

Meeting Minutes

**New York State Reliability Council, L.L.C. (NYSRC)
Reliability Compliance Monitoring Subcommittee (RCMS)
Meeting No. 132 – January 6, 2011
New York State Energy Research Development Agency**

Members and Alternates:

Steve Fanning, Chairman, National Grid
Dan Head, Secretary, Con Edison
Joharath Kutty, New York Power Authority (Phone)
Anie Philip, Long Island Power Authority, (Phone)

Non-Voting Participants:

Alan Adamson, NYSRC Consultant
Paul Kiernan, NYISO
Carl Patka, NYISO
James Grant, NYISO

Guest

James (Jim) D'Andrea, TransCanada
John Fisch, TransCanada (Phone)

1. Introduction & Request for Additional Agenda Items

New RCMS Secretary Dan Head will prepare today's minutes. Al Adamson added a new agenda item concerned the committee's PRR implementation plan to Agenda Item #9.

2. Approval of Minutes for Meeting #131

The minutes of RCMS Meeting #131, held on December 2, 2010 were approved. The approved minutes will be distributed to RCMS members and sent to Carol Lynch for posting on the NYSRC website, with a copy to P. Don Raymond.

3. Review of Action Items List

The following open action items were reviewed:

- Action Item #103-3 to revise measurement K-M2b is ongoing.
- Action Item #123-1 to prepare draft revisions to the Responsibilities sections of Compliance Templates (CT) C-M1, C-M2, and C-M3 is due next month.
- Action Item #130-1 to prepare a draft revision of Policy 4 is due in March.
- Action Item #131-1 concerning when NYISO Staff plans to submit its 2010 Transmission Review to RCMS was due in January but remains open.
- Action Item #131-3 to prepare a partial draft of the 2011 Scorecard was placed on agenda for the January meeting

4. NERC/NPCC/NYISO Activities

4.1. NYISO 2010-11 NERC/NPCC Compliance Program Status

Paul Kiernan reviewed the 2010-2011 Compliance Tracker. The 2011 Compliance Tracker is still under construction, awaiting the full list of NERC requirements. Mr. Kiernan went over the recent NERC/NPCC Audit, completed Dec 6 – 10, noting that NERC and NPCC found the NYISO in full compliance. The audit covered a large number of NERC standards. Mr. Kiernan reported that the audit went quickly, owing to the fact that NERC and NPCC sent most of their questions ahead of time via email, and that this allowed the NYISO to complete the in-person portion of the audit quickly.

Since the audit date, the NYISO has received the auditors' initial write-up report. It was complimentary. The NYISO does not anticipate filing additional comments.

4.2. NERC Standards Development Update

Al Adamson reported on NERC's ongoing efforts to draft a new Bulk Electric System (BES) definition. Mr. Adamson reported that NERC efforts to draft the new BES definition is expected to take approximately one year, including time for stakeholder feedback. Mr. Adamson suggested that it might take FERC another two years to finalize and implement a new BES definition.

4.3. NPCC Compliance Committee Report

No report.

4.4. Other NERC, NPCC and NYISO Activities

No report.

5. NYSRC 2010 Reliability Compliance Monitoring Program

5.1. 2010 Compliance Monitoring Program Summary

Mr. Adamson reviewed the updated 2010 Compliance Program Summary and referred to December assessment results that were included. For G-M1, G-M2, and G-M4, RCMS found the NYISO in full compliance. Currently, the NYISO is reporting itself as technical non-compliant with G-M3 due to the failure of one black start provider to complete a successful black start test of one unit, as required.

5.2. NYISO Operations Reports for November and December 2010

Mr. Kiernan reviewed the NYISO's operations reports for November and December 2010. During the review, Jim D'Andrea noted that generators with limited oil storage capability may create potential reliability issue during minimum oil burn days in New York City based on the in-city electric load forecast and natural gas forecast.

The RCMS voted the operations reports in full compliance.

5.3. Blackstart Provider Requirements (G-M3)

Discussion opened with Jim D'Andrea waving TransCanada's right to privacy regarding this issue by way of facilitating discussion. Thus, there was open mention of the fact that it was Ravenswood 30 specifically that did not comply with G-M3's black start testing requirements in a timely enough manner to count for compliance with the requirements for the 2010-11 capability year. After some initial discussion, Carl Patka noted that the NYISO understood that pursuant to NYSRC Policy 4, it was technically in non-compliance. He then said that the issue now was whether or not the NYISO had taken all reasonable actions to ensure that the blackstart provider complies with the Reliability Rules and RCMS can therefore go to the Executive Committee (EC) to recommend that a non-compliance letter not be issued. Moreover, he said that the NYISO has informed TransCanada that it needs to become compliant for the next capability year.

Mr. D'Andrea then initiated a discussion of what precisely constituted the correct testing period for a given capability period. The correct testing period is from November 1, 2009, to April 30, 2010, for the operating period May 1, 2010, to April 30, 2011, but Mr. D'Andrea argued that the NYISO's procedures and tariff are both unclear as to when specifically is the deadline by which a unit must successfully test. He further argued that if a unit can—by agreement of the generator, NYISO, and Transmission Operator—agree to extend the testing period past the beginning of the actual capability period itself (i.e. past May 1st of the capability year), then there shouldn't be a cut-off as to when in the capability period that unit must test in order to get credit for that capability period. Or, if there is such a cut-off, it should at least be spelled out clearly. Carl Patka answered that one cannot extend the testing cut-off date into the next testing period because at that point, the extension is no longer reasonable. He then noted that the testing period can only be extended by a "reasonable" amount via mutual consent.

After that, Steve Fanning noted that the RCMS was not voting on TransCanada's specific compliance. The RCMS monitors the NYISO's compliance. Thus, the discussion is outside of the RCMS's purview. Mr. Fanning further noted that the rules are being reviewed at the EC, and that the EC is the proper forum for debating the rules' language and definitions.

Mr. D'Andrea stated that neither the NYISO's tariff nor their non-compliance letter was clear as to when the testing period was supposed to be and more importantly when the cut-off for non-compliance was supposed to occur. However, he closed discussion by noting that his organization has no disagreement with the basic facts. TransCanada realizes that Ravenswood 30 was in non-compliance, especially since the Ravenswood generating station sent no compliance letter for this requirement to the NYISO. However, Ravenswood could theoretically have sent a compliance letter; they maintain their equipment and would have expected it to function correctly regardless of the results of one specific test. Mr. D'Andrea then gave a letter to the NYISO to this effect signed by the senior engineer at the Ravenswood plant. Moreover, Mr. D'Andrea said, Ravenswood 30 will test for Blackstart compliance for the May 2011 to April 2012 capability period. This would bring TransCanada, and therefore the NYISO, into compliance for the next year.

RCMS approved a report to the EC, prepared by Mr. Adamson, which recommends that the NYSRC not issue a letter of non-compliance to the NYISO since the NYISO has "taken all reasonable actions to secure compliance" (AI #132-1). *RCMS found the NYISO in level 1 non-compliance with G-M3 requirements pursuant to NYSRC Policy 4.* RCMS would like to see full compliance for the May 1, 2011 to April 30, 2012 capability period.

5.4. RCMS Report on 2010 Compliance Program Highlights

Mr. Adamson will prepare a draft report for the next meeting (AI #132-2).

6. NYSRC 2011 Reliability Compliance Monitoring Program

6.1. Proposed 2011 Program.

Mr. Adamson sent out the proposed scorecard with the materials for this meeting. He has also sent a copy to the EC, but they must approve it before it becomes official. In the meantime, Mr. Adamson will add tentative due dates and compliance documentation requirements to the preliminary scorecard. He will send the scorecard to RCMS for the January 26 meeting with NYISO staff (See Agenda Item 6.2) (AI #132-3).

6.2. Schedule for Completing 2011 Program

A meeting is scheduled for January 26th to allow the RCMS and the NYISO to review the 2011 schedule. Mr. Kiernan will email a call-in number for those not coming to the meeting.

7. Status of Procedure for NYCA Transmission Reviews & Compliance Template Manual Revision

Mr. Adamson reported that the EC approved the Transmission Review procedure and Compliance Template Manual revision in December. He further noted that the EC will either adopt PRR-106, possibly with changes, or send it back to the Reliability Rules Subcommittee (RRS) for revision.

8. Review of December 10, 2010, Executive Committee Meeting

Mr. Adamson reported that the EC approved the 2011 Installed Reserve Margin (IRM) Study and adopted a 15.5% IRM. The ICS is now working on Lessons Learned document.

9. Other Business

Mr., Adamson distributed PRR implementation plans that will be included in the 2011 Compliance Program.

Finally, Mr. Fanning reported that he is leaving RCMS because he is taking another position at National Grid, perhaps permanently. He expects to be away a minimum of three months, and as a result he is leave the RCMS's chairmanship. He will be replaced in representing National Grid by Mark Stanbro.

10. Next RCMS Meeting: February 7, 2011 at 9:30am at the NYSERDA building