

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 77 – September 9, 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
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
Mayer Sasson	Consolidated Edison Co. of NY, Inc.

**Others:**

Alan M. Adamson	Consultant & Treasurer
John M. Adams	New York Independent System Operator (NYISO)
C. F. Patka	New York Independent System Operator
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP - Council
R. E. Clayton	Electric Power Resources, LLC – RRS Chairman
Don Raymond	Executive Secretary
Bart D. Franey	National Grid – Alternate Member – Phone*

**Visitors – Open Session:**

Stan Kopman	Northeast Power Coordinating Council (NPCC) - Phone
Liam Baker	Reliant Energy – Phone*

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

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

**III. Executive Session** – The Executive Committee (Committee) accepted a request to address Agenda Items 4.1 and 9.3 in Executive Session. Formatted: Bullets and Numbering

**II. Open Session**

- 1.0 Introduction – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 77 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 requested and took place immediately after the lunch break.
- 2.0 **Meeting Minutes/Action Items List**
  - 2.1 Approval of Minutes for Meeting No. 76 (August 12, 2005) – Mr. Raymond introduced the revised draft minutes. Additional corrections and clarifications were offered at the meeting. Mr. Raymond agreed to update the minutes and send them to the Executive Committee Members for final comment – **AI #77-1**.
  - 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>
15-6	Deemed no longer necessary to track with the concurrence of the Committee.
<u>2-0</u>	Mr. Loehr provided the final NYISO Blackout Report at the September 9, 2002 Committee meeting.
<u>2-0</u>	As of September 9, 2005 all Committee and Subcommittee members and alternates have signed the Code of Conduct Acknowledgement Form.
75-5	See # 60-6 above.
76-2	Committee members completed providing names to receive the NYSRC Biennial Report
76-3	Mr. Gioia provided an assessment of the Energy Legislation at the August 12, 2005 Committee meeting.
76-8	RR#69-05-02 was posted on the NYSRC web site on August 12, 2005.
76-10	PRRs #73 and 78 were posted for comment on
76-11	The cover letter for the Ballot Body mailing was completed by Mr. Adamson before the September 9, 2005 Committee meeting.
76-15	The letter was sent to Mr. Calimano on September 2, 2005 by Mr. Gioia.

Formatted: Bullets and Numbering

### 3.0 Organizational Issues

#### 2.0 NYSRC Treasurer's Report

Formatted: Bullets and Numbering

- i. **Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements for July 2005 which indicate \$84,000 in cash as of the end of July. He noted that projected year-end variance from budget is now \$9,600 below budget. Further, Mr. Adamson recommended a Call-For-Funds for the 4<sup>th</sup> quarters of \$25,000 from each TO due on October 1, 2005. Mr. Bolbrock moved for approval of the Call-For-Fund. The motion was seconded by Mr. Clagett and approved unanimously by the Committee (13 to 0).
- ii. **Proposed Budget for 2006** - Mr. Adamson presented and discussed the draft budget for 2006 indicating a total request of \$693,000 including a \$30,000 contingency. This total is \$53,000 (excluding the \$20,000 reduction in contingency) above the 2005 budget. Mr. Adamson advised that an increase of \$15,000 for meeting fees and travel expenses for Unaffiliated Members is based on 2005 experience. Legal services are increased by \$20,000 in anticipation of energy legislation activities and the Consulting services proposal is also increased by \$20,000 in recognition of salary increases approved in early 2005. Also, subcommittee meeting expenses are estimated to increase by \$9,000 due to the loss of NYISO meeting space and there is a one time \$5,000 cost for the web site makeover. Small reductions in Insurance and Accounting and a \$20,000 reduction in the Contingency complete the proposed changes relative to 2005. After discussion, including summary suggestions by Dr. Sasson, the Committee agreed that Office Supplies should be reduced by \$1,000 and the subcommittee meeting expenses should be increased by \$4,000 vs. the proposed \$9,000 assuming an alternate meeting location is found. Mr. Adamson will make necessary adjustments and present the final proposed budget at the October 14, 2005 Committee meeting. A Funding Mechanism for 2006 will also be presented for discussion and approval at the October meeting.

#### 3.0 Other Organizational Issues

Formatted: Bullets and Numbering

- ii. **Code of Conduct Acknowledgement Forms** – Mr. Raymond advised that the Acknowledgement Forms were received from all Committee and Subcommittee members.
- iii. **Code of Conduct – Amendment** - Mr. Gioia presented a memo to the Committee which provides the changes that would be necessary to the NYSRC Agreement and Code of Conduct should the Committee decide to confine the NYSRC membership restriction to NYISO employees and consultants and members of the NYISO Board. Also, the memo outlines the basis of a FERC filing which is required for changes to the NYSRC Agreement. The Committee supported the concept, but Dr. Sasson raised the issue of FERC's acceptance at this time. Mr. Gioia felt that the Committee should expect somewhat closer scrutiny than normal by FERC. Following discussion, the Committee felt that a filing which clearly states the benefits of providing a clearer separation between the NYSRC and the NYISO would be viewed favorably. In addition, Mr. Gentile asked whether "agents" of the NYISO would be excluded from NYSRC membership. It was decided to amend the proposed language to specifically exclude "agents" from membership. Mr. Bush moved that the Committee proceed to file with FERC, including the exclusion of "agents" of the NYISO or its contractors. The motion was seconded by Mr. Bolbrock and approved unanimously by the Executive Committee (13 to 0). Mr. Gioia will prepare the filing – **AI-#77-2**.

Formatted: Indent: Left: 0.71", Hanging: 0.29", Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Left + Aligned at: 0.71" + Tab after: 1.21" + Indent at: 1.21", Tabs: Not at 1.21"

Formatted: Numbered + Level: 1 + Numbering Style: i, ii, iii, ... + Start at: 1 + Alignment: Left + Aligned at: 0.71" + Tab after: 1.21" + Indent at: 1.21", Tabs: Not at 1.21"

**iv. NYSRC Web Site Makeover** – Mr. Clayton described the progress that has been made in re-designing the NYSRC web site. After discussion with Ms. Cross, Mr. Clayton suggested that she could place information directly on a new web site, thereby avoiding the middleman in the current posting process.

Formatted: Numbered + Level: 1 +  
Numbering Style: i, ii, iii, ... + Start  
at: 1 + Alignment: Left + Aligned at:  
0.71" + Tab after: 1.21" + Indent  
at: 1.21", Tabs: Not at 1.21"

#### **4.0 Federal Energy Legislation –**

**4.1 FERC ERO and Reliability Standards NOPR** – Upon Committee request, this item was held for consideration during the Executive Session.

**4.2 Future Role of Regional Reliability Councils** – Mr. Gioia noted that he will be representing the NYSRC on the NERC Stakeholder Group addressing the relationship between the ERO and regional reliability entities. Mr. Kopman agreed to forward the organization structure and participants names to the Committee – **AI #77-3.**

#### **5.0 Blackout Reporting**

**5.1 DOE Report – NYISO Follow-up List** – Mr. Calimano indicated that the List had been updated and will be emailed on September 12, 2005 – **AI #77-5.**

**5.2 Verify NYISO Blackout Report Meets NYSRC Expectations** – Mr. Calimano reported that he had given the NYISO Report to Mr. Loehr. Mr. Adams will email the Report to the Committee during the week of September 11, 2005 – **AI #77-6.**

**5.3 NYSRC Actions on Blackout Report Recommendations** – Nothing new to report.

**5.4 NPCC Blackout Report Recommendations** – Nothing new to report.

**5.5 PSC Blackout Report** – Nothing new to report.

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

**6.1.2 ICS Status Report and Discussion Issues** – Mr. Dahl noted that ICS met on September 2, 2005. The meeting focused on preparations for the 2006-07 IRM Study. Mr. Dahl presented an updated Base Case Assumptions Matrix. He noted the following (1) Summer peak hours capacity factor for wind resources is 10.9%, and (2) the DMNC Derating is 125MWs due to a reassessment of historical MW bids by the NYISO. Mr. Dahl indicated there was disagreement between NYISO and ConEd on the appropriate voltage transfer limits to use on the UPNY/ConEd and Sprainbrook/Dunwoodie transmission interfaces and that ICS was waiting for a resolution of this issue before finalizing its transmission model base case recommendation. ICS recommends this voltage constraint initially be considered as a sensitivity case pending the outcome of NYISO/ConEd discussions. Some Committee members expressed concern regarding use of a number that is not supported by the NYISO. Mr. Bush emphasized that particularly in cases of voltage limitations “good engineering practice” requires use of the most conservative limit in cases of disagreement. Mr. Mager stressed the importance of timely resolution of the issue. Mr. Sasson assured the Committee that the NYISO Operating Committee and ConEd will move forward quickly. Mr. Franey stated that he could not support an IRM based on limits that were not approved and used in NYISO analyses. Further he noted that due to the tan 45% analysis now required, the base case cannot be changed without redoing the sensitivity cases. Also, Mr. Adamson noted that Mr. Dahl had been selected by NERC to participate on the Resource Adequacy drafting team.

**6.3 IRM Sensitivity Cases** – Mr. Dahl presented a recommended list of fifteen proposed sensitivity cases and three others, if time permits. Among the three others is the reliability assistance analysis requested by

NYSEG/RG&E. A final recommendation is pending based on a final scope to be provided by NYSEG/RG&E. Following discussion, Mr. Dahl requested Committee approval of the fifteen cases. Mr. Bolbrock seconded the request which was then approved unanimously by the Committee (13 to 0).

- 6.4 NYCA IRM Study 2006-07 Milestones** – Mr. Dahl presented a detailed set of milestones for timely completion of the IRM Study. The milestones included (1) a complete base case and IRM/LCR curves by September 30, 2005, (2) approved draft IRM Report and Group 1 sensitivity cases by November 2, 2005 and (3) approved final IRM Report and firm IRM by December 9, 2005.

**6.5 Other ICS Issues**

- i. PSC Renewables Proceeding** – 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 September 1, 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 PRR#73, Verification Testing of Resource Capacity, and PRR#78, Operation During Major Emergencies were approved for posting on August 12, 2005 and comments are due on October 2, 2005. PRR#76, Emergency Restoration Procedures, was remanded back to RRS based on new information from Dr. Sasson.

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

- 1. PRRs for Final EC Approval** – None

- 2. PRRs for EC Approval to Post for Comments** – Mr. Clayton described PRR#74, System Data Requirements, and requested Committee approval to post for comment. Dr. Sasson moved for approval. The motion was seconded by Mr. Smith and approved unanimously by the Committee (13 to 0).

- 3. PRRs for EC Discussion** – See 7.2i.a.

**7.3 NPCC/NERC Standard Tracking -**

- i. NERC Standards Development – Status** – Mr. Adamson indicated that balloting of TOP, Coordinate Operations, is expected between October 10-20, 2005. RRS will provide a voting recommendation before the October 14, 2005 meeting.

- ii. E-mail to Ballot Pool on Category C Contingencies** – Mr. Adamson indicated that the balloting period on FAC-010-1 (Determining Facility Ratings, Operating Limits, and Transfer Capabilities) is between October 10-20, 2005. Mr. Adamson indicated that he would send the letter from the NYSRC to the Ballot Body urging a “no” vote and documenting the reasons supporting the NYSRC’s position about two weeks in advance of the start of balloting. Also, Mr. Adamson agreed to prepare an email to those NYSRC members who 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 sent to the entire Ballot Body will be attached. At the suggestion of Mr. Loehr, the letter will also be sent to the NERC Regional Managers.

- iii. NYCA Impact From New A-10 Document (Definition of Bulk Power System)** – Nothing new at this time.

Formatted: Outline numbered +  
Level: 1 + Numbering Style: i, ii, iii, ...  
+ Start at: 1 + Alignment: Left +  
Aligned at: 0.5" + Tab after: 1" +  
Indent at: 1", Tabs: Not at 1"

**7.4 Other RRS Issues** – Mr. Clayton noted that at the August 12, 2005 meeting, the Committee approved including the Implementation Plan in the Reliability Rules template. He advised that this decision precipitates a need to update Policy 1. Mr. Adamson agreed to provide a draft update – **AI #77-7**.

#### **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 RCMS reviewed and approved Local Rules I-M1-3.

**8.3 Modified Resource Adequacy Assessment for 2005-08 - Status** Mr. Loehr reminded the Committee that Mr. Bolbrock suggested going forward the latest data should be used in preparing the annual Resource Adequacy Assessments versus accepting the Gold Book as is. After discussion, the Committee concluded that for this year's Report, the RCMS cover memo should acknowledge any changes since the Assessment began. In the future, the Gold Book should be reviewed carefully and engineering judgment exercised where appropriate – **AI #77-8**. Mr. Adams suggested that the study be designed to indicate the number of generators that must come on line and discuss the likelihood of that occurring. Mr. Loehr agreed to modify the cover letter to identify key data changes – **AI #76-12**.

**2.0 Policy 4 Revision** – Mr. Loehr indicated that RCMS will be taking-up the Policy 4 revision at its October 2005 meeting.

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

#### **9.0 Key Reliability Issues**

**9.1 Series Reactor Letter of Concerns** – Mr. Gioia reported that the letter regarding “lessons learned” from the recent voltage concerns in southeast New York was sent to Mr. Calimano on August 31, 2005. In response, Mr. Adams distributed a description of the SRIS process and the chronological events pertaining to the installation of the series reactors prepared by Mr. Corey. After lengthy discussion it was agreed that the SRIS process alone is not satisfactory for reliability purposes. However, the new Comprehensive Planning Process and Facility Studies do provide an adequate process. Mr. Smith expressed concern that the pre-summer operating study is not calibrated against real-time operations. Mr. Calimano responded that the calibration work will begin on September 13, 2005, but resolution of the series reactor issue is not expected until year end – **AI #77-9**.

**2.0 NYISO Operations – 2005 Summer Peak Load** – Mr. Calimano summarized a report, NYISO Operations Summer 2005 Peak Load, which describes the summer 2005 peak operating conditions and offers observations versus forecasts. He noted that while the forecast peak (32,400 vs. 32,075 actual) was close (caused by high humidity vs. temperature), there were significant generator and transmission facility outages during the 13 days that load exceeded 30,000MW. However, activation of EOPs was necessary only once, though sales (400MW) were counted as reserve on two occasions and thunder storm alerts were called on eight occasions. Also, the NYISO observed that voltages tended to be lower at similar transfers than expected. The Committee felt that the load model was likely the source of the problem. Mr. Calimano added that the Sprainbrook-Dunwoodie interface was limited by pre-contingency low voltages at high loads which prevented high transfers in real-time. Coordination of generator emissions (SO<sub>2</sub> and NO<sub>x</sub>)

Formatted: Bullets and Numbering

Formatted: Bullets and Numbering

limits were difficult and physically burdensome on the units.

**9.3 Defensive Strategies – NYISO Meeting on Sept. 8, 2005** – Upon Committee request this item was held for discussion during the Executive Session.

**9.4 Regional Greenhouse Gas Initiative –**

- i. Letter to RGGI Team on Scheduling Response to NYSRC Issues – Status** – Mr. Gioia indicated that he had not received a response to the Committee’s RGGI process scheduling concerns.
- ii. RGGI Staff Working Group Package Proposal** – Mr. Haake reminded the Committee of his August 25, 2005 email identifying that the RGGI Group had issued a new staff proposal. The email included IPPNY concerns: for example, the amount of allowances allocated to public benefit programs, the nature of the proposed Carbon Fund and whether New York will be able to add the needed generating capacity under the proposal. He further indicated there is a meeting scheduled for September 12, 2005 at DEC to go over the new proposal. Mr. Gioia agreed to represent the NYSRC at the September 12, 2005 meeting. Ms. Hogan added that Mr. Michael had responded to the Committee’s letter expressing its concerns regarding reliability issues, but scheduled the reliability aspects of its work to coincide with the comment period for the RGGI proposal. The Committee found the schedule to be inadequate for a full airing of reliability issues. Mr. Bolbrock brought to the attention of the Committee a letter from the Center for Energy and Economic Development which represents industrial interests, written to Mr. Flynn calling the new reference case “utterly implausible” and questioning again the technical soundness of the RGGI analysis and its usefulness in policy making. Mr. Gentile/Bolbrock suggested that the Committee send a letter to the State’s Department heads reiterating the NYSRC’s reliability concerns and other constructive suggestions. The Committee concurred and Messrs. Gioia and Haake agreed to prepare the letter – **AI #77-10**. In addition, Mr. Bolbrock will discuss the situation with NPCC.
- iii. Next Steps** – Ms. Hogan noted that on September 29, 2005 there will be a RGGI regional department heads meeting to discuss the new proposal. Also, Ms. Hogan provided to Mr. Raymond a partial set of responses to questions previously emailed to Mr. Michael.

**10.0 NYISO Status Report/Issues –**

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

**10.2 NYISO Planning Process** – Mr. Adams indicated that a draft report will be issued on September 2, 2005 including voltage issues in the lower Hudson Valley. Also, the draft will be discussed with stakeholders on September 13, 2005.

**10.3 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** – Mr. Adams reported that NERC is waiting on input regarding the Low-voltage-flow-through issue before 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 before filing a more extensive list of concerns. The NYSRC may wish to file in support of the NYISO – **AI #76-13**.

**10.4 Other Studies/Activities –**

- i. FERC Reactive Power Study** – Nothing new to report.
- ii. NYCA Reactive Power Study** - Nothing new to report.

Formatted: Bullets and Numbering

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

**11.0 Other Items**

- 11.1 Transmission Workshop for PSC** - Mr. Loehr reported that about 30 PSC employees attended the Workshop and offered very positive reviews. Mr. Rufrano noted that the Workshop video will be ready in October 2005.
- 11.2 Millennium Gas Pipeline** – Nothing new to report.
- 11.3 NYISO Operating Report** – Mr. Raymond reported that the frequency excursions in July 2005 were xx, continuing six months of abnormally high numbers of Alert States, though at lower than recent levels. A summer peak load of 32,075MW was reached on July 26, 2005. No major emergencies occurred during the month, but EOPs were put on alert. The NERC Resources Subcommittee is investigating appropriate frequency thresholds and operator actions on a national basis.
- 11.4 North American Energy Standards Board (NAESB) Report** – Mr. Ellsworth noted that the Energy Summit is coming up on September 28-29, 2005. He will be representing the NYSRC on one of the discussion panels.
- 11.5 NPCC Report** –
  - i. Eastern Interconnection Frequency Excursions** – Mr. Bolbrock passed out the announcement of the 2005 NPCC General Meeting.

**12.0 Visitor's Comments** – None

**13.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#78	October 14, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#79	November 10, 2005	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 77 was adjourned at 4:30 P.M.