

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 76 – August 12, 2005**  
**Albany Country Club, Voorheesville, NY.**

**Members and Alternates:**

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

**Others:**

Alan M. Adamson	Consultant & Treasurer
John M. Adams	New York Independent System Operator (NYISO)
Bob Waldele	New York Independent System Operator
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric - ICS
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP - Council
R. E. Clayton	Electric Power Resources, LLC – RRS Chairman
Don Raymond	Executive Secretary
Steve Keller	NYS Dept. of Public Service

**Visitors – Open Session:**

Stan Kopman	Northeast Power Coordinating council (NPCC)
Michael Delaney	New York City Economic Development Corp.
Mark Younger	Slater Consultants, Inc.- Phone*
Bill Smith	Phone*

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

Agenda Items – (Item # from Meeting Agenda)

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

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**II. Open Session**

**1.0 Introduction** – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 76 to order at 9:30 A.M.

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

**1.2 Visitors** – See Attendee List, page 1.

**1.3 Requests for Additional Agenda Items** – None.

**1.4 Executive Session Topics** – An Executive Session was not requested.

**2.0 Meeting Minutes/Action Items List**

**2.1 Approval of Minutes for Meeting No. 75 (July 8, 2005)** – Mr. Raymond introduced the revised draft minutes. There were no corrections or clarifications. Mr. Bolbrock moved that the Committee approve the revised draft minutes for meeting No. 75. The motion was seconded by Mr. Clagett and approved unanimously by the Committee Members in attendance (13-0). The Executive Secretary will issue the final minutes for meeting No. 75 and post them on the NYSRC web site – **AI #75-1**.

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

Action Item #

Comment

71-14

The unit retirement process has become the subject of a PSC hearing.

73-3

The Transmission Workshop materials prepared by Mr. Loehr will be copyrighted in his name with NYSRC having the right of use.

2-0

The Assumptions Matrix was presented by Mr. Dahl and approved at the August 12, 2005 Committee meeting.

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3-0

The e-mail (Category C contingencies) was presented by Mr. Adamson and approved at the Committee’s August 12, 2005 meeting.

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74-6

See #73-12 above.

74-3

Option #3 for implementing the IRM requirements was presented at the July 8, 2005 Executive Committee meeting by National Grid and NYSEG/RGE.

74-11

Mr. Smith reported (August 12, 2005) that the White Paper was updated and posted on the NPCC web site.

75-1

The final minutes for Committee meeting #74 were posted on the the NYSRC web site, July 14, 2005.

75-2

The thank-you letters were mailed on August 18, 2005.

75-3

The cover letter was completed July 1, 2005.

75-6

The NYSRC Actions on Report (DOE) Recommendations has

- 2 -

NYSRC Exec. Comm. Meeting No.76  
Initial Draft – August 26, 2005  
Revised Draft – September 1, 2005  
Final Minutes – September 18, 2005

- 2-0                    Mr. Mosier forwarded the NPCC Blackout Tracking Report to Mr. Raymond on July 12, 2005.
- 3-0                    Mr. Gioia provided his review of Policy #5 prior to the August 12, 2005 Committee meeting.
- 4-0                    Mr. Adamson placed the NYSRC Reliability Rules/NERC Standards Cross-Reference on the NYSRC web site (August 12, 2005).

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### 3.0 Organizational Issues

#### 2.0 NYSRC Treasurer's Report

- i. **Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements for July 2005 which indicate \$109,000 in cash as of the end of July. He noted that projected year-end variance from budget is now \$9,500 below budget. Further, Mr. Adamson indicated the 3<sup>rd</sup> quarter Call-For-Funds had been received from the TOs in full. He presently estimates that the September 2005 Call-For-Funds for the 4<sup>th</sup> quarters will be \$25,000 from each TO. Also, Mr. Adamson will prepare a draft 2006 budget for the September 9, 2005 Committee meeting. The Funding Mechanism will be voted on at the October meeting.

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#### 3.2 Other Organizational Issues

- i. **Proposed Meeting Schedule for 2006** – Mr. Loehr e-mailed the Committee proposing that the Executive Committee meetings be held on the second Friday of each month with the exception of April 7, 2006 due to Good Friday. Mr. Bolbrock moved for approval of the schedule for 2006 as presented. Mr. Clagett seconded the motion which was approved unanimously by the Committee Members (13-0).
- ii. **Code of Conduct** – Mr. Gioia indicated that the provision in its Code of Conduct that prohibits NYSRC Executive Committee members from serving as members of committees NYISO was primarily intended to assure a separation between the NYSRC and NYISO. As currently constructed, the NYSRC Agreement limits NYSRC Members from participating on the NYISO Board and/or its Committees. The Code of Conduct, established by the Executive Committee, confined the limitation to membership on the NYISO Board and the Management, Business and Operating Committees only and did not include alternate members of the NYISO committees. Mr. Mager expressed the view that certain distinctions made regarding alternate memberships and the ability to represent clients in either or both forums deserved re-consideration by the Committee. He suggested confining the membership limitation to NYISO employees and members of the NYISO Board. Following further discussion, Mr. Bush moved that the Committee ask Mr. Gioia to prepare draft changes to the NYSRC Agreement and the Code of Conduct as suggested by Mr. Mager. Mr. Rufrano seconded the motion which was approved unanimously by the Committee Members (13 to 0) – **AI #76-2**. Mr. Raymond reminded the Committee that the signed Code of Conduct Acknowledgement Form were overdue – (**#75-4**).
- iii. **NYSRC Biennial Report for 2005** – Mr. Raymond indicated that a cover letter had been prepared for distribution of the Biennial Report. Members were asked to forward to Mr. Raymond the names and addresses of individual who they would like to receive a copy by mail – **AI #76-3**. Mr. Loehr, on behalf of the Committee, congratulated Mr. Adamson and Ms. Cross for the quality of the Report.
- ii. **NYSRC Web Site Makeover** – Nothing new to report regarding the design. However, Ms. Cross is posting all Committee and Subcommittee minutes from January 2005 forward on the current web site.

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**iii. Transmission Workshop for the PSC** – Mr. Loehr reported that in response to a request by Howard Tarler, he and Mr. Waldele will be making a presentation to the PSC on September 8, 2005. The material will be similar to the last general audience workshop on June 28, 2005. Regarding copyright, Mr. Loehr decided to remove Mr. Waldele’s material and the graphics not produced by him and file the copyright application in his name. The NYSRC has been given the rights of use. Mr. Ruffano noted that the NYPA technical staff will soon have a video of the Workshop for Mr. Loehr’s review.

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**iv. Marsh Settlement** – Mr. Gioia indicated that he had executed the release of the Settlement Agreement with Marsh. The NYSRC will receive about \$1,500 spread over four years. Also, Mr. Gioia has received the annual Notice Of Excess Line Placement from the insurance carrier which must be executed acknowledging the NYSRC’s understanding of the limited protection covering Surplus Line Carriers.

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**2.0 Approved Federal Energy Legislation – Provisions, Implications, and Actions** – Mr. Gioia indicated that the NYSRC will need to take some action as a result of the enactment of the federal energy legislation. First, the Council should be active in the development of FERC regulations for implementation of the provisions of the legislation over the next 180 days. Secondly, he noted that Mr. Bolbrock had circulated a draft document (regulations) indicating that NERC was in the process of preparing draft regulations for FERC’s consideration. NERC has set-up a stakeholder process to focus the-development of regulations. Mr. Gioia expressed concern with the NERC draft as currently written. There is an important provision in the legislation which states that if there is a previous reliability obligation imposed on a transmission provider pursuant to a previously approved FERC Tariff or Agreement, then this obligation has precedent over reliability rules established by the ERO. In Mr. Gioia’s view, the NYSRC Reliability Rules would be covered under this provision. Further, the NYSRC Rules would stay in effect until FERC decided there was a conflict with the ERO’s rules. At that time FERC would have to make a finding under Section 206 of the Federal Power Act that the NYSRC Rule(s) were not in the public interest. Also, much to the surprise of most observers, the New York State Savings Clause, which was lobbied strongly by the City of New York, survived. Mr. Kopman noted that Mr. Schwerdt is on the steering committee of the stakeholder process. Mr. Shrom agreed to provide Mr. Gioia the name of the PSC representative to the stakeholder process. Regardless of the attention that FERC may or may not give to the draft regulations from the stakeholder process, it was agreed that the NYSRC should be involved to the fullest extent possible. Finally, Mr. Gioia pointed out that depending on how the final regulations evolve, the NYSRC will need to decide whether to file as a Regional Entity. Mr. Gioia agreed to prepare a written assessment of the legislation and its implications for the benefit of the Committee – **AI #76-4**.

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## **5.0 Installed Capacity Subcommittee Status Report/Issues**

**5.1 ICS Status Report and Discussion Issues** – Mr. Dahl noted that ICS had met three times since the last Executive Committee meeting: two conference calls on July 21, 2005 and August 8, 2005 and the regular scheduled meeting on August 3, 2005. The primary purpose of all three meetings was to review and develop the Assumptions Matrix to ensure it met the IRM study schedule. Mr. Dahl informed the Committee that ICS is drafting the scope for a joint NY/NE-ISO study to examine the boundary conditions and levels of mutual support between the ISOs. Further, Mr. Dahl indicated that NYSEG/RG&E has requested a MARS study (either as a stand alone study or sensitivity case in the next IRM study) to provide information on the reliability support sharing between the upstate and downstate regions connoted by the current transmission constraint. After considerable discussion of the pro and

cons of such a study, it was decided to defer a final vote until the Committee had an opportunity to review a draft scope being prepared by NYSEG/RG&E – **AI #76-5**. Mr. Bolbrock requested that the draft scope include how the study would be treated vis-à-vis the other sensitivity cases and how the intent of the study differs from the transmission (limits) sensitivities.

- 5.2 IRM/LCR Implementation Options** – Mr. Adamson reviewed for the Committee the effect of the newly approved (July 8, 2005) methodology for implementing the selected IRM/LCR Option. Following further discussion of Options 2A and 3, including separate failed motions for each Option (Option 3 by 7 to 3, 3 abstentions and Option 2A by 6 to 3, 4 abstentions), Mr. Adamson advised the Committee that the effect of the current method (default option), where the LICAP Requirement would have to meet at least current levels (80% and 99% for NYC and LI, respectively), with the potential reduction in transmission limits into NYC and LI (See **5.3**) would increase the NYCA IRM to significantly more than the current level of 18%. The EC should vote for 2A or 3 but not rely on the default, which Mr. Adamson advised as the least preferred of the three options). The Chairman then asked the Committee to re-consider their positions, particularly in view of the conspicuously large number of abstentions in the prior voting. Mr. Fleury then moved that the Committee adopt Option 3 for a one-year period. The motion was seconded by Mr. Gentile and voted down via written ballot (5 to 7, 1 abstention). Mr. Claggett followed with a motion to adopt Option 2A. The motion was seconded by Mr. Bolbrock and approved by written ballot (10 to 2, 1 abstention).
- 5.3 Study Assumptions** – Mr. Dahl summarized the Base Case Modeling Assumptions for 2006-07 NYCA IRM Requirements Study. He noted, in particular, changes to the Load Uncertainty Model, DMNC Deratings, use of PJM and NE zonal models and the Interface Limits. Mr. Adams agreed to investigate the temperature correlation between wind and load data. Con Ed has requested that the potential reduction in interface limits from Areas I to J and I to K be treated as sensitivity cases until the NYISO (OSTF and Operating Committee) and ConEd can agree on the impact of the Series Reactor at high load – **AI #76-6**. Mr. Clayton expressed concern that with all the study work (SRIS, NYISO, TO) that has been done, the Committee is nevertheless suddenly faced with a major problem, borne out by operating experience, that was not anticipated. Mr. Bolbrock indicated that from his review, the SRIS process has failed – see **9.3v**. After further discussion, Mr. Dahl moved for Committee approval of the Assumption Matrix. The motion was seconded by Mr. Bolbrock and unanimously approved by the Committee Members (13 to 0).
- 5.4 Adjusting for the Overstatement of Resource Availability** – See **5.3**, DMNC Deratings and NYISO white paper, Adjusting for the Overstatement of Resource Availability. The white paper has yet to be received and approved by ICS.
- 5.5 Other ICS Issues**
- i. PSC Renewables Proceeding** – Nothing new to report.
- 6.0 Blackout Reporting**
- 6.1 DOE Report – NYISO Follow-up List** – Mr. Adams indicated that the NYISO Legal Group is preparing a debriefing for NYISO management on the new Federal Energy Legislation, which should be available by the September 8, 2005 Committee meeting – **AI #76-7**. Mr. Waldele noted that Recommendation #19, NERC Training Standards, should be available in September 2005 and per Recommendation #21, Better Use of Protection Measures, recommendations for enhancements to under-frequency load shedding capability will be presented to the NPCC-RCC at its September 2005 meeting. Regarding protection system remediation, thirteen of eighteen upgrades in the NYCA are complete.

- 6.2 **Verify NYISO Blackout Report Meets NYSRC Expectations** – Mr. Loehr indicated that the Report will be distributed to the Committee for review prior to its September 9, 2005 meeting pending receipt from NYISO – **AI #75-5**.
- 6.3 **NYSRC Actions on Blackout Report Recommendations** – Mr. Clayton indicated that the monthly NYSRC Actions on Report (DOE) Recommendations is now on the NYSRC web site. Mr. Adamson added that there have been a number of updates recently from NERC, presumably the result of scrutiny by the newly formed NERC Recommendation Review Task Force.
- 6.4 **NPCC Blackout Report Recommendations** – Mr. Kopman reported that the NPCC tracking schedule may be reviewed on the Member Site section of the NPCC web site. He noted that at the September 2005 NPCC RCC meeting, TFSS is scheduled to present an interim Blackout Report for approval covering the time period up to separation. The islanding portion of the Report is expected to be available for approval at the November RCC meeting.
- 6.5 **PSC Blackout Report** – Nothing new to report.

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

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

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

**ii. 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 reported that in regard to PRR# 8, Reactive Load and Resource PF Requirements at the BPS/LSE Boundary, RRS is monitoring the work of the new Reactive Power Working Group at the NYISO which reports to SOAS and TPAS. Mr. Clayton indicated that the Subcommittee is waiting for NPCC SS-38 to complete its work before addressing PRR #52, Generator Governor Response, and PRR #68, Verification Testing of Dual Fueled Limits, is on hold until such time that ConEd and/or LIPA demonstrate a definitive need. Mr. Clayton noted that PRR #74, System Data Requirements, will be offered for approval to post at the September 9, 2005 Executive Committee meeting. PRR #76, Emergency Restoration Procedures, is in the process of being re-written to align with associated NERC and NPCC rules and the new NYSRC Compliance Policy.

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

**1. PRRs for Final EC Approval** – Mr. Clayton indicated the Committee that PRR #69, Disturbance Recording, was re-posted on June 14, 2005 with comments due before July 29, 2005. Since no comments were received, Mr. Clayton moved for approval of PRR #69. The motion was seconded by Mr. Clayton and approved unanimously by the Committee Members (13 to 0). The Executive Secretary will post the new Rule on the NYSRC web site – **AI #76-8**. Mr. Gioia reminded the Committee that per discussion with the NYISO regarding PRR #69, the NYSRC must revise Policy #4 to provide that if RCMS wants to send a Non-Compliance Letter to the NYISO, the NYISO will be given an opportunity to present its position to the Executive Committee before the letter is voted upon – **AI #76-9**.

**2. PRRs for EC Approval to Post for Comments** – Mr. Clayton presented PRR #73, Verification Testing of Resource Capacity, which had been waiting for resolution of the Compliance Policy with the NYISO. Mr. Fleury moved for approval to post the PRR including a style change to remove redundancies. Mr. Smith seconded the motion, which was unanimously approved by the Committee Members (13 to 0). The removal of redundancies is understood by the Committee to apply going forward if and until changed

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by the Committee. Mr. Clayton then introduced PRR #78, Operation During Major Emergencies. Following discussion, Mr. Clagett moved for approval of PRR #78 for posting for comment. The motion was seconded by Mr. Loehr and unanimously approved by the Committee Members (13 to 0). The Executive Secretary will post the PRRs – **AI #76-9**.

### 3. PRRs for EC Discussion – See 7.2b.1.

#### 7.3 NPCC/NERC Standard Tracking -

- ii. **NERC Standards Development – Status** – Mr. Adamson indicated that balloting for TOP, Coordinate Operations, in September 2005. Also, Standard 1200, Urgent Action Cyber Security - one-year extension, and the Process Manual, Amendments to NERC Reliability Standards, were balloted in July 2005 and received over 99% and 90% “yes” votes, respectively. The NYSRC voted “yes” in both instances. Mr. Adamson announced that NERC is receiving nominations for membership on the Resource Adequacy drafting team. Mr. Dahl has agreed to be nominated.
- ii. **E-mail to Ballot Pool on Category C Contingencies** – Mr. Adamson indicated that an Implementation Plan for FAC-010-1 (Determining Facility Ratings, Operating Limits, and Transfer Capabilities) was posted by NERC on July 8, 2005 for comment by August 8, 2005. Neither NPCC, NYISO, nor the NYSRC provided comments in recognition of their pending “no” vote. The NYISO sent a letter to NERC explaining why it intended to vote “no”. TFCO has written a letter to CP-9 recommending that NPCC members vote “no”. Also, Mr. Adamson presented a draft letter from the NYSRC to the Ballot Body urging a “no” vote and documenting the reasons supporting the NYSRC’s position.. The Committee agreed that the letter should be sent out upon notice by NERC of the Ballot dates. Further, the Committee encourages all New York members of the Balloting Body, in particular the PSC, TOs and NYISO, to vote “no”. Also, Mr. Adamson agreed to prepare an email to those NYSRC members that are registered on the Ballot Body, asking them to encourage their Ballot Body representatives to vote “no”. – **AI #76-10**. A copy of the letter will be sent to the entire Ballot Body will be attached.
- iii. **NYCA Impact From New A-10 Document (Definition of Bulk Power System)** – Mr. Kopman reported that the seconded posting ends August 19, 2005. It is hoped that an Implementation Plan will pass NPCC CP-9 during the week of August 11, 2005 and go to the NPCC RCC for approval during its September 2005 meeting. The intention is to test the definition, before going to the RCC in November 2005 for final approval of the revised A-10 Document.

#### 7.4 Other RRS Issues –

- i. **New NYSRC Reliability Rules** – Mr. Clayton noted that RRS had a lengthy discussion on new Reliability Rules that may support defensive strategies. Mr. Gentile reminded the Committee that a process was in place to address Defensive Strategies with the NYISO. Therefore, Mr. Clayton was asked to join Messrs. Gentile, Smith, Loehr, Sasson and Clagett at the next meeting with the NYISO on September 8, 2005. Mr. Gentile, et al. is putting together a work scope for discussion at the meeting.
- ii. **Gas Supply Impact on the Electric System** – Mr. Clayton noted that RRS has discussed the impact on electric generation of a (n-1) contingency on the gas supply system. When reporting at the July 8, 2005 Executive Committee meeting, the Committee urged that a thoughtful plan be developed and a further airing of the characterization of the loss of a single gas pipeline as a Normal versus Extreme Contingency for the electric system. Toward this end, RRS had a presentation by Andy Backus (NYISO) on the Effect of Fuel Deratings on the NYISO Electrical Grid. He emphasized that there are at least five pipelines supplying the ConEd and LIPA gas networks. The risk exposure is the winter and

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not as great as in New England. Mr. Ellsworth noted that in addition to the Northeast Gas Supply Study by Levitan, DOE, TCI and Navigant are jointly carrying out a similar study.

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

**8.1 RCMS Status Report and Discussion Issues** – Mr. Loehr noted that the RCMS met on August 8, 2005. The RCMS discussed requirements for declaring an entity in non-compliance. Mr. Kopman added that NPCC is concerned about independence relative to Area Compliance Programs. The RCC is expected to discuss the issue at its September meeting.

**8.2 Status of NYSRC 2005 Reliability Compliance Program (NYRCP)** – Mr. Loehr reported that four breakers at four separate stations (Packard, Huntley, Nine Mile 1 and Poletti) remain to be replaced based on fault duty assessments. The NYISO has attained assurance from the owners for timely completion of the replacements – **AI #76-11**.

**8.3,4 2005-08 Assessment of NYCA Resource Adequacy** - Mr. Loehr reported that RCMS reviewed and accepted the NYISO's annual Resource Adequacy Assessment for 2005-08. The final report, including an RCMS cover memo, was provided to the Committee prior to the meeting. Mr. Bolbrock suggested that going forward, the latest data should be used versus accepting the Gold Book as is. Also, the Report should acknowledge any changes since the Assessment began. Mr. Loehr will modify the cover letter to identify key data changes – **AI #76-12**.

**8.5 Other RCMS Issues** – RCMS will be revising Policy 4 to reflect the change discussed in **7.2b**.

## **9.0 NYISO Status Report/Issues**

**9.1 NYISO Reliability Criteria Study – Status** – Nothing new to report.

**9.2 NYISO Planning Process** – Mr. Adams indicated that a draft report is expected by September 1, 2005. The voltage issue in the lower Hudson Valley will be addressed. Also, the draft will be discussed at the August 22, 2005 ESPWG meeting.

### **9.3 Studies – Status**

**i. Reactive Resource Adequacy** – Nothing new to report.

**ii. Electric Deliverability Study** – Mr. Adams indicated that the report is being worked on with the intent of getting a draft out for comment as soon as possible.

**ii. NYSERDA/NYISO Gas Study** – Nothing new to report.

**iii. NYSERDA/NYISO Wind Study – Economic Analysis** – Mr. Gioia reported that the NYISO is filing a response to the FERC Wind Interconnection Order on reliability grounds. The NYISO has decided to wait until after the sixty day extension requested and received by NERC. However, NERC is only addressing the low voltage ride through issue. The NYSRC may wish to file in support of the NYISO's more extensive list of concerns – **AI #76-13**.

**v. Series Reactor Study** – See **5.3** Also, Mr. Waldele indicated that there are voltage concerns in western NY (Lake Erie Circulation), the southern tier (high PJM deliveries) and the lower Hudson Valley (under peak loads). High humidity has exacerbated the effect of high temperatures. Mr. Bolbrock emphasized the criticality of the voltage limitations that appeared relatively recently in the lower Hudson Valley. He further advised the NYSRC to follow-up in order to determine why the SRIS process failed and surface the “lessons learned” from this situation. Following discussion, the Committee agreed that a letter should be sent to the NYISO raising the concerns expressed by Mr. Bolbrock. Mr. Gioia will prepare a draft letter with input from Mr. Bolbrock – **AI #76 – 14**.

### **9.4 Other Studies/Activities –**

**ii. FERC Reactive Power Study** – Mr. Clayton indicated that the NYISO Working Group heard

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a presentation by Tom Dukiewicz (NE-ISO) on how New England does its reactive studies. He noted that the studies are done once the system has been adjusted for the worst contingency a second time (n-2) and stressed further by heavy transfers or a generation outage. This process has worked very well for more than twenty years. The Working Group, however, has not yet come to agreement on a study scope and methodology for the NYCA.

**iii. NYSERDA Oil Infrastructure Study** – Nothing new to report.

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## **10.0 Key Reliability Issues**

**10.1 Defensive Strategies** – See 7.4i and 10.2.

**10.2 NYISO Authority** – Mr. Gioia reminded the Committee that during the June 2, 2005 meeting with the NYISO regarding defensive strategies, the NYISO expressed concern whether it has authority to take action in response to events occurring outside New York and not simultaneously affecting New York. In discussion with Mr. Campoli, it was concluded that the concern was general in nature versus referencing a specific tariff provision or Reliability Rule. Mr. Gioia reviewed the tariffs and Rules and found, (1) the NYISO does not have to wait for a potential event to affect the NYCA before exercising emergency actions and (2) there is no limitation in the NYISO's ability to act in response to events being in or outside the NYCA.

**10.3 Future Role of Regional Reliability Councils - Feedback** – Mr. Bolbrock reported that the NPCC Board met on July 22, 2005 and heard a presentation by John Buehler (NYISO) on the first Northeast Coordinated Plan. The Plan should be finalized in the Spring 2006. Mr. Bolbrock also expressed concern that with the Energy Legislation in place, the budgets of the NYISO, NPCC and NERC are going to be much more difficult to control. He would prefer any additional NERC funding be allocated to the Regional Councils where the funds can be used more productively.

**10.4 Regional Greenhouse Gas Initiative** – Nothing new to report.

## **11.0 Other Items**

**11.1 Energy Legislation** – See 4.0.

**11.2 Millennium Gas Pipeline** – Mr. Gioia reported that Phase 1 of the project has been revived on a modified route and with a smaller pipe size. Phase 1 is now scheduled for completion in November 2007.

**11.3 NYISO Operating Report** – Mr. Raymond reported that the frequency excursions in June 2005 were 22, continuing five months of abnormally high numbers of Alert States. Mr. Waldele noted that the NYISO is investigating whether its limits are too tight. The NERC Resources Subcommittee is investigating appropriate frequency thresholds and operator actions on a national basis appropriate.

**11.4 North American Energy Standards Board (NAESB) Report** – Mr. Ellsworth reported that the Energy Summit is coming up in September 2005. He will be representing the NYSRC on one of the discussion panels.

**11.5 NPCC Report** –

**i. Eastern Interconnection Frequency Excursions** – See 11.3.

**ii. Ontario May 27, 2005 Incident** - Nothing new to report.

**12.0 Visitor's Comments** – None

### 13.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#77	September 9, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#78	October 14, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 76 was adjourned at 3:45 P.M.