

Revised Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 196 – August 14, 2015
Albany Country Club, Voorheesville, NY

Members and Alternates

in Attendance:

Curt Dahl, P.E.	PSEGLI – Member – Chair
Peter Altenburger	National Grid, USA – Member – Vice Chair
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
Chris LaRoe	Independent Power Producers of NY. – Member
Jim McCloskey	Central Hudson Gas & Electric – Member*
Mayer Sasson	Consolidated Edison Co. of NY, Inc.- Member
Ray Kinney	New York State Electric & Gas/RG&E – Member
Sunil Palla	New York Power Authority – Member
Scott Leuthauser	Generation Sector – Alternate Member

Other

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

Visitors- (Open Session)

Phil Fedora	NPCC
Kelli Joseph	NRG
Mark Younger	Hudson Valley Economics*

“*” Denotes part-time

I. Open Session

1.0 Introduction – Vice Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No.196 to order at 9:30 a.m. on August 14, 2015.

1.1 Meeting Attendees – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance with the exception of Mr. Mager.

1.2 Visitors – See Attendee List, page 1.

1.3 Requests for Additional Agenda Items – Mr. Bolbrock requested an item for “Reforming the Electric Vision” (REV)

1.4 Declarations of “Conflict of Interest” – None. Mr. LaRoe took the opportunity to announce that he is leaving IPPNY at the end of September 2015. Since a replacement has not yet been selected by IPPNY, it is possible that he may continue to represent generators on the Executive Committee until one is chosen.

1.5 Executive Session Topics – An Executive Session was held to discuss the NYISO Non Compliance Letter and the 2015 Compensation Report.

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 195 (July 10, 2015) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. One additional comment was provided by Mr. Gioia. Mr. Altenburger moved for approval of the draft minutes including Mr. Gioia’s comment. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members in attendance – (12 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #196-1.**

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>
185-2b	The update to Policy 5 was approved at the July 10, 2015 Executive Committee Meeting.
189-4	The base case assumptions for the 2016-17 IRM Study were approved at the July 10, 2015 Executive Committee Meeting.
190-11	Mr. Gioia discussed the 2015 Compensation Report at the July 10, 2015 Executive Committee Meeting.
191-2	The “white paper” on the modeling of EOPs and DRs was presented at the July 10, 2015 Executive Committee meeting.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

i. Summary of Receipts & Disbursements - Mr. Adamson introduced the Summary of Receipts and Disbursements which showed a balance of \$179,000 at the end of July 2015. He noted receipt of

five payments toward the 3rd Quarter Call-for-Funds of \$30,000 per TO. One additional payment had been received in June 2015. Therefore, the 3rd Quarter Call-for-Funds is now complete. Mr. Adamson indicated that the expenditures to date are \$91,000 under budget.

3.2 Other Organizational Issues

- i. **2016 Meeting Locations** – Mr. Raymond noted that the Albany Country Club will host all the Executive Committee’s monthly meetings in 2016 with the exception of January, February and July. Meeting rooms have been reserved at the NYISO for those meetings.
- ii. **Retention of Meeting Material** – Mr. Adamson indicated that a request was made at the last meeting to retain meeting material on the NYSRC website for more than the current two years. In discussion with Ms. Lynch (Administrative Assistant) it was decided that 2014 and 2015 would remain on-line and subsequent years would be added. The years before 2014 are available through a request to Ms. Lynch. The Executive Committee concurred with this approach. Mr. Younger suggested that Mr. Adamson look into downloading the material to a media, e.g., “Drop Box” – AI #196-2.
- iii. **NYISO Non Compliance Letter** – Held in Executive Session.
- iv. **Compensation Report for 2015** – Held in Executive Session.

4.0 Capacity Subcommittee (ICS) Status Report/Issue

4.1 **ICS Chair Report** – Ms. Hogan indicated that ICS met on August 5, 2015 and focused on the parametric studies and proposed 2016 IRM Study sensitivities. It is expected that the parametric study results and the preliminary base case will be presented to the Executive Committee next month, due to despite difficulties completing all the necessary computer simulations. The parametric results will show the impact of updated key inputs to the IRM model for 2016.

Also, Ms. Hogan indicated that some of the proposed 2016 IRM Study sensitivities measure the impact of the removal of key parameters such as SCRs and EDRPs. In addition, certain assumptions will be tested, e.g. modeling SCRs with 860Mws based on a 0.855 SCR derate (“translation”) factor. The impact of the Marble River Wind generation assuming CRIS rights are obtained will be examined as well as the retirement of Indian Point 2 and 3 (LOLE impact only). A sensitivity of the PJM 5 zone topology was eliminated because of continued uncertainty surrounding the representation.

Mr. Bolbrock moved for approval of the sensitivity cases. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee members in attendance (12 to 0).

5.0 Reliability Rules Subcommittee Status Report/Issues

5.1 **RRS Status Report & Discussion Issues** – Mr. Clayton reported that a joint RRS/RCMS meeting was held on August 6, 2015. Two separate meetings were held, each with its own agenda and minutes. Also, he summarized RRS’s current activities which are included in Sections 5.2 – 5.5 below.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

- a. **List of Potential Reliability Rules (“PRR”) Change** – Mr. Clayton introduced the List of Potential Reliability Rule Changes. He noted PRRs #120, through #122, Revision to Tables B-1, B-2 and C-1 are tabled pending NPCC Directory 1 approval.

5.3 Proposed NYSRC Reliability Rule Revisions

a. Status of New/Modified Reliability Rules

1. **PRRs for EC Final Approval** – Mr. Clayton reminded the Executive Committee that PRR #127, C-R1, Establishing Operating Transfer Limits, will allow ten minute reserve and/or phase angle regulation to be included in Transmission Planning. The PRR was approved for posting at the May 8, 2015 Executive Committee meeting. The comment period ended June 29, 2015 without comment. Therefore, RRS recommends Executive Committee approval.

Dr. Sasson moved for approval of PRR #127. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee members in attendance (12 to 0).

2. PRRs for EC Approval to Post – None

- 3. PRRs for EC Discussion – PRR #128, Definition of NYS Bulk Power System is under review at RRS. RRS is working closely with ConEd with respect to radial lines. RRS hopes to have a recommendation by the September 11, 2015 Executive Committee meeting – **AI #196-3.****

5.4 NPCC/NERC Standard Tracking

- i. NERC Standards Development** – Mr. Adamson indicated that the NYSRC voted “Yes” on IRO-006,009, Interconnection Reliability Operations & Coordination and MISC, Alignment of Terms(Glossary Revision).

- ii. NPCC Directory Comments** – Mr. Clayton reported that Directory 1 comments were submitted under his name since timing issues did not permit the attaining of Executive Committee approval before the NPCC deadline for submitting comments.

He summarized the comments and recommendations that were submitted to NPCC and requested Executive Committee approval to assign the NYSRC name to his submittal. After discussion, Mr. Loehr moved for approval to assign the NYSRC name to the comments submitted to NPCC. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee members in attendance – (9 to 3). Mr. Clayton will contact NPCC to have the NYSRC name added.

5.5 Other RRS Issues –

- i. Proposed New NYC Local Rule on Gas Generation** – Mr. Clayton reported that the NYISO submitted data for the 1st quarter of this year showing 170 changes of fuel burn type. This was an unusually high number of changes due to market conditions. Of those 170 changes, there were 10 generator trips on multiple units but only one engine type. RRS asked the NYISO to consider investigating the situation with the generator owners to see whether there is a fix – **AI #196-4.** This could avoid a new rule or aid in the design of a new rule. There may also be market based solutions.

- ii. Emergency Transfers** – Mr. Clayton noted that the number of emergency transfers declined in July 2015. Mr. Gioia noted that a recent PSC Order found that there are public policy requirements driving the need for electric system additions in western New York. The NYISO was asked to solicit solutions which could be proposed by the TOs and/or other qualified Developers.

- iii. ConEd Exception Request** – Mr. Clayton indicated that ConEd has requested Executive Committee approval of modifications to the existing list of “Exceptions to Reliability Rules”. The modifications are: (a) Correct the application of Exceptions #8, #18, and #20 to the Reliability Rules, (b) Correct typos/incorrect data in Exceptions #7 and #20, and (c) Rescind Exception #16. RRS and the NYISO have reviewed and concur with the request.

Mr. Clagett moved that the Executive Committee direct RRS to prepare a recommendation. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members in attendance – (12 to 0).

- iv. Reforming the Electric Vision (REV)** – Mr. Bolbrock focused attention on the large number of complex reliability questions being addressed by various working groups. He suggested that RRS begin to think about how to categorize this material into various reliability aspects that the Executive Committee may wish to comment on in the future. Mr. Gioia advised that it is early in the REV process and that the matter is extremely complex, involves a large number of different forums, and is not well defined. He agreed to distribute the “link” to the PSC REV proceeding. The NYISO agreed to ~~add~~ **include** a section ~~to~~ **in** its monthly status report to the Executive Committee addressing the information

from the reliability working groups in which it is participating – **AI 196-5.** After further discussion, Mr. Clayton agreed to include the issue raised by Mr. Bolbrock on the RRS agenda.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on August 6, 2015 following the RRS meeting.

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

(a) D.1(R8), Mitigation plans for Major Emergencies,

(b) D.1(R10), Voltage reduction testing,

(c) D.2(R2), Under frequency load shedding requirements, and

(d) D.2(R3), Certification that TOs met NYISO load shedding requirements.

6.3 Other RCMS Issues

i. Policy 4-7 Monitoring Compliance of Reliability Rules – Mr. Clayton introduced the updated Policy 4, Monitoring Compliance of Reliability Rules. The update reflects the re-writing of the Reliability Rules, e.g. to change “Measurements” to “Requirements”.

Mr. Ellsworth moved for approval of the updated Policy 4-7. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee member in attendance – (12 to 0).

ii. RR&CM Manual – Mr. Clayton notified the Executive Committee of the completion of Version 35 of the RR&CM Manual. This version includes ~~revisions to the~~ errata and glossary ~~revisions, implementation of PRR 127, and rule renumbering~~. All the ~~revisions~~ ~~changes~~ were previously approved by the Executive Committee. The revised manual will be posted shortly and Mr. Gioia will provide a copy to the PSC – **AI 196-6**.

iii. PRR #116a (Local Black Start Rule) – Mr. Clayton indicated that the ~~implementation~~ ~~implementation~~ rule for PRR #116a requires that ConEd submit a ~~plan~~ ~~scope~~ for a ~~the associated~~ study to determine whether there is a material benefit for the addition of an eligible black start resource by August 1, 2015.

ConEd met the schedule and a redacted ~~version~~ ~~study scope~~ was reviewed by RCMS. RCMS has requested a non redacted version for Messrs. Clayton and Adamson to review ~~before RCMS gives its approval~~.

7.0 Reliability Initiatives

7.1 Defensive Strategies – Mr. Smith reported that work continues on the instability detection algorithm. A face-to-face meeting is being considered for October 2015. Mr. Loehr expressed concern that the work may be falling behind schedule.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a summary of the NPCC BODs input for the NERC Board of Trustees at its August 12-13, 2015 meeting in Toronto, Canada. The NPCC BOD input focused on: (a) Critical Infrastructure Protection (CIP) version 5 Resolution of Outstanding Issues, (b) The 2016-19 ERO Enterprise Strategic Plan, and (c) Electric Sub-sector Coordination Council (ESCC) Strategic Review of ES-ISAC.

Comments and/or questions should be directed to Dr. Sasson or Mr. Forte.

8.2 NPCC Report – Mr. Fedora reported that the Reliability Coordinating Committee (RCC) will meet on September 10, 2015. They will be considering Directory 1, and the associated implementation plans. Also on the agenda are the every four year review of Directory 4, the probabilistic Reliability Assessment for the winter of 2015-2016, and the System Protection Criteria. The deterministic Reliability Assessment for the same period will be presented at the RCC’s December 2015 meeting. The agenda is nearly set for the December 2, 2015 General Meeting. Mr. Fedora will send the agenda out once final confirmation is received from one speaker. The General Meeting topic is “Maintaining Reliability” and the speakers will be giving presentations on REV. Also, the Governmental Regulatory Affairs Advisory Group will discuss the EPA Clean Power Plan and how the States are addressing the

9.0 NYISO Status Report/Issues

- 9.1 CARIS** – The NYISO staff has finalized the three studies for the 2015 CARIS (Central East, Central East-New Scotland-Pleasant Valley) and reviewed the studies with stakeholders. The NYISO is now studying the impact of generic solutions (i.e., transmission, generation, energy efficiency, and demand response) on system production costs, and developing cost estimates for these solutions. No specific 2014 CARIS 2 project proposals were submitted as of July, 2015. NYPA has requested an additional CARIS study be performed to assess the economic impact of various infrastructure upgrades in the NYCA transmission system. The NYISO staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.
- 9.2 Public Policy Transmission Planning Process** – The new Public Policy Transmission Planning Process Manual was approved by stakeholders in July 2015. Also in July 2015, the PSC determined that there is a Public Policy Transmission need in Western New York. The solutions should allow for: (a) obtaining the full output from Niagara (2,700Mws including Lewiston Pump Storage), (b) maintaining certain levels of simultaneous imports from Ontario across the Niagara ties (i.e., maximum imports under normal operating conditions and at least 1,000Mws under emergency operating conditions), and (c) maximizing transfers out of Zone A to NYCA. In August 2015, NYISO staff will present to stakeholders the baseline technical details and next steps. A solicitation for solutions will be issued following the presentations.
- 9.3 2014 RNA** – Requests for Developer Qualification applications were received from both NYCA TOs and out-of-state companies for construction of reliability based transmission solutions. The Qualified Developers have been notified.
- 9.4 2014 CRP** – The 2014 CRP determined that the NY BPS will meet all applicable reliability criteria over the 2015 through 2024 study period, and confirms that the initially identified Reliability Needs in the 2014 RNA are resolved. The final report was approved by the Board in July 2015.
- 9.5 Interregional Transmission Studies**
- i. EIPC Study** – For 2015, EIPC members will create roll-up integration for summer and winter peak power flow cases of the Eastern Interconnection representing the year 2025. The gap analysis and linear transfer analysis will be performed and compiled in a Roll-up Model Report. In late 2015, EIPC will seek stakeholder feedback on potential scenarios of interest for analysis in 2016. The Gas-Electric System Interface Study is being performed by Levitan & Associates. The baseline assessment of the existing system was completed on April 14, 2014. It included an evaluation of the capability of the gas system to satisfy the needs of the electric system completed on March 10, 2015 and the identification of gas-side contingencies that could impact electric reliability completed on March 27, 2015. A review of dual fuel capability was completed on December 1, 2014. The draft report was presented to stakeholders in May 2015. The final report was delivered to DOE in July 2015.
- ii. IPSAC** – FERC issued an order on May 14, 2015 on the NYISO/PJM/ISO-NE interregional compliance filing from 2013. FERC largely accepted the Amended Northeastern Protocol and associated tariffs, but a further compliance filing is required to address relatively minor issues. The filing was submitted on July 13, 2015. Revisions were discussed at the NYISO IPTF on July June 25, 2015. Through 2015, NYISO, PJM, and ISO-NE will be taking steps necessary to comply with Order 1000 and the protocol. An ISAC meeting will be scheduled toward the end of 2015.
- 9.6 Other Studies/Activities** – None
- 10.0 Market Initiatives Impacting Reliability** – Ms. Dr. Bouchez (NYISO) discussed updates to market initiatives that are felt to have significance from a reliability perspective. The SCR Performance Obligations project is on hold until the implications of the NYPSC’s “Reforming the Energy Vision”

resolved.

The Behind the Meter: Net Generation Model would look to clearly define rules to allow incremental generation behind the meter to participate in the NY Wholesale Electricity market. The NYISO is having on-going stakeholder discussions to fully develop the market design and establish the rules for participation in the energy and capacity markets. The NYISO is expected to seek concept approval of the market design proposal in September 2015.

The Comprehensive Shortage/Scarcity Pricing tariff changes and the November 2015 implementation date were approved by FERC. The NYISO has engaged stakeholders in a review of market design improvements to enhance the scarcity pricing mechanisms and is evaluating alternative market design solution options suggested by stakeholders.

The NYISO initiated review of a Fuel Constrained Bidding Feature to recognize fuel constraints and evaluate interest in further developing the concept. Incorporating the fuel limitations directly in the software will allow for efficient use of resources to meet reliability needs.

The NYISO is actively participating in the PSC's proceeding, Reforming the Electric Vision, directly supporting working groups formed under Track One to facilitate conceptual discussions of REV market design, system architecture, and potential interactions between retail activities and wholesale markets. The NYISO is also looking to partner in various REV demonstration projects to evaluate operational and market interactions.

FERC directed the NYISO to develop and file a set of rules to designate resources for Reliability Must Run (RMR) service to ensure the continued reliable and efficient operation of the power system and the NYISO Markets. The structure and administration will require: (a) specifying the retirement notification obligations, (b) a process for evaluating alternative solutions, (c) definition of compensation and cost allocation provisions, and (d) expectations for participation in the capacity and energy markets. The NYISO is additionally exploring enhancements to its long-term planning process to support identification of, and development of solutions for potential generator retirements. The NYISO has developed a proposed solution framework and is working with stakeholders to review the program structure in preparation for submitting a compliance filing by October 19, 2015.

The NYISO has initiated stakeholder discussion on evaluating alternate Methodologies for Setting Locational Capacity Requirements (LCRs). There are multiple possible approaches to determine the LCR requirement for a Capacity Zone after the IRM has been set under NYSRC's Policy 5. The NYISO is facilitating a discussion in an ICAP Working Group Task Force to identify appropriate methodologies. The NYISO will brief the ICS on these discussions.

11.0 Other Items

11.1 NYISO Operations Report – The monthly peak load occurred on Wednesday, July 29, 2015 at 31,138Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 33,103Mws. No Major Emergencies were declared. Alert states were declared on 11 occasions - 8 times for declared emergency transfers. There were no TLR Level 3s declared during the month. Reserve activations occurred ~~10~~ 12 times. No emergency actions were taken. A NERC/NPCC Reportable DCS Event began at 14:29 on July 8, 2015. A RPU and SAR were initiated for loss of Indian Pt. 3 loaded at 1040Mws. Ace crossed zero and the RPU was terminated at ~~19:30~~ 14:38. The SAR was terminated at ~~19:45~~ 14:45.

On July 14, 2015 at 16:30, a RPU and SAR were initiated for loss of Bowline 1 loaded at ~~562~~ 578Mws. ACE crossed zero, and the RPU was terminated at 16:39. The SAR was terminated at 16:43.

On July 30, 2015 at 14:57, a RPU and SAR were initiated for loss of Oswego 6 loaded at 810Mws.

Mr. Yeomans added that the summer temperature has been a little lower than last year with very few operating challenges and low fuel prices. The highest summer peak has been 31,138Mws which is well below the 50/50 load forecast of ~~33,000~~ 33,567Mws. A new 200Mvar shunt reactor at Coopers Corners was commissioned.

11.2 North American Energy Standards Board (NAESB) – Mr. Ellsworth reported that there is a NAESB Management Committee meeting at the end of August 2015. The Board will be meeting on September 1, 2015.

12.0 Visitors' Comments – None

13.0 Meeting Schedule

Mtg.

<u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
197	Sep. 11, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.
198	Oct. 14, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Executive Committee Meeting #196 adjourned at 2:15 P.M.