

Minutes
New York State Reliability Council, L.L.C. (“NYSRC”)
Executive Committee
Meeting No. 43 – November 8, 2002
Albany Country Club – Voorheesville, NY

Members and Alternates:

Richard J. Bolbrock	Long Island Power Authority (“LIPA”)
William H. Clagett	Unaffiliated Member – Chairman
Roger E. Clayton	Wholesale Seller's Sector; PG&E National Energy Group
Mark J. Cordeiro	Muni. & Elec. Cooperative Sector; PLM, Inc
Curt Dahl	KeySpan Energy – LIPA Alternate
Bruce B. Ellsworth	Unaffiliated Member
Joseph C. Fleury	New York State Electric & Gas Corp.
Thomas J. Gentile	National Grid, USA – Alternate
H. Kenneth Haase	New York Power Authority (“NYPA”) – Vice Chairman
Michael Hogan	Central Hudson Gas & Electric – Alternate
George C. Loehr	Unaffiliated Member
Robert M. Loughney	Large Consumer’s Sector; Couch, White, LLP
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Alternate
George E. Smith	Unaffiliated Member

Others:

John M. Adams	New York Independent Systems Operator (“NYISO”)
Alan M. Adamson	Consultant, Treasurer & Acting Secretary
Paul L. Gioia	LeBoeuf Lamb Green & MacRae (“LLG&M”)
Herbert Joseph	NYS Department of Public Service (“NY DPS” or “PSC”) (for Edward C. Schrom)

Visitors – Open Session:

Erin P. Hogan, P.E.	New York State Energy Research Corp.
Matthew Mahoney*	Hunton & Williams – by phone

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

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was not requested.

- II. **Open Session**
- 1.0 **Introduction**
- 1.1 **Meeting Attendees** – All 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 reviewed and approved the agenda with no additional items.

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 42 (October 11, 2002) – After brief discussion by the Committee, it was moved and seconded that the Committee approve the Revised Draft Minutes for Meeting No. 42 as modified. The motion was approved unanimously by the Committee Members in attendance (12 to 0, 1 absent). The Secretary shall issue the final minutes for Meeting No. 42 and post them on the NYSRC web site – **AI #43-1**.

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 October 2002 Summary of Receipts and Disbursements, noting that as of November 1, 2002, the NYSRC has a cash balance of \$134,846.12.

ii. 2003 Funding Mechanism – Mr. Gioia referred to a draft 2003 Funding Mechanism document that he had prepared. Following discussion a motion was made and seconded that the Committee approve the 2003 Funding Mechanism document, as modified. The motion was approved unanimously by the Committee Members in attendance (13 to 0). Briefly, under the 2003 Funding Mechanism (1) a \$5,000 membership fee shall be assessed to each of the nine (9) Affiliated Members, and (2) 2003 NYSRC budget expenses in excess of the \$45,000 in membership fees shall be divided equally among the six (6) Transmission Owners. Mr. Gioia shall revise and issue the approved document – **AI #43-2**. On this basis, Mr. Adamson will prepare a recommended Call for Funds for the first quarter of 2003 for review at the December 13, 2002 Committee meeting – **AI #43-3**.

3.2 Code of Conduct & Confidentiality Agreement – At the last Committee meeting, Mr. Gioia requested comments on draft Code of Conduct and Confidentiality Agreement documents which were amended to recognize the confidential treatment of information provided to the NYSRC. Comments were received from National Grid. Following discussion a motion was made and seconded that the Committee approve these documents as amended. The motion was approved unanimously by the Committee Members in attendance (13 to 0).

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 October 31, 2002. The next RRS meeting is scheduled for December 5, 2002.

4.2 Status of New/Revised Reliability Rules

- i. **Proposed NYSRC Reliability Rule Revisions**
 - a. **List of Potential Reliability Rule Changes** – Mr. Clayton reviewed the current List of Reliability Rules Changes. He briefly reviewed the status of PRRs #8, #46, #50, #55, and #56.
 - b. **Status of New/Modified Reliability Rules**
 - 1. **PRRs for Final EC Approval:** None.
 - 2. **PRRs for EC Approval to Post for Comments:** None.
 - 3. **PRRs for EC Review** – Mr. Clayton discussed PRRs #29, #57, and #58 in some detail. These rule templates relate to the planning, operating, and system data requirements aspects, respectively, of fault current assessment. Several modifications were suggested by Committee members, which will be incorporated into the next rule template drafts. Mr. Loehr reported that RCMS will be completing the compliance element portions of the rule templates (Template items 7 & 8) and may provide additional comments – **AI #43-4.**

4.3 Other RRS Issues

- i. **Multiple Utilities on Same ROW** – As was reported at the October meeting, Mr. Eng will refer this proposed rule to NPCC for implementation.
- ii. **Non-ICAP Generator Obligations During Emergencies** – A letter to the NYISO on non-ICAP obligations during emergencies as discussed at the October meeting has been finalized and will be forwarded to Mr. Museler by Mr. Adamson – **AI #42-4.**
- iii. **Application of Loss of Generator Gas Supply Rule I-R3 – Kings Park Energy** – In accordance with agreement at the October meeting, Mr. Clayton transmitted an e-mail response to Kings Park Energy (“KPE”) indicating that Local Rule I-R3, *Loss of Generator Gas Supply*, applies to KPE.
- iv. **NPCC & NERC Criteria Tracking Program** – No report.
- v. **Need for Additional Transmission Expansion Rules** – The Committee had requested RRS to determine if there is a need to develop additional reliability rules for transmission expansion (AI #22-5). RRS reviewed this issue at its last meeting and concluded that no additional transmission expansion rules are required at this time. The Committee agreed with RRS' conclusion.
- vi. **Applications of the NYSRC Reliability Rules (ARRs)** – Mr. Clayton noted that the NYISO has issued draft Technical Bulletin #100 on ARR. After reviewing the draft the Committee requested Mr. Adams to forward NYSRC comments to the NYISO concerning clarification of the term “applications” as used in the document and to replace the term “Transmission Owners” with “Market Participants” – **AI #43-5.**
- vii. **New RRS Member** – Mr. Clayton reported that Mr. Jack Alvarez has replaced Mr. John Muir as Con Edison's RRS member.

5.0 Installed Capacity Subcommittee Status Report/Issues

5.1 ICS Status Report & Discussion Issues – Mr. Dahl reported that the Installed Capacity Subcommittee (“ICS”) last met October 24, 2002. Most of the meeting was devoted to reviewing study results and preparing a draft of the 2003-2004 NYCA ICR report.

5.2 2003–04 NYCA Installed Capacity Requirement Technical Study Draft Report – Mr. Dahl reviewed the major model improvements and updated parameters incorporated in the 2003-04 study and its preliminary results. He also discussed a table in the draft report which quantifies how each major model improvement and updated assumption changes the Statewide IRM as determined in last year's study. Mr. Dahl noted that work is still in progress to finalize the preliminary results presented in the draft report and to complete sensitivity cases. Mr. Dahl responded to questions raised by Committee Members. ICS will also consider and incorporate several Committee suggestions for report revisions and additional cases. A final draft report will be transmitted to the Committee for review and approval at its next meeting on December 13, 2002 – AI #43-6.

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 November 7. He reviewed the RCMS discussion topics. RCMS is scheduled to meet again on December 12, 2002.

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

- i. 2002 NYRCP Responsibilities & Milestones (“Scorecard”)** – Mr. Loehr briefly summarized the 2002 Responsibilities & Milestones document, which includes scheduled completion dates for all assessments and designated compliance levels.
- ii. 2002 NYRCP Assessments** – At its last meeting RCMS reviewed NYISO and Transmission Owner compliance with Local Rules I-R1 to I-R4. The NYISO was requested by RCMS to provide additional local rule compliance documentation at the next meeting. For its December 12 meeting, RCMS has requested the NYISO Staff for a presentation on its system restoration plan, as part of RCMS' review of NYISO compliance with Rules G-R1 & 2. Mr. Allen of NYISO Staff presented and answered questions on the NYISO 2002 NYCA Transmission Review. The report concludes that the NYS Bulk Power System, as planned, through the year 2007, is in conformance with the NYSRC Reliability Rules. RCMS will provide comments on the report to Mr. Allen next week, and will take action on the report at its next meeting.

6.3 Other RCMS Issues

- i. 2002 NYSRC Compliance Review Program** – Mr. Loehr reported that, in accordance with Policy 4, RCMS will prepare a draft 2003 Compliance Review Program for 2003 at its December meeting. He requested Committee members to provide him with suggestions as to which rules should be included in the 2003 Program.
- ii. Fault Current Assessment PRR Templates** – RCMS reviewed the draft PRRs #29, #57, and #58 prepared by RRS. Compliance element sections of these

templates will be prepared by RCMS and forwarded to RRS. RCMS comments on these templates will also be provided to RRS. (See Agenda Item 4.2 i.b.3.)

- iii. **New RCMS Member** – Mr. Loehr reported that Mr. Leyvi Gelman has replaced Mr. Jack Alvarez as Con Edison's RCMS member.

- 7.0 **NYISO Studies** – Reports were presented by Mr. Adams on the following studies and issues:
 - 7.1 **NYISO Transmission Reliability Study** – As was reported by Mr. Loehr, the NYISO has completed the annual NYCA transmission assessment, which is now being reviewed by various NYISO, NYSRC, and NPCC groups. Mr. Adams also reported that the NYISO has completed transmission studies requested by the PSC to evaluate potential transmission upgrade options to reduce system congestion. The studies include review of potential interconnection upgrades to neighboring control areas.
 - 7.2 **Reactive Resource Adequacy Study** – Mr. Adams reported that all generators are now in compliance with NYISO reactive power verification test requirements.
 - 7.3 **NYSERDA/NYISO Gas Study** – There was nothing new to report.
 - 7.4 **LSE ICAP Requirements** – Mr. Adams reported that all LSEs have met their ICAP obligations for November 2002.

- 8.0 **Other Items**
 - 8.1 **Millennium Gas Pipeline Proceeding** – Mr. Gioia reported that appeals he discussed at the October meeting are still pending.
 - 8.2 **Reliability Legislation Update** – Mr. Gioia reported that Congress has adjourned without passing reliability legislation, although the next session of Congress may act on this legislation. LLG&M counsel may discuss this legislation, and the importance to maintain the NYSRC within the legislation, with New York congressmen in Washington. LLG&M has also been reviewing the tax ramifications on the NYSRC of any lobbying efforts. Mr. Gioia reported that expenditures by the NYSRC for lobbying purposes are not tax deductible and that advance notice should be provided to the parties who pay dues, of the percentage of the dues that is expected to be used for lobbying purposes.
 - 8.3 **NYISO Operations Report** – The October 2002 operating data was not available in time to update this report for this meeting. Mr. Fleury will issue the October report to the Committee after it is updated.
 - 8.4 **North American Energy Standards Board (NAESB) Report** – No report was provided.
 - 8.5 **FERC SMD NOPR** – It was agreed by the Committee that the NYSRC should file a notice of intervention for the SMD NOPR proceeding to FERC by November 15, 2002 – **AI #43-7**. NYSRC comments on the SMD NOPR, however, will be confined to the FERC Resource Adequacy proposal, which is due January 10, 2003. ICS previously

submitted suggested Resource Adequacy comments to Mr. Gioia. Additional comments from Committee Members were requested – **AI #43-8**.

8.6 NYSRC Progress Report – Mr. Adamson reported that Mr. Gioia has recently provided comments on the draft report outline. He expects to have a draft NYSRC Progress Report available for review at the December 13 meeting – **AI #43-9**.

9.0 Visitor Comments

No visitors were present at the end of the meeting.

10.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#44	December 13	Albany Country Club, Voorheesville, NY	9:30 A.M.
#45	January 10	NYISO Washington Ave. Extension Offices, Albany, NY	9:30 A.M.
#46	February 14	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Open Session of Committee Meeting No. 43 was adjourned at 3:30 P.M.

Completed By: J.C. Fleury – Secretary
Final Issue Date: December 15, 2002