

**Minutes**  
**New York State Reliability Council, L.L.C. (“NYSRC”)**  
**Executive Committee**  
**Meeting No. 50 – June 13, 2003**  
**Albany Country Club – Voorheesville, NY**

**Members and Alternates:**

Richard J. Bolbrock	Long Island Power Authority (“LIPA”)
William H. Clagett	Unaffiliated Member – Chairman
Mark J. Cordeiro	Muni. & Elec. Cooperative Sector; PLM, Inc
Thomas C. Duffy	Central Hudson Gas & Electric
Bruce B. Ellsworth	Unaffiliated Member
Joseph C. Fleury	New York State Electric & Gas Corp. – Secretary
H. Kenneth Haase	New York Power Authority (“NYPA”) – Vice Chairman
George C. Loehr	Unaffiliated Member
Robert M. Loughney	Large Consumer’s Sector; Couch, White, LLP
Glenn D. Haake	Wholesale Seller's Sector; PSEG Power, LLC – Alternate
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
Thomas J. Gentile	National Grid, USA – Alternate
George E. Smith	Unaffiliated Member – by phone *

**Others:**

John M. Adams	New York Independent Systems Operator (“NYISO”) *
Gregor Wynnyczuk	NYISO *
Alan M. Adamson	Consultant & Treasurer
Paul L. Gioia	LeBoeuf Lamb Greene & MacRae (“LLG&M”)
Edward C. Schrom, Jr.	NYS Department of Public Service (“NY DPS” or “PSC”)
Roger E. Clayton	Conjunction, LLC – RRS Chairman

**Visitors – Open Session:**

Erin P. Hogan, P.E.	New York State Energy Research Corp.
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“\*” – Denotes part time attendance at the meeting.

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

- I. **Executive Session** – An Executive Session was requested and conducted both prior to and following the Open Session.
  
- II. **Open Session**
  - 1.0 **Introduction**

**Meeting Attendees** – Thirteen (13) Members/Alternate Members of the NYSRC Executive Committee (“Committee”) were represented at the meeting.
  
  - 1.2 **Requests for Additional Agenda Items** – The Committee approved the agenda with no additional items.

- 1.3 Executive Session Topics** – The Committee conducted an Executive Session both prior to and following the Open Session to discuss: (1) the NYISO’s Power Alert III document; (2) the Attachment S (KeySpan) Case; (3) the Informal Working Group on electric system security; and (4) other administrative issues.
- 2.0 Meeting Minutes/Action Items List**
- 2.1 Approval of Minutes for Meeting No. 49 (May 9, 2003)** – Mr. Haase moved that the Committee approve the Revised Draft Minutes for Meeting No. 49, which was seconded by Mr. Ellsworth and approved unanimously by the Committee Members in attendance (12 to 0, 1 absent). The Secretary shall issue the final minutes for Meeting No. 49 and post them on the NYSRC web site – **AI #50-1**.
- 2.2 Action Items List** – The Committee reviewed the Outstanding Action Items List and discussed the items under their respective Agenda Items below.
- 3.0 Organizational Issues**
- 3.1 NYSRC Treasurer’s Report** – Mr. Adamson presented the Treasurer’s Report to the Committee.
- i. Summary of Receipts & Disbursements** – Mr. Adamson presented the May 2003 Summary of Receipts and Disbursements, noting that as of May 31, 2003, the NYSRC had a balance of approximately \$103,000. Mr. Adamson noted that the projected balance by the end of June is \$69,000 with no balance projected by the end of July, without a Call for Funds. Mr. Adamson recommended that a Call for Funds of \$20,000 per Transmission Owner, be approved by the Committee with a due date of July 1, 2003. Mr. Bolbrock moved that the Committee approve the Call for Funds, which was seconded by Mr. Ellsworth and unanimously approved by the Committee Members in attendance (12 to 0, 1 absent). Mr. Adamson shall issue the Call for Funds – **AI #50-2**. The Committee also directed Mr. Adamson to prepare a draft NYSRC 2004 Budget – **AI #50-3**.
- ii. Accounting & Audit Services Agreements** – Mr. Adamson reported that agreements for NYSRC accounting and auditing services were drafted, reviewed by Messrs. Clagett and Gioia, and executed by Colleen Campoli, CPA (for Accounting Services, effective August 1, 2003) and Slocum DeAngelus & Associates, PC (“SD&A”) (for 2003 Audit Services). Mr. Adamson noted that a reference check was completed for SD&A, with satisfactory results. Mr. Adamson requested that the Committee approve both agreements. Mr. Gentile moved that the Committee approve both agreements, which was seconded by Mr. Loehr and unanimously approved by the Committee Members in attendance (12 to 0, 1 absent).
- 3.2 Other Organizational Issues**
- i. Committee Member Terms/Sector Selection Process** – The Secretary reported that two of the Transmission Owners have submitted letters designating their representatives for the term beginning August 1, 2003. The remaining Transmission Owners shall submit letters to the Secretary by July 9, 2003 –

continuation of **AI #49-3**. The Secretary also reported that the notice and procedures for the selection process for the Members representing the Wholesale Sellers, Large Consumers, and Municipal Systems and Cooperatives Sectors was issued and the selection process shall be completed by June 30, 2003 – continuation of **AI #49-5**. The Secretary noted that a letter was received from the New York Municipal Power Agency designating Mr. Cordeiro as the representative for the Municipal Systems and Cooperative Sector. Mr. Loughney also noted that all four Unaffiliated Members have indicated that they would like to stand for re-election to the Committee.

- ii. **NYSRC Code of Conduct** – Mr. Gioia reported that he is continuing his review to determine whether all Committee, Subcommittee and Working Group Members should be required to submit letters acknowledging their review of and adherence to the Code of Conduct – continuation of **AI #49-7**.
- iii. **Commercial General Liability & Hired & Non-Owned Automobile Insurance Coverage** – Mr. Gioia reported that the Commercial General Liability and Hired and Non-Owned Automobile insurance policies which expire on June 15, 2003, were renewed with terrorism coverage as agreed to by the Committee Members responding to the correspondence after the last meeting.

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

**4.1 Subcommittee Status Report & Discussion Items** – Mr. Clayton reported that the Reliability Rules Subcommittee (“RRS”) met on June 5, 2003. Mr. Pappas of LIPA/KeySpan has replaced Mr. Hochberg of NYPA as the RRS Secretary. Mr. Clayton recognized the contributions of Mr. Hochberg as Secretary for the RRS. The next RRS meeting is scheduled for July 3, 2003.

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

- i. **Proposed NYSRC Reliability Rule Revisions**
  - a. **List of Potential Reliability Rule (“PRR”) Changes** – Mr. Clayton reviewed the current List of Potential Reliability Rules Changes, briefly reviewing the status of the following PRRs not discussed below: #8, 52, 57 and 64. Mr. Clayton reported that RRS continues its review of PRR #57 (RR03-06) and noted that the RRS agrees that the rule is needed. A revised template will be prepared and submitted to the Committee for reposting for comments.

Mr. Gioia reported that the latest revision of the NYSRC Reliability Rules was filed at FERC for information only on June 6, 2003.

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

- 1. **PRRs for Final EC Approval:** Mr. Clayton noted that there were no PRRs being submitted to the Committee for final approval.
- 2. **PRRs for EC Approval to Post for Comments:** – Mr. Clayton reviewed PRR #63 (RR03-08) – New Measurement C-M11, related to Reliability Rule C-R4, “System Data Requirements,” which was being submitted to the Committee for approval to post for comments. After discussion by the Committee, Mr. Bolbrock moved that PRR #63 be

approved for posting for comments, which was seconded by Mr. Loehr and unanimously approved by the Committee Members in attendance (12 to 0, 1 absent). The Secretary shall post PRR #63 on the NYSRC web site for comments – **AI #50-4**.

3. **PRRs for EC Discussion:** – Mr. Clayton reviewed PRR #59 (RR03-07) – Modification to existing Rule DR4, “Restoration of Ten (10) Minute Reserve.” As requested at the last Committee meeting, the PRR was sent back to RRS for further consideration. The RRS reviewed the concerns raised by Con Edison. The NYISO is reviewing the data provided by Con Edison. The RRS will be considering whether a NYCA specific study is required to determine whether the existing rule should remain or whether a local reliability rule is required in New York City or Long Island for the restoration of reserves. The RRS shall report its findings and recommendation at the next Committee meeting. Mr. Adams reported that the NYISO is studying the issue and will address the seams issue involving PRR #59 at the next Committee meeting – continuation of **AI #49-12**. Mr. Bolbrock raised a concern that the NYISO Operating Committee should be reviewing and weighing in on any operating rule changes being posted by NPCC or the NYSRC.

- c. **NPCC & NERC Criteria Tracking Program** – Mr. Clayton reported that the RRS continues to review proposed revisions to NPCC and NERC standards.

1. **NERC Cyber Security Standard** - Mr. Adamson distributed a handout summarizing the results of the vote approving NERC’s new cyber security standard by a percentage of 67.0% (66.7% required to approve). The handout also included the NERC responses to the NYSRC’s comments submitted with the negative vote, along with NERC’s revised implementation plan for the new standard. Mr. Adamson explained that the NERC process requires a re-circulation ballot whenever negative votes are cast in the initial voting process. Mr. Adamson will participate in a June 16, 2003 NERC conference call on the new standard and forward any information to the Committee. Mr. Adamson will also send the NERC email with the address to view all comments received by NERC. NPCC is expected to issue its recommendation for the re-circulation ballot by June 17, 2003. The Committee shall review this information, including the NPCC recommendation, and develop an NYSRC position for the re-circulation ballot so that a vote can be submitted by the close of the ballot period on June 26, 2003 – **AI #50-5**.

#### 4.3 Other RRS Issues

- i. **NYSRC Reliability Rule Definitions & Compliance Responsibilities** – Mr. Clayton briefly summarized the final white paper, “NYSRC Reliability Rule Definitions and Compliance Responsibilities and Requirements,” distributed to the Committee. He recommended that the white paper be posted on the NYSRC web site. Mr. Haase moved that the white paper be posted, which was seconded

by Mr. Ellsworth and unanimously approved by the Committee Members in attendance (13 to 0). Mr. Adamson shall forward the final white paper to the Secretary for posting - **AI #50-6**.

- ii. **PSC Renewable Proceeding – Reliability Concern** – Mr. Clayton reported that the RRS has concluded that there is no need for new criteria as a result of the PSC’s Renewable Proceeding, however, the additional renewable generation must be incorporated into the installed reserve margin studies. ICS and RCMS shall identify issues that should be addressed in the NYSRC policy statement, and submit them to the Committee – continuation of **AI #49-15**. Mr Gioia noted that the NYSRC filed for party status in the proceeding, along with a filing in support of Multiple Intervenors’ motion to convene a meeting of the parties to discuss the impact of the adoption of a renewable portfolio standard (“RPS”) on NYCA system reliability. Mr. Clagett expressed his concern with the NYISO’s response not supporting MI’s motion. Mr. Adams noted that the NYISO has met with PSC Staff and NYSERDA to discuss the development of an initial evaluation of the effects of intermittent generation resources on system operation and reliability. The Committee agreed that the NYSRC should be involved in this process.

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

- 5.1 **ICS Status Report & Discussion Issues** – Mr. Adamson reported that the Installed Capacity Subcommittee (“ICS”) last met on June 6, 2003. A majority of the meeting was spent on the assumptions for the 2004-05 NYCA Installed Capacity Requirement (“ICR”) Study and on the July 11, 2003 Workshop. The ICS is scheduled to meet on July 8, 2003.

## **5.2 2004–05 NYCA Installed Capacity Requirement Study – Status Report**

Mr. Adamson reported that the ICS is developing the assumptions for the 2004-05 ICR Study for presentation to the Committee for approval at the August Committee meeting.

## **5.3 Other ICS Issues**

- 1. **ICR Workshop**- Mr. Adamson reported that two notices have been issued regarding the ICR Workshop scheduled for July 11, 2003, from 9:00AM to 3:00PM, for Committee and ICS Members, NYISO and PSC Staff, and any interested Market Participants, to present the NYSRC’s process for determining the annual NYCA Installed Reserve Margin (“IRM”). Mr. Adamson noted that the ICR Workshop presenters are finalizing their presentations. The location of the meeting will be finalized by ICS after the number of attendees is finalized. Currently, it is estimated that there will be about 40 attendees, including 15 non-NYSRC Committee and Subcommittee Members.
- 2. **Proposed NYSRC Policy No. 5-0:** Mr. Adamson summarized the draft NYSRC Policy No. 5-0, “Procedure for Establishing NYCA Installed Capacity Requirements. The Committee briefly reviewed comments from Mr. Smith. The Committee Members shall review the draft policy and submit comments to Mr. Adamson by June 27, 2003 – **AI #50-7**.

## **6.0 Reliability Compliance Monitoring Subcommittee Status/Issues**

**6.1 RCMS Status Report & Discussion Issues** – Mr. Loehr reported that the Reliability Compliance Monitoring Subcommittee (“RCMS”) last met on June 11, 2003. He reviewed the RCMS discussion topics, including the NERC proposed new Cyber Security Standard, NYRCP Measurements C-M1 and C-M4, and PRRs #57 and 63. The RCMS also determined that the NYISO is in full compliance with Measurements I-M1 and I-M2. Mr. Loehr also reported on the discussions during the joint meeting between the RCMS and ISO-NE compliance group on June 12, 2003 at the ISO-NE offices in Holyoke. He noted that ISO-NE relies heavily on self-assessments for compliance with NPCC and NERC Standards and that the NYSRC’s reliability rule development and compliance programs are more developed than ISO-NE.

## **6.2 Status of NYSRC Reliability Compliance Program (“NYRCP”)**

- i. 2003 NYRCP Responsibilities & Milestones** – The latest “2003 NYSRC Reliability Compliance Program Report” (“Scorecard”) was distributed.
- ii. 2003 NYRCP Assessments** – Mr. Loehr noted that there were no new NYRCP assessments distributed to the Committee this month.

**7.0 NYISO Studies** – Reports were presented by Mr. Adams on the following studies and issues:

**7.1 NYISO Transmission Reliability Study** – Nothing new to report.

**7.2 Reactive Resource Adequacy Study** – Mr. Adams reported that NYISO staff is waiting for responses from the Transmission Owners on the study. The output from the NYISO will be similar to New England where a power factor level is required for the outlining areas.

**7.3 NYSERDA/NYISO Gas Study** – Responses to the NYSRC’s May 1, 2003 letter to the NYISO and NYSERDA were received. The NYSERDA response noted that the PSC is convening a meeting with NYSERDA, NYISO and NYSRC to discuss the issues. In accordance with the NYISO’s response, Mr. Gregor Wynnyczuk from the NYISO’s Market Monitoring Group made a presentation to the Committee titled, “NYISO MMP Report on Natural Gas.” The Committee agreed that the RRS shall monitor the gas study activities.

**7.4 Other Studies/Activities** –Mr. Adams noted that he raised the issue of updating the NYISO manuals to incorporate the issue of the responsibility of non-ICAP providers to assist the NYISO during system emergencies, with the NYISO Operations Group. He noted that there is a lag in revising NYISO manuals and agreed to look into issuing a Technical Bulletin – continuation of **AI #49-18**.

## **8.0 Other Items**

**8.1 Millennium Gas Pipeline Proceeding** – Nothing to report.

- 8.2 Reliability Legislation Update** – Mr. Gioia reported that the Senate is still considering an energy bill, however, it is not known what will be included in the final legislation or when the legislation will be passed. The House of Representative’s passed the HR6 reliability legislation in April with the NY specific language.
- 8.3 NYISO Operations Report** – The Secretary distributed the updated summary through May 2003.
- 8.4 North American Energy Standards Board (NAESB) Report** – Mr. Adams reported that the Joint Interface Committee (“JIC”) met in early June and the seams issues was the major topic of discussion. A JIC web site has been established. Mr. Adams noted that Mr. Tammar of the NYISO was not available to report on the JIC activities. He will check on Mr. Tammar’s availability at the next Committee meeting – continuation of **AI #49-19**.
- 8.5 FERC Wholesale Power Market Platform Proceeding** – Mr. Gioia reported that there was nothing new to report on FERC’s Wholesale Power Market Platform Proceeding and that LLG&M will continue to monitor the proceeding. The Committee agreed at the May 9, 2003 meeting not to file comments on FERC’s white paper at this time.
- 8.6 FERC Installed Capacity Demand Curve Proceeding** – Mr. Sasson made a presentation to the Committee titled, “Demand Curve Basics,” summarizing the previous and new installed capacity rules. The Committee discussed and agreed that the NYSRC’s responsibility to establish the NYCA annual ICR does not change as a result of FERC approving the ICAP Demand Curve. The NYISO must also continue to ensure that the ICR is met and the ICAP Demand Curve is a new methodology to meet the ICR. Mr. Sasson shall distribute the presentation slides to the Committee – **AI #50-8**.
- 9.0 Visitor Comments** – No visitor comments were received.

**10.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#51	July 10, 2003	Albany Country Club, Voorheesville, NY	9:30 A.M.
#52	Aug 8, 2003	Albany Country Club, Voorheesville, NY	9:30 A.M.
#53	Sept 12, 2003	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Open Session of Committee Meeting No. 50 was adjourned at 3:10 P.M.

Completed By: J.C. Fleury – Secretary  
 Final Issue Date: July 11, 2003