

**Revised Draft Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 182 – June 13, 2014**  
**Albany Country Club, Voorheesville, NY**

**Members and Alternates**  
**in Attendance:**

Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Chair
Curt Dahl, P.E.	LIPA – Member – Vice Chair - Phone
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
George Smith, P.E.	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) – Member
Scott Leuthauser	Generation Sector – Alternate Member - Phone
Jim McCloskey	Central Hudson Gas & Electric – Member
Chris LaRoe	Independent Power Producers of NY (IPPNY) – Member
Arnie Schuff	New York Power Authority – Member
Peter Altenburger	National Grid, USA - Member
Ray Kinney	New York State Electric & Gas/RG&E - Member

**Other**

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Erin Hogan, P.E.	NYSERDA – ICS Chair
Henry Chao	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
Howard Tarler	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Ed Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary

**Visitors- (Open Session)**

Phil Fedora	Northeast Power Coordinating Council (NPCC)
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“\*” Denotes part-time

- I. **Executive Session** – An Executive Session was not held.
- II. **Open Session**
  - 1.0 **Introduction** – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.182 to order at 9:30 a.m. on June 13, 2014.
  - 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance.
  - 1.2 **Visitors** – See Attendee List, page 1.
  - 1.3 **Requests for Additional Agenda Items** – None
  - 1.4 **Declarations of “Conflict of Interest”** – None
  - 1.5 **Executive Session Topics** – An Executive Session was not held.
- 2.0 **Meeting Minutes/Action Items**
  - 2.1 **Approval of Minutes for Meeting No. 181 (May 9, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Additional comments were offered by Messrs. Tarler, Gioia and Dr. Sasson. Mr. Altenberger moved for approval of the revised draft minutes contingent upon inclusion of the additional comments. The motion was seconded by Mr. Mager and unanimously approved by the Executive Committee members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #182-1**.
  - 2.2 **Action Items List** – The Executive Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
178-6	Ms. Hogan and Messrs. Dahl and Altenberger discussed Micro grids at the May 9, 2014 Executive Committee meeting.
180-5	Mr. Smith noted that he contacted the Canadian Electric Association regarding transmission line outage rates for ICS.

- 3.0 **Organizational Issues**
  - 3.1 **NYSRC Treasurer’s Report**
    - i. **Summary of Receipts & Disbursements** - Mr. Adamson discussed the Summary of Receipts and Disbursements which showed a surplus of \$240,000 at the end of May 2014. He noted that the last payment for the 2<sup>nd</sup> Quarter Call-For-Funds was received in May 2014. Further, he requested approval for a 3<sup>rd</sup> Quarter Call-For-Funds of \$25,000 per TO due July 1, 2014. Dr. Sasson moved for approval of the request. The motion was unanimously approved by the Executive Committee – (13 to 0).  
Mr. Adamson again reminded the TOs to inform him of electronic transfer payments.
  - 3.2 **Other Organizational Issues**
    - i. **2015 Budget** – In accordance with Policy 3, Mr. Adamson noted that he will draft a 2015 budget for review at the July 11, 2014 Executive Committee meeting.

#### **4.0 Installed Capacity Subcommittee (ICS) Status Report/Issue**

**4.1 ICS Chair Report** – Ms. Hogan indicated that due to a lengthy agenda the ICS met on both June 4 & 9, 2014. In the first meeting substantial progress was made on the Assumption Matrix. The missing elements were identified and responsible parties were notified in time to provide the information. The NYISO reviewed the preliminary load forecast uncertainty (LFU) model methodology.

The NYISO recommended SCR derate factors: fatigue, effective capacity and translation factors. The fatigue factor will be increased from .95 to 1.00.

Bill Lamanna (NYISO) reviewed the proposed 2015 IRM MARS transmission topology. This year dynamic ratings will be added across the Dysinger-East, Central East/Fraser-Gilboa and Central East interfaces. ICS has asked the NYISO to determine the impact on IRM of the new dynamic rates.

The second ICS meeting focused on changes to Policy 5 to capture any errors found, recent modeling changes, and clarification. By tightening Policy 5 now, there will be a better basis for development of the future IRM Process Guide document.

The NYISO's ICS member raised concern that use of the term Locational Capacity Requirement (LCR) is confusing because it is used in the IRM Unified Methodology to balance risk and in the NYISO Study to establish the minimum capacity requirement for Zones G-I, J and K. Mr. Patka indicated that the NYISO does not object to the use of the term "Locational Capacity Requirement" or "LCR" in Policy 5. He said that he has provided a footnote indicating that Policy 5 does not determine the LCRs, which are established under the NYISO's tariffs and procedures.

Ms. Hogan indicated that ICS elected not to formalize the practice of using only new units that would be on-line by June 1 of the study year in Policy 5. Early next year, the NYISO will provide an example of the IRM calculation with an inclusion date after June 1 to confirm that there are no unintended consequences. ICS will reconsider the issue next year – **AI #182-2**.

Ms. Hogan noted that for many years the practice has been to use a Capacity Value that is the minimum of the DMNC rating or its Capacity Resource Interconnection Service (CRIS) value. The ICS concluded that a change is not necessary.

Policy 5 currently excludes EOP steps for external areas. It was decided by ICS that for such a significant change the NYISO prepare a white paper for next year. For this year's study, the issue will be addressed through sensitivity case(s) – **AI #182-3**.

ICS plans to have the revised Policy 5 and Assumption Matrix ready for the July 11, 2014 Executive Committee meeting.

**4.2 Other ICS Issues** – Nothing additional to report.

#### **5.0 Reliability Rules Subcommittee Status Report/Issues**

**5.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on June 5, 2014. Two separate meetings were held, each with its own agenda and minutes. He noted that there are no new "Potential Rule Changes". However, there are three reformatted Rule changes under the Rules Enhancement Plan; REP-12, G-R1: Control Center Communications, NYCA System Restoration Plan, REP-13, G-R2: System Restoration Training & Simulation Programs, and REP-14, A-R3: Review of Resource Adequacy.

#### **5.2 Status of New/Revised Reliability Rules**

##### **i. Proposed NYSRC Reliability Rules Revision**

**a. List of Potential Reliability Rules ("PRR") Changes** – Mr. Clayton

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

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

- 2. PRRs for EC Approval to Post** – The RRS has reviewed REP-12, 13 and 14 and recommends approval to post. REP-12 and 13 translated directly to the new format. However, REP- 14 meets the intent of the Rule A-R3, but requires wording changes to accommodate the new format, correct errors and add clarification. Also, words expressing current practices were added.

Since REP-14 contained substantial re-wording, the Executive Committee decided to address at a later date an REP-14 without any changes and a new PRR including changes. Mr.

Bolbrock moved for approval of REPs 12 and 13. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee – (13 to 0)

**3. PRRs for EC Discussion - None**

**5.3 NPCC/NERC Standard Tracking**

**i. NERC Standards Development** – Mr. Adamson noted that the NYSRC voted No on PRC-004.

**5.4 Other RRS Issues** – Mr. Clayton noted that the reformatting of Section B of the current Transmission Planning Rules is moving rapidly. However, it is not clear whether Section B applies only to the NYISO or the NYISO and Market Participants. Messrs. Clayton and Gioia will examine the issue further – **AI #182-4.**

Mr. Clayton also mentioned the EPA initiative to reduce CO<sub>2</sub> emissions by 30%. The report suggests reducing the New York State CO<sub>2</sub> emissions rate to 549lbs/MWH by 2030. Mr. Clayton will contact with Mr. Carney (NYISO) to obtain the impact on New York.

Mr. Clayton has been speaking with Allen McBride (ISO-NE) and finding substantial differences in their interpretation of NPCC Criteria versus New York. He is going to initiate a dialog with the NYISO regarding the varying interpretations.

**6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues**

**6.1 RCMS Status Report & Discussion Issues** – Mr. Clayton reported that RCMS met on June 5, 2014 following the RRS meeting.

**6.2 2014 New York Reliability Compliance Program (NYRCP)** – RCMS found the NYISO to be in full compliance for the following Measurements:

(a) E-M3, Post Contingency Operations,

(b) E-M4, Operations during impending weather and severe solar magnetic disturbances, and

(c) E-M6, Reporting generator reactive power capacity testing results to the NYISO.

Due to an administrated error, K-M2b, 2014 NYCA Resource Adequacy Assessment, was given the 30 day procedural leeway to achieve full compliance of the Resource Adequacy report.

**6.3 Other RCMS Issues** – Mr. Clayton reported that when reviewing the Monthly Operating Report it was observed that there has been a significant increase in the number of emergency transfers in western NY. If this is a continuing trend, RRS will be addressing the issue with the NYISO.

Also, he noted a meeting with the NYISO on June 19, 2014 to review its progress in developing the Tariff filing for PRR #116A. Dr. Sasson added that he spoke with Michael Bardee, Director of Reliability at FERC. He was enthusiastic about a technical meeting regarding the subsequent Tariff Filing. The Executive Committee agreed that Dr. Sasson and Mr. Clayton should initiate and attend a meeting with FERC – **AI #182-5.** Mr. Patka will contact Dr. Sasson if the NYISO wishes to participate.

**7.0 Reliability Initiatives**

**7.1 Physical Security** – Mr. Loehr reported that little new information has become available regarding the FERC Study that reportedly identifies 9 substations in the U.S. which would cause large area blackouts if knocked out of service ~~presumably by terrorists~~ **simultaneously.** He suggested ~~making~~ **contacting with the appropriate individuals** ~~FERC to request:~~ (1) a copy of the report, (2) If the report is not available, **at least** identify the 9 substations mentioned in the report, and/or if neither is available, (3) information regarding

~~and the study~~ the methodology (i.e., analysis tools) of the study (i.e., the analytical techniques). Following discussion, the Executive Committee decided to focus on the third request, since the most important information is the methodology used in the FERC Study. Mr. Loehr will draft an appropriate letter, and coordinate through Mike Forte and the NPCC office with any similar efforts anticipated by NPCC - AI #182-6. Dr. Sasson, and Messrs. Gonzales (NYISO), Yeomans (NYISO) and Fedora (NPCC) should be kept informed.

**7.2 Defensive Strategies** – Mr. Smith announced that Dr. Ming has left EnerNex and will be missed. Mr. Smith reviewed the vita for Mr. Aaron F. Snyder who will be the EnerNex Project Manager for the Major Disturbance Mitigation Study (MDMS).

The Technology Transfer Plan is very important to NYSERDA. Therefore, there will be parallel work done with a non CEI simplified system. Seminars and/or webinars will be held periodically. The schedule will be lengthened to 18 months vs. 12 months largely due to the Technology Transfer Plan. Most of the contribution by the NYSRC is serving as NYSERDA's technical arm through its pro bono work by Messrs. Smith and Loehr. Mr. Bolbrock asked the identity of the project leader directing the day-to-day work. Discussion suggested that the leader of the technical work is Mr. Snyder (EnerNex). However, Messrs. Smith and Loehr agreed to have this question raised and clarified at the next MDMS meeting – AI #182-6. There will be a technical meeting scheduled in June 2014.

## **8.0 State/NPCC/Federal Energy Activities**

**8.1 NPCC Board of Directors (BODs)** – Mr. Forte provided a summary of NERC's proposed Risk Based Registration criteria document. Questions should be directed to Mr. Forte or Dr. Sasson.

**8.2 NPCC Report** – Mr. Fedora reported that the NPCC-Reliability Coordinating Committee (RCC) met on June 4, 2014. RCC actions included: (a) Approval of the 2013 New York Area Transmission Review up to 2018, (b) Approval of the ISO-NE Comprehensive Area Transmission Review up to 2018, and (c) Approval of the NPCC's 2014-15 Probabilistic Multi-Area Reliability Assessment.

RCC received a presentation from HQ TransEnergie on the July 3, 2013 Quebec event as well as the action plan which has been completed. NPCC Task Forces have reviewed their recommendations and actions following the event. RCC gave its approval.

Also, RCC received an update on the ongoing review of NPCC Protection Systems miss-operations for the last quarter of 2013. In addition, there was an update on the Cyber and Physical Security. Mr. Fedora noted that NPCC has sent out a series of webinar and training materials that NERC just recently released with respect to the BES and the "application tool" for exceptions. Shortly, there will be a NPCC webinar announcement for NPCC members and registered entities to explain the implications of moving to the new BES Definition. The title is, The Effect of the Revised BES Definition and Compliance Obligations and the date is Wednesday, June 25, 2014 at 10:00AM. Questions may be submitted prior to the webinar, and the slides will be posted before the webinar.

**8.3 State Energy Plan** – Nothing new to report.

**8.4 FERC Order 745** – Mr. Gioia reported that FERC has issued Order 745 which mandates how the ISO would price Demand Response (DR) in the wholesale market. There was controversy about the pricing requirements which were felt to be over generous. It was appealed in Federal Court where the Court (2 to 1) determined that DR is a retail transaction and that FERC had no jurisdiction over it. The finding is being appealed to the full Circuit Court. At this point the matter has not been decided.

The issue for the NYISO and NYSRC is how will DR participation in the wholesale market be affected. Mr. Mager added that the Federal Court also stated that even if DR was within FERC's jurisdiction, it would have struck down Order 745 anyway because of the compensation.

## **9.0 State/Federal Energy Activities**

**9.1 CARIS** – Mr. Tarler reported that the Business Issues Committee (BIC) approved a revised Economic Planning Manual on May 12, 2014. It is posted on the NYISO website. The NYISO Staff is completing its work on the 2014 CARIS 2 database. It is expected to be reviewed with the ESPWG on June 30, 2014 and BIC in July 2014.

**9.2 Order 1000** – The FERC Order 1000 Interregional Compliance Filing was submitted on July 10, 2013. Regional compliance filings were submitted on October 15, 2013. Process manuals are being revised and new processes will be implemented pending a FERC order approval of the regional compliance filings. The NYISO has revised CARIS and the Reliability Planning Process Manual. They were approved by BIC and the OC in May 2014. They are posted on the NYISO website. The Reliability Planning Process Manual is subject to further revision as necessary to comply with Order 1000.

**9.3 2014 RNA** – The initial findings of the RNA were discussed with the ESPWG in May 2014. Further information will be posted during the week of June 15, 2014 for the June 20, 2014 meeting. Violations include the Rochester and Syracuse areas in 2015 and the Utica and Albany areas by 2017. A final draft of the RNA is expected in July 2014.

## **9.4 Interregional Transmission Studies**

**i. EIPC Study** – EIPC members created a 2018 and a 2023 roll-up integration summer peak power flow cases for the Eastern Interconnection. The roll-up Model Report discusses the gap analysis, gap solutions (enhancements), and linear transfer analysis. The Report was posted February 14, 2014 at <http://www.eipconline.com/non-DOE-Documents.html>.

Non-DOE-Grant Scenario Analysis - In 2014, EIPC will perform power flow analyses of two scenarios that were selected with input from stakeholders. The scenarios include an updated base case with firm transmission and generation plans, and the TOTS project. Also, the ability of the system to transfer power among Eastern Interconnection Regions during a heat wave/drought under summer conditions will be assessed. The Gas-Electric System Interface Study will be performed by Levitan & Associates. The Study timeline includes a baseline assessment of the existing system completed in draft form on April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in draft form by July 11, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by December 26, 2014. A review of dual fuel capability is expected on September 5, 2014. The draft report is scheduled for a February 17, 2015 delivery to stakeholders.

**ii. IPSAC** - A Stakeholder Steering Committee (SSC) webEx meeting was held on March 28, 2014 to review a draft Northeastern Coordinated System Plan (NCSP) and discuss progress on the Order 1000 interregional study. The final 2013 NYISO NCSP is posted on the NYISO website at:

[http://www.nyiso.com/public/markets\\_operations/services/planning/groups/ipsac/index.jsp](http://www.nyiso.com/public/markets_operations/services/planning/groups/ipsac/index.jsp). NYISO staff is waiting for the FERC Order on the interregional compliance filing.

The SSC has scheduled a meeting in Atlanta, GA on June 25-26, 2014 to review Target 2 draft results.

The NYISO Interregional Planning Task Force are scheduled through 2014 to provide updates are scheduled through 2014.

**9.5 Other Studies/Activities** – Nothing additional to report.

## **10.0 Other Items**

**10.1 NYISO Operations Report** – Mr. Yeomans provided the NYISO Operations Report for May 2014. The peak load occurred on Tuesday, May 27, 2014 at 23,198MWs. The Operating Reserve requirement at the time was 1965MWs resulting in a total Operating Capacity of 23,165MWs. There were no Major Emergencies declared during the month. Alert states were declared on 14 occasions - 3 times for system frequency. There were 0 TLR Level 3s declared during the month for a total of 0 hours.

An NERC/NPCC Reportable DCS Event occurred at 17:57 on May 6, 2014. A SAR and RPU were initiated for loss of Bowline 1 loaded at 503MWs.. The ACE crossed zero and the RPU was terminated at 18:07. The SAR terminated at 08:55. On May 22, 2014, a RPU and SAR were initiated for loss of the Chateaugay-Massena HQ tie loaded at 1284MWs. Ace crossed zero and the RPU was terminated at 12:19. The SAR was terminated at 12:30. Mr. Yeomans noted that per the FERC approval of a joint MOU agreement with PJM, the NYISO can involve PJM in Thunder Storm Alert. Also, he expressed the view that operating will be tight through September 2014.

Mr. Yeomans reported that about two months ago, FERC issued a NOPR directing the gas and electric industries to jointly investigate increasing the number of nominations of gas price goals in the day ahead and real time markets under the leadership of NAESB. This would provide much needed opportunity for gas generators to obtain supply. The NOPR further suggested changing the definition of the Gas Day to other than 10:00AM to 10:00AM. The NOPR suggested 4:00AM to 4:00AM. NAESB has been trying to reach consensus on the change to the Gas Day for 6 weeks. The NAESB consensus process was unable to achieve a majority vote as was the NAESB Board. However, the Board was successful in proposing to FERC an increasing number of day ahead and real time nomination cycles. Mr. Yeomans expressed surprise at the extent of the gas industry’s objection to the changing the Gas Day cycle.

**10.2 North American Energy Standard Board (NAESB)** – Mr. Ellsworth added that the request of NAESB to try to reach consensus on the Gas/Electric day within 180 days was unexpected. There was tremendous interest with over 300 people participating in the first meeting. The issue remains unresolved.

**11.0 Visitors’ Comments** – None

**12.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#183	July 11, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#184	Aug 8, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Executive Committee Meeting No. 182 was adjourned at 2:00 PM.