2 Locational Capacity Requirement (“Anchor Point”, etc.) – See Item 5.1.

5.3 Other ICS Issues

i. **PSC Renewables Proceeding** – Nothing new to report.

6.0 Reliability Rules Subcommittee Status Report/Issues

6.1 RRS Status Report & Discussion Issues – Mr. Adamson reported that the Subcommittee met on May 5, 2005.

6.2 Status of New/Revised Reliability Rules

i. **Proposed NYSRC Reliability Rules Revision**

a. **List of Potential Reliability Rules (PRR) Changes** – Mr. Adamson referred to the table, List of Potential Reliability Rule Changes – Outstanding. He reported that there were no changes in the status of PRRs #8 and #52. PRR #68, Verification Testing of Dual Fueled Limits, is on hold until such time that ConEd and/or LIPA demonstrate a definitive need. Further Mr. Adamson indicated that PRRs #72, Extreme System Conditions Assessment, and #69, Disturbance Recording are waiting for comments which are due by May 23, 2005. PRRs #73 through #76 are waiting posting per the comments received on PRRs #69 and #72. He noted that PRR #77, Voltage Sensitivity Load Testing, was adopted at the April 15, 2005 Executive Committee meeting. Also, Mr. Adamson advised the Committee that the Reliability Rules and Compliance Template Manuals have been updated to include PRR #77 and a cross-reference between the NYSRC and NPCC Rules, and NERC’s Version (0) nomenclature approved on April 1, 2005 by the NERC BOT.

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

6.3 NPCC/NERC Standard Tracking

i. **NERC Standards Development – Status** – Mr. Adamson discussed NERC’s proposed FAC-010-1 (Determining Facility Ratings, Operating Limits, and Transfer Capabilities). NYSRC comments were provided on April 2, 2005 indicating an unacceptable weakening of Reliability Standards by excluding Category C contingencies. Nevertheless, the NERC Drafting Team has decided not to include Category

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C contingencies in their final draft for balloting. Apparently, NPCC was the only Region that supported the inclusion of Category C. Mr. Loehr emphasized that this situation reflects on the NYCA, regardless of the NYSRC's more stringent rules, since surrounding Regions (ECAR, MAIN, and MACC) would be operating to a weakened criteria. Dr. Sasson indicated that when the current Energy Legislation was before the House of Representatives, contacts were made with NERC at a high levels to gain support for allowing regional or local entities to have more stringent criteria. The inquiry was rejected. Mr. Adamson indicated that before the balloting takes place, there is a mechanism to e-mail all participants in the Ballot Pool. Consequently, the Committee requested that Mr. Adamson, with the assistance of Mr. Gioia, prepare a draft e-mail on Category C re-emphasizing the Committee's position – **AI #73-12**. Mr. Bush suggested that the e-mail contain a primer on Category C as most in the Ballot Pool would not understand a simple re-statement of our prior comments. Next, Mr. Gentile noted that NERC has instituted a Compliance Form for each new Reliability Standard indicating full compliance from an audit perspective or four levels of partial compliance. If the NYISO signifies partial compliance, it must prepare a Mitigation Plan to achieve compliance. Mr. Adamson advised that he will ask Mr. Campoli to report to RCMS on the forms and provide the NYISO responses – **AI #73-13**. Mr. Adamson then indicated that comments on a new version, amending the current NERC Reliability Standards Process Manual, are due May 16, 2005. The intent is to streamline the Process, provide allowance for a third year of Urgent Actions, and remove monetary sanctions. Further, Reliability Standards EOP 005-1, MOD, PRC, and VAR comments are due by June 5, 2005. RRS will be responding to each Reliability Standard as required. Reliability Standard 006-1, Urgent Action Revision to Transmission Loading Relief (TLR) Procedure, will be balloted beginning May 23, 2005. It is felt that TLR does not affect the NYCA reliability because the NYISO and many of the surrounding Areas use LBMP.

6.4 Other RRS Issues –

i. NYSRC Reliability Rules/NERC Standards Cross-Reference – Mr. Adamson referenced a letter from Mr. Clayton regarding the cross-referencing of NERC and NYSRC Reliability Rules begun in response to FERC Director - Mr. McClelland. Following discussion, the Committee decided to complete the effort for the remaining 37 NYSRC Reliability Rules provided the NYISO will provide about two hours of technical assistance to Mr. Adamson – **AI #73-14**.

7.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

7.1 RCMS Status Report and Discussion Issues – Mr. Loehr noted that the RCMS will meet on May 9, 2005. Consequently, he focused on results of the April 2005 RCMS meeting. RCMS briefly discussed Technical Bulletin #140, System Protection Maintenance Compliance Reporting. Action was postponed until the May 9, 2005 meeting.

7.2 Status of NYSRC Reliability Compliance Program (NYRCP) – Nothing new to report.

7.3 Other RCMS Issues – Mr. Loehr indicated that the NPCC A-10 document is under review by the RCMS. In particular, the document defines what constitutes the Bulk Power System. Mr. Gentile asked RCMS to investigate whether the definition impacted the NYCA from a reliability perspective – **AI #73-15**. The NYISO is currently using the "ATR" List.

8.0 NYISO Status Report/Issues

8.1 NYISO Reliability Criteria Study – Status – Nothing new to report.

8.2 NYISO Planning Process – Mr. Adams indicated that the NYISO has begun implementing the Comprehensive Planning Process. The base case is completed and the ESPWG will begin on May 9, 2005 to discuss scenarios and the cost allocation issue. Scenarios will include the impact of Indian Point

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i. 2004 NYRCP Responsibilities and Milestones – Mr. Loehr reported that during discussion of Compliance Template C-M1, Procedures for Resource Capacity Testing, the TOs indicated that var data was not being received quickly enough from the NYISO. Mr. Campoli (NYISO) indicated that the NYISO spent a great deal of time verifying the data before making it available. The DMNC data for 2003 will be available to the TOs by June 30, 2004. It was agreed that in the future the NYISO will provide the unverified data as received on a trial basis. Also, the Subcommittee is concerned that only those generators under the NYISO Voltage Support Service Tariff must currently report capacity (cap. and var) data. The TOs and NYISO staff (... [17])

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retirement, wind power, and environmental issues. The base case includes only units under construction and all announced and planned retirements. These assumptions result in an in-state installed reserve margin of about 14% in 2008. For new transmission, the project must have an approved Reliability Impact Study and an in-service date within the next three years to be included in the base case.

8.3 Studies – Status

- i. **Reactive Resource Adequacy** – Mr. Adams indicated that the NYISO and Chairs of the joint TPAS and SOAS Working Group will meet to discuss the work scope. Mr. Calimano has been developing a proposed scope of study.
- ii. **Electric Deliverability Study** – Mr. Adams indicated that the IITF is meeting on May 17, 2005 to pick up on a number of issues related to the Study assumptions.
- iii. **NYSERDA/NYISO Gas Study** – Mr. Adams indicated that NYSERDA is investigating the oil infrastructure. Ms. Hogan noted that NYSERDA has a very preliminary draft document, but is still collecting pertinent data from the oil companies – **AI #73-16**. There is a meeting with the contractor on May 20, 2005 to fill in the gaps.
- v. **NYSERDA/NYISO Wind Study** – Mr. Adams reported that the Economic Study, which is a follow-up to the PSC’s Renewables Portfolio Standards hearings, has been received from the consultant, David Patton, and is undergoing internal review – **AI #73-17**. The Study is focused on the impact of wind power on market (capacity and energy) prices.

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8.4 Other Studies/Activities – Mr. Adams noted that the series reactor will be switched in on May 7, 2005

and remain on until early September 2005. A study has been undertaken by Mr. Waldele (NYISO) to measure the impact of the reactors on voltage in southeast New York – **AI #73-18**.

- i. **FERC Reactive Power Study** – Dr. Sasson noted that about 50 entities sent comments to FERC regarding its Reactive Power Conference. It is not known at this time what FERC plans are for the information.
- ii. **Power Trends** – Dr. Sasson noted that the shortage of installed capacity in 2008 shown in Power Trends for the NYCA is based on only in-state resources and without SCRs. Mr. Adams added that PJM was at the last ICAP Working Group meeting and indicated the possibility of a 4000Mw capacity shortfall in eastern MAAC by 2008.

9.0 Key Reliability Issues

9.1 **NYCA Installed Capacity Projections** – Mr. Adamson noted that this year’s Power Trends contained a table showing NYCA load and capacity conditions through time (See Item 8.4ii.). RCMS will review the information as part of its annual Resource Assessment. The table matches the base case in the Comprehensive Planning Process. The Committee discussed the possibility that exclusion of planned resources that are not under construction could create some confusion.

9.2 **Defensive Strategies** – Mr. Gentile indicated that a meeting with the NYISO (Calimano, Adams and others) is scheduled for June 2, 2005. The agenda will include discussion of (a) the need for defensive strategies, (b) the NYISO defensive procedures and plans as noted in Power Trends, (c) the NYSRC investigation, and (d) a joint discussion of next steps. The focus will be defining a jointly acceptable plan to move forward and a tentative schedule. Also, Mr. Loehr noted that he and Mr. Smith are meeting with NPCC TFCP on May 8, 2005 to discuss defensive strategies.

9.3 **Future Role of Regional Reliability Councils - Feedback** – Mr. Bolbrock reported there was a NERC Members’ meeting on May 2, 2005 at which time the Regional Reliability Council Manager’s recommendations were approved. The recommendations call for each Regional Council to assess its conformance with the principles set forth in the Regional Manager’s Report and develop a transition

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plan, if necessary. The principles included, (a) an open and inclusive membership, (b) fair and balanced governance, (c) independence of the organizations' personnel, (d) universal compliance with the Reliability Standards, and (e) efficient and effective boundaries. NPCC is in conformance; however, SERC and SPP have independence issues to resolve. Also, ECAR, MAAC, MRO, and MAIN are in discussions to establish a new Large Regional Reliability Council (LRRC). Each council currently fails the boundary principle.

9.4 Regional Greenhouse Gas Initiative –

- i. RGGI Letter** – Mr. Gioia sent the NYSRC comments to the NYSDEC, NYSEDA, and others on May 2, 2005. No response has been received as of yet. Ms. Hogan noted that at the New York State RGGI meeting in Albany on May 3, 2005, the focus was on a 25% Cap on CO₂ below 1990 levels. The allocation of credits has yet to be decided. Additional analysis is being done to raise the utilization of oil fired units to about 10% of the time.
- ii. RGGI Questions** – Ms. Hogan indicated that the RGGI Team will respond to the Committee's questions, forwarded on April 25, 2005, when they have time. They are shooting for the end of May 2005, however, Agency requests will have to take priority. Ms. Hogan will provide the responses on an "as completed" basis.
- iii. Next Steps** - The Regional RGGI meeting in Boston will be held on May 19, 2005 to be followed by another Commissioners' meeting (PSC & DEC) in July or August 2005.

10.0 Other Items

10.1 Energy Legislation – Mr. Gioia noted that an Energy Bill passed the House and has been sent to the Senate. At this point there has been no action in the Senate. It is expected that the Bill may be marked up by the end of May 2005. Prospects for passage in the Senate are uncertain unless one or more of the more controversial provisions are deleted.

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

10.3 NYISO Operating Report – The NYISO Operating Committee is investigating the frequency excursions exhibited in the Report over the last three months. The Operating Report for April 2005 will be forwarded to the Committee once it becomes available.

10.4 North American Energy Standards Board (NAESB) Report – Mr. Ellsworth addressed the package that was circulated to the Committee for review before addressing formal membership in the NAESB – **AI #71-18**. He indicated that NAESB was formed by FERC based on the successful Gas Industry Standards Board (GISB) model to develop the business standards for the energy industry (gas and electric). Mr. Ellsworth has chaired the NAESB Advisory Committee since inception. The NAESB organization has four quadrants; gas retail and wholesale quadrants and electric retail and wholesale quadrants. The quadrants operate independently, i.e., a decision by one quadrant does not affect another unless there is joint agreement. A Joint Interface Committee (JIC) oversees the activities affecting both NAESB and NERC. Members are generally those stakeholders most affected by the process. NAESB has now made it possible for RTO/ISOs to join. Members include Midwest ISO, SWPP, NYPSC, FRCC, and NERC. On May 19, 2005, nominations will close for membership on the Board and Executive Committee. Mr. Ellsworth feels that if the NYSRC joins, there would be a reasonable chance of placing a NYSRC member on leadership Committees. Membership would provide opportunity to be in touch with other RTO/ISO thinking and business practices that impact reliability, and to follow more closely NERC's activities and its growing relationship with NAESB. However, to become a member requires a \$5000.00 annual fee plus \$4-5000.00 in expenses. After thorough discussion, Mr. Bolbrock moved that the NYSRC join NAESB. The motion was seconded by Mr. Gentile and approved by the

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ii. Staffing – Mr. Loehr indicated that RCMS as well as H [... [21]

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Committee (12 to 0) with one abstention. Further, the Committee agreed that Mr. Ellsworth will serve as the NYSRC's initial member. Mr. Ellsworth will carry the Committee's interest in joining forward to NAESB and report back at the June 10, 2005 Committee meeting – **AI #73-19**.

10.5 NPCC Report – Mr. Bolbrock noted that he had circulated the NPCC input into NERC BOT including opposition to the requested budget and staff increases. Also, the NPCC Executive Committee approved the 2005 Summer Assessment.

10.6 NYSRC Biennial Report – Mr. Adamson reported that the 2005 Biennial Report has been posted on the NYSRC web site. The Committee requested Mr. Adamson have the Report put into a professional format, similar to the NYISO's Power Trends, for distribution – **AI #73-20**. The Committee will decide on the distribution list at the June 10, 2005 meeting.

11.0 Visitor's Comments – No visitor comments were received.

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#74	June 10, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#75	July 8, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.

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The open session of Committee Meeting No. 73 was adjourned at 3:30 P.M.

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2004 FERC Workshop in NYC. 61-7
ConEd reported that Local Rule #3 is adequate as it currently stands.

61-9
Recommendations,
Committee's June 11, 2004
The table, NYSRC Actions on Report
was discussed at length at the
meeting.

61-11
Clayton and Adamson
Comments were provided to Messrs.
by May 19, 2004.

61-12
regarding the
Requirements by June 8,
Comments were provided to Mr. Dahl
definition of Locational Capacity
2004.

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updated the Committee on the
status of the following PRR changes:

<u>PRR#</u>	<u>Status</u>
68	RRS is preparing the template for dual fuel testing requirements. It will be coming to the Committee in 1-2 months.

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i. NERC Version (0) Standards Development Plan – Mr. Adamson indicated that extensive comments were provided to the Drafting Team in May 2004. Mr. Tammer (NYISO) will be attending the July 1, 2004 RRS meeting to update the Subcommittee on the Drafting Team's progress. On July 2, 2004, NERC is scheduled to issue the first draft of the Version(0) Standard containing between 35 and 60 new Standards which must be reviewed in the subsequent four weeks. Mr. Raymond noted that FERC has issued a critique of the NERC Standards Development Plan which may be of some help.

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ii. **Consolidated Final Blackout Report Recommendations** – Mr. Adamson introduced a table, NYSRC Actions on Report Recommendations, which is a consolidated list of all potential

NYSRC actions in response to the various Blackout report recommendations.

Two columns have been added to capture the responsible party for tracking and the source of status information.

NERC and NPCC will have separate tracking summaries on their web sites.

Messrs. Raymond

and Gioia agreed to share tracking of legislative and DOE recommendations

– **AI #62-13.**

iii. Local Rule #3 – Mr. Longhi reported that similar to LIPA, ConEd does not require a change in the existing reliability rule (load level or required generation) and therefore no studies are required.

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has not performed a study in anticipation of requesting changes to the load level or generating units currently in the Rule.

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iv. General Assessment Of Bulk Power System Maintenance Rules – Mr. Raymond indicated that

his intent was for RRS to review the need for new Reliability Rules in the area of bulk power transmission system maintenance since maintenance performance can be a critical factor in withstanding disturbances and supporting system restoration. The Committee felt that this Action Item could be deferred given the current scrutiny of the TOs by the PSC.

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– **Status** – Mr. Adamson reported that modifications to NPCC

Documents A-2 and A-8 were recently approved. RRS is reviewing the modifications for

accompanying changes to the NYSRC Reliability Rules and expects 5-6 NYSRC Rule changes. RRS

is also preparing comments on the proposed changes to NPCC A-3 which are due June 18, 2004. Mr.

Haase requested that RRS get any Rule changes in place as soon as possible – **AI #62-14.**

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The Subcommittee discussed Compliance Template J-M2, NYISO Communications Testing and System Loss Report, from the 2003 NYRCP regarding the wording of the current Rule relative to the actions being taken by the NYISO to implement the Rule. Mr. Loehr indicated that Messrs. Adamson and Campoli were asked to develop new wording for consideration by the Subcommittee.

i. 2004 NYRCP Responsibilities and Milestones – Mr. Loehr reported that during discussion of Compliance Template C-M1, Procedures for Resource Capacity Testing, the TOs indicated that var data was not being received quickly enough from the NYISO. Mr. Campoli (NYISO) indicated that the NYISO spent a great deal of time verifying the data before making it available. The DMNC data for 2003 will be available to the TOs by June 30, 2004. It was agreed that in the future the NYISO will provide the unverified data as received on a trial basis. Also, the Subcommittee is concerned that only

those generators under the NYISO Voltage Support Service Tariff must currently report capacity (cap. and var) data. The TOs and NYISO staff are developing a modification to Rule (C-R1) for consideration by RRS.

ii. 2004 NYRCP Assessments – None to report.

8.3 Review of NYISO Readiness Audit By NERC – See Item #5.7iii. above.

4.3 NYSRC Regional Standards/Differences Policy – At the suggestion of Mr. Gioia, the Committee decided to provide one additional month for Members to review the Policy before voting – AI #62-3.

i. NPCC Policy Review – Mr. Haase read a memo to the NPCC Executive Committee from Mr. Schwerdt, NPCC's Executive Director, acknowledging that NPCC will not be availing itself of the NERC Reliability Standard Regional Difference process. Mr. Adamson noted that perhaps now, NPCC will become more active in opposing the weakening of reliability criteria as proposed in NERC Sta

5.5 NYISO Reliability Criteria Study – Status – Mr. Haase indicated that as part of the NYISO

Strategic Plan, the NYISO has begun a study of Reliability Criteria. He expressed the hope that the Study would be a joint effort with the NYSRC. Mr. Adams indicated that Frank Felder of Rutgers University has been hired to develop a background paper on the evolution of the criteria, offer high level proposals on how the criteria could be evaluated in the future, and recommend a scope for the Study. Mr. Adams assured the Committee that the Study would be carried out in conjunction with the NYSRC. He will forward the pertinent working papers to the Committee Members – AI #62-9.

5.6 Studies – Status

i. **Reactive Resource Adequacy** – Mr. Adams reported that information exchange continues with

the TOs. Mr. Waldele (NYISO) expects to have an internal draft by month's end and following

review by the stakeholders a final draft Report by mid-July 2004. This Report will contain initial

NYISO recommendations. At the request of Mr. Gentile, Mr. Adams will check to

be sure that the TOs will see the draft Report before it becomes public – AI #62-10. There is a

definite potential for new Reliability Rules.

ii. **NYSERDA/NYISO Gas Study** – Mr. Adams reported that the Study Group met on June 9,

2004. Mr. Richard Levitan, Levitan & Associates, presented their Northeast Study regarding the

adequacy of the gas infrastructure to support gas generation. Mr. Adams will distribute the

presentation and their Report, if possible, to the Committee – AI #62-11. On June 12, 2004, the

New England Working Group addressing gas issues will be at the NYISO to discuss its

findings.

iii. **NYSERDA/NYISO Wind Study** – Mr. Adams reported that the draft Phase II Study is delayed

until January 2005 due to wind data conversion difficulties experienced by the contractor.

iv. **Electric Deliverability Study** – Comments on the draft study scope are in the hands of the Study

Group for consideration. The Study is scheduled for completion in July 2004 but may be delayed

in deference to the Comprehensive Planning Study draft scope.

5.7 Other Studies/Activities

i. **Field Survey of Reactive Data** – Mr. Gentile described a prior request for real-time reactive

data for the bulk power system during peak hour and low load periods. This data can be used to

verify reactive power studies being carried out by both the TOs and NYISO. Mr. Adams agreed

to e-mail to the Committee Members data available at the NYISO – **AI #62-12.**

ii. **First Energy Readiness Audit Results** – Mr. Haase indicated that the Report was just issued

and will be provided to the Committee shortly.

iii. **NYISO Readiness Audit By NERC** – Mr. Calimano reported that NYISO has received their

draft Readiness Report from NERC and will provide comments back to NERC on June 11, 2004.

The report was positive though some concerns were expressed regarding the need for additional

frequency metering, an update of the operator's Alarm Page, and coordination between the

NYISO and nuclear plant operators. Regarding the latter, a joint Task Force will likely be

established. The auditors were particularly pleased with the operator's knowledge, flexibility,

and traini

i. **Verification Testing of Resource Capacity** – See **Item #8.2i.** above.

ii. **Staffing** – Mr. Loehr indicated that RCMS as well as RRS and ICS could benefit from 2-3

additional members with some experience. He asked the TOs and industry members to consider

assigning Subcommittee members.

r. Smith met on June 9, 2004 with Messrs. Ingleson, Waldele, and Cory of the NYISO and five of the TOs' System Protection experts. It was determined that the existing protection can be improved to better withstand power surges without tripping. Setting changes are in progress per DOE Recommendation 8a. The NPCC TFSS has developed a Blackout Study Plan, based on the NERC/MEN Blackout Replication Study, to help explain the Blackout event and investigate possible mitigation measures including Defensive Strategies i.e., protection design modifications, new SPSs, transmissions additions, and new "black box" technologies. Mr. Smith lauded the NYISO for its continuing interest and the TOs for their support.

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Millennium is exploring with the New York Department of State ways of crossing the Hudson River.

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Mr. Raymond introduced the 2004 Operating Report for May 2004. He noted that the standard measurement parameters showed nothing unusual during the month; however, there was a NERC/NPCC Reportable Event. On May 17, 2004 at 17:48 Roseton Unit #2 tripped while carrying 540Mw of load. Shared Activation of Reserve was initiated at that time and terminated at 17:58. The NYCA ACE cros