

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 84 – April 7, 2006
Albany Country Club, Voorheesville, NY.

Members and Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric
Thomas Gentile	National Grid, USA – Vice Chairman
Bart Franey	National Grid –Alternate Member
Thomas C. Duffy	Central Hudson Gas & Electric
Rich Bolbrock	Long Island Power Authority (LIPA)
Curt Dahl	LIPA – Alternate Member – ICS Chairman -Phone
William H. Clagett	Unaffiliated Member - Phone
Timothy R. Bush	Muni. & Elec. Cooperative Sector – Alternate Member
George C. Loehr	Unaffiliated Member, RCMS Chairman
Glenn Haake, Esq.	IPPNY (Wholesale Seller Sector) - Phone
George E. Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
A. Ralph Rufrano	New York Power Authority
Michael Mager, Esq.	Retail Sector

Others:

Alan M. Adamson	Consultant & Treasurer
John Adams	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP - Council
Don Raymond	Executive Secretary
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric - Phone
Edward Schrom	NYS Department of Public Service

Visitors – Open Session:

Erin Hogan, P.E.	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC)

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

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was requested by Mr. Bolbrock.

II. Open Session

1.0 Introduction – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 84 to order at 9:30 A.M.

1.1 Meeting Attendees – All 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 by Mr. Bolbrock to discuss the NYISO Board of Directors (BOD) denial of the Nat'l Grid appeal of the Management Committee's decision regarding changes to the IRM for 2006-07.

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 83 (April 7, 2006) – Mr. Raymond introduced the revised draft minutes. Additional corrections and/or clarifications were provided by the Committee. Subject to the changes offered, Mr. Mager moved that the Committee approve the revised minutes. The motion was seconded by Mr. Smith and approved unanimously by the Committee (13-0). Mr. Raymond will issue the final minutes of Meeting No. 83 and post them on the NYSRC web site - **AI #84-1**.

2.2 Approval of Minutes for Special Meeting No. 2 (3/20/2006) -

2.3 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>
73-9	Mr. Kopman provided the NPCC Actions list on April 5, 2006.
79-4	The budget for the U-D Super Zone Study was completed on April 7, 2006.
80-6	ICS completed review of the LCR/IRM responsibilities by April 7, 2006.
82-2	The filing for clarification of the ERO NOPR was made March 2, 2006.
82-6	The list of completed and planned work was presented to the Committee on April 7, 2006.
82-1	The final minutes of meeting #82 were posted on March 14, 2006.
82-8	The letter was sent by Mr. Raymond on March 1, 2006.
82-9	Mr. Kopman distributed the NPCC Defensive Strategies recommendations at the March 10, 2006 Committee meeting.
83-6	A letter was sent to the Ballot Body on March 20, 2006.

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 March 2006 which indicated a balance of \$118,000 in cash at the end of March 2006. Mr. Adamson noted that \$105,000 had been received in March 2006 toward the 2nd Quarter Call-for-Funds and another \$70,000 has been received thus far in April.

3.2 Other Organizational Issues

- i. Application for Renewal of D&O Policy** – Mr. Gioia reported that the NYSRC had received the binder for the D&O policy for an amount of \$49,107. Mr. Ellsworth was asked to sign a Notice of Excess Line Placement and an Acknowledgement of Compensation Discloser. Also, Mr. Ellsworth signed an application for renewal of the liability coverage. Acordia indicated to Mr. Gioia that they did not expect the rate to increase by more than 10%.
- ii. NYSRC Web Site Makeover** – Mr. Adamson reported that the new web site is up and running on Yahoo at www.nysrc2.org. Eventually, the web site address will return to www.nysrc.org. In the interim either address can be used.

4.0 Federal Energy Legislation –

4.1 FERC ERO and Reliability Standards NOPR – Petition for Clarification - Mr. Gioia indicated that the Petition for Clarification was granted by FERC. FERC concurred that the statutory standard to be used to change a requirement on a transmission organization that is based on an agreement or tariff approved by FERC and in conflict with an ERO reliability standard, is Section 206. This revision of the ERO and Reliability Standards NOPR is in the interest of the NYSRC because Section 206 imposes a higher standard than Section 205. The NOPR permitted FERC to issue an order under either Section 205 or 206. However, FERC noted that a Transmission Organization could voluntarily submit a revised tariff provision pursuant to Section 205 to resolve a conflict.

5.0 Blackout Reporting

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

5.2 NYSRC Actions on Blackout Report Recommendations – There were no updates to the NYSRC Actions on the DOE Blackout Recommendations report. Mr. Adamson noted that the actions required of the NYSRC specifically are complete.

5.3 NPCC Blackout Report Recommendations – Mr. Fedora indicated that updates regarding system studies and system protection are shown on the NPCC web site.

5.4 PSC Blackout Report Recommendations

- i. RRS, RCMS Follow-up** – Mr. Loehr reported that RCMS did not discuss the follow-up issues because the generation sector was not represented at the RCMS meeting. Mr. Haake agreed to attend the next meeting.
- ii. PSC/TO Follow-up** - Mr. Schrom noted that the PSC, TOs, and generators met in March 2006 and expect to have a work plan in place by the end of April 2006.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1 ICS Status Report and Discussion Issues – Mr. Dahl indicated that ICS met on March 29, 2006.

6.2 IRM Report Addendum – Messrs. Gioia and Dahl introduced a draft supplemental information filing with FERC regarding the 2006-07 installed capacity requirement for the NYCA. The need for a supplement was initiated by the discovery by the NYISO, which informed the NYSRC on March 10, 2006, of database errors in the initial results provided by the 2006 IRM Report. Those results had led to adoption on January 31, 2006 of a 18% Installed Reserve Requirement for the NYCA from May 1, 2006 through April 30, 2006. A Special Meeting of the Executive Committee on March 20, 2006 determined that an addendum to the initial 2006 IRM Report would be developed using the corrected data and the

new load forecast. The results of the revised study reaffirmed the 18% for the NYCA IRM for the 2006-2007 Capacity year. The Committee then discussed whether the addendum (including the updated IRM/LCR curves) in addition to the supplemental information filing should be posted on the NYSRC website. Mr. Bolbrock moved that the draft supplemental information be filed with FERC, and that the Addendum should be attached to the January 31, 2006 IRM Report posted on the NYSRC website as modified by the Committee. The motion was seconded by Mr. Rufrano and approved by the Committee Members (12-0-1). Mr. Dahl will update the addendum per Committee discussion – **AI #84-2**.

6.3 National Grid Complaint Filing –

- i. 90 Day Report** - Mr. Dahl distributed the draft 90 Day Report to FERC. The draft has been discussed by ICS and the Resource Adequacy Issues Task Force (RAITF). The structure of the Report was designed to convey what has been done, is being done, and will be done relative to the Nat'l Grid Complaint. Mr. Patka indicated that the NYISO will be filing jointly with the NYSRC. Messrs. Franey and Jeremko indicated that they had provided comments which were intended to reach closure regarding the complaint, but that these comments were left out of the draft Report. Mr. Gioia expressed the view that an informational response to FERC is not the appropriate place to make additional commitments. Mr. Franey responded that Nat'l Grid has a differing legal view regarding the intended scope of the filing and that the Report as it stands does not address the Nat'l Grid Complaint. Mr. Bush expressed a similar concern with regard to addressing the complaint. Mr. Gioia disagreed and expressed the view that the Report provides valuable background information that FERC should be aware of. At the Chairman's request, Messrs. Franey and Jeremko agreed to provide comments to Mr. Gioia on the latest draft of the 90 Day Report – **AI #84-3**.
- ii. RAITF Scope** - Mr. Dahl described the RAITF scope of work which will be attached to the 90 Day Report. After discussion, Mr. Bolbrock moved for approval of the scope subject to inclusion of the Committee's comments. The motion was seconded by Dr. Sasson and approved by the Committee (12-1).

6.4 NYISO BOD Decision – Nat'l Grid Complaint – This item was discussed during the Executive Session.

6.5 Other ICS Issues

- i. NYISO/NE Mutual Emergency Assistance Study** – Mr. Dahl indicated that he had contacted the Chairman of the NEISO Study Group to enforce the NYISO's need for a short-term baseline Study year and to request that NE, who will perform the emergency assistance analysis, provide a Work schedule. Mr. Dahl will be following-up with Peter Wong from NE-ESPC – **AI #84-4**.
- ii. NERC Resource Adequacy Assessment Drafting Team** – Mr. Dahl reported that a second draft of the NERC Resource Adequacy Assessment was posted for comment by March 30, 2006. Mr. Adamson provided the ICS comments to the Drafting Team. The comments focused on establishing a definitive criteria by Region versus simply a framework for resource adequacy.
- iii. ICS Work Plan** - Mr. Dahl distributed the draft ICS Work Plan for 2006. Predominant on the list are the "lessons learned" from the 2005 IRM Study, Policy 5 update, the 90 day response to FERC, the Upstate-Downstate study and assumptions for the 2007 IRM study. Also, Mr. Dahl emphasized the need for greater database transparency. Mr. Adams indicated that he has begun discussion within the NYISO to address the confidentiality issues **AI #84-5**. Mr. Haake expressed interest in having the Wholesale Sales Sector comment on any plan that would broaden the oversight of confidential data. Finally, Mr. Dahl raised for NYISO consideration the need for at least one additional person at the NYISO to back-up Greg Drake. Mr. Adams noted that the recent data base issues have raised the manpower issue to a new level at the NYISO. Mr. Gioia

reminded the NYISO attendees that the TOs had offered to assist in data validation under an appropriate confidentiality agreement – **AI #84-6**.

7.0 Reliability Rules Subcommittee Status Report/Issues

7.1 RRS Status Report & Discussion Issues – Mr. Adamson indicated that RRS met on April 2, 2006. He referred to the table, List of Potential Reliability Rule Changes – Outstanding, noting that PRRs #84 and #85 are in the process of being drafted. Their purpose is to assure that the NYSRC rules are compatible with recent changes to NPCC Documents A-3 and A-6.

7.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (PRR) Changes –

b. Status of New/Modified Reliability Rules

1. PRRs for Final EC Approval – Nothing new to report.

2. PRRs for EC Approval to Post for Comments - Nothing new to report.

3. PRRs for EC Discussion – Nothing new to report.

7.3 NPCC/NERC Standard Tracking -

i. NERC Standards Development – Status – Mr. Adamson reported that NERC is requesting comment on changes to the Process Manual to require a risk factor (high,medium,low) for each NERC standard and changes to the segment voting structure such that any segment with less than ten votes would have its weighting reduced to # votes/10 times 11%. Next, Mr Adamson indicated that NYSRC votes of “yes”, “no”, “yes” were registered for EOP-005-1, MOD-013-1 and MOD-016-1, respectively on March 30, 2006. On the initial vote each proposed Standard received at least 89% plurality on a weighted basis. Also, the NYSRC voted “yes” on BAL 006-1, SPP Regional Difference, which received a 79% plurality. Finally, Mr. Adamson reported that voting on FAC 010-1 and FAC 011-1, which exclude the category C contingencies, resulted in a 68.3% plurality, but without the necessary quorum. NYSRC, NPCC and its members voted “no”. Prior to the vote, Mr. Adamson prepared a letter to the Ballot Body and Regional Managers urging a “no” vote. Mr. Gentile noted that Category C contingencies received considerable attention at the NERC Transmission Issues Task Force and the Task Force’s recommendation to the Planning Committee and Standard Drafting Committee contained the NYSRC position within its minority report. Mr. Adamson noted that MAAC has reported over eighteen multiple contingencies per year on average over the last ten years. Mr. Loehr added that in the past opposition has come from operators within areas of the country that do not have the software to handle multiple contingencies.

ii. NYCA Impact of New A-10 Document (Definition of Bulk Power System) – Nothing new to report.

7.4 Other RRS Issues - None

8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

8.1 RCMS Status Report and Discussion Issues – Mr. Loehr indicated that RCMS met on April 6, 2006. He noted that the restructuring of NERC appears to be heading toward more reliance on staff and less input from stakeholders. Also, he noted that RCMS is reviewing the Comprehensive 2010 Transmission Study prior to its release to NPCC. The transfer limits appear to be declining partly due to an increase in the number of voltage constraints. Mr. Adamson is preparing RCMS comments on the report – **AI# 84-7**.

8.2 Status of 2006 NYRCP – Mr. Loehr reported that RCMS had signed off on Compliance Measure C-M5

(Reliability Rule I-M5) and Compliance Measure C0-M6 (Reliability Rule I-M6). They have to do, respectively, with Con Ed and LIPA local rules re: having procedures in place for operating the system in accordance with certain NYISO requirements, and notifying the NYISO when actions are taken in accordance with these local reliability rules.

8.3 Other RCMS Issues – Mr. Loehr reported that RCMS is also in the process of reviewing PRR# 85, Minimum Operating Reserve Requirements.

9.0 Key Reliability Issues

9.1 Defensive Strategies – Mr. Clagett indicated that a second meeting will be held on May 11, 2006. Mr. Smith is currently working with Mr. Adams on an agenda that is coincident with discussions anticipated at the May 2006 NPCC-RCC meeting.

9.2 NPCC Defensive Strategy Activities – Nothing new to report.

9.3 Regional Greenhouse Gas Initiative –

- i. RGGI – Status** – Ms. Hogan discussed a document indicating that the participating states in the Regional Greenhouse Gas Initiative (RGGI) are seeking comments on the Model Rule by May 22, 2006. All comments will be posted on the RGGI website.
- ii. Next Steps** – See above.

10.0 NYISO Status Report/Issues

10.1 NYISO Planning Process – Mr. Adams indicated that the NYISO continues to assess market based and alternative regulated solutions for the 2008-2011 timeframe. He expects to complete the assessment by the end of April 2006.

10.2 Studies – Status

- i. Reactive Resource Adequacy** – Mr. Adams reported that the Reactive Power Load Factor Working Group will meet during the week of April 9, 2006.
- ii. Electric Deliverability Study** – Mr. Adams indicated that the NYISO will file the Study early in May 2006. Current work is focusing on a proper definition of deliverability and corresponding test. The final compliance filing is due May 6, 2006.
- iii. NYSERDA/NYISO Gas Study** – Nothing new to report.

10.3 Other Studies/Activities –

- i. NYCA Reactive Power Study** – Nothing new to report.
- ii. NYSERDA Oil Infrastructure Study** –
- iii. Windpower Interconnection Study** – Mr. Adams noted that FERC has denied the NYISO request for clarification. The NYISO will likely file for rehearing.

11.0 Other Items

11.1 NYISO Operations Report – Mr. Raymond indicated that frequency excursions continue at a high level in February 2006.

11.2 North American Energy Standards Board (NAESB) Report – Nothing new to report.

11.3 NPCC Report –

- i. Eastern Interconnection Frequency Excursions** – Nothing new to report.

12.0 Visitors' Comments – None

13.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#85	May 12, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#86	June 9, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 84 was adjourned at 3:25 P.M.