

***Joint Meeting of the
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Rules Subcommittee (RRS)/
Reliability Compliance Monitoring Subcommittee (RCMS)***

***RRS Meeting
Thursday, August 1, 2013***

Minutes of RRS Meeting #168

In Attendance:

RRS Members and Alternates:

Roger Clayton, Electric Power Resources (Chairman)
Pat Hession, LIPA (phone)
Zoraini Rodrigues, LIPA (phone)
Henry Wysocki, Con Ed (phone)
Dan Head, Con Edison
Jeff May, Central Hudson (Secretary)
Brian Gordon, NYSEG
Wayne Sipperly, NYPA
Larry Hochberg, NYPA

Non-Voting Participants:

Al Adamson, NYSRC Consultant
Paul Gioia, NYSRC Counsel
Greg Campoli, NYISO

Guests:

Chris Sharp, NYISO Counsel
Kathy Whitaker, NYISO
Abhilash Gari, NYPA (phone)
Brad Garrison, NYISO (phone)
Al Ackerman, Customized Energy Solutions (phone)
Ed Schrom, DPS Staff (phone)
Liam Baker, US Power Gen (phone)
Margie Phillips, Hess (phone)

Agenda Items

1.0 Introduction

RRS Meeting #168 was called to order by Mr. Clayton at 9:32 AM. Participants and guests introduced themselves. The chairman expressed his thanks to Mr. Hochberg for filling in as chairman during his absence from Meeting #167.

1.1. Executive Session

No Executive Session was requested.

1.2. Requests for Additional Agenda Items

There were no requests for additional agenda items beyond the one standing additional agenda item.

2. Approval of Minutes/Action Items

2.1 Approval of Minutes #167

Mr. Clayton reviewed the latest draft meeting minutes. The meeting minutes provided for the meeting was the copy with revisions by Mr. Adamson. The following editorial changes were made:

Page 1: none

Page 2: Under item 2.1, page 5 comments, Mr. Clayton clarified that when he sent the e-mail copy of the PRR to Mr. D'Andrea, he also sent a copy to Mr. Chris LaRoe at IPPNY. The Action Item will be closed.

Page 3: Under AI 166-2, it was clarified that Ms. Bluvast did not issue the NYISO black start tariff language.

Page 4: none

Page 5: In the middle of the last paragraph, Mr. Clayton asked that 'indicated' be changed to 'indicating'. Mr. Adamson asked for 'TO' (about 9 lines down) to be pluralized.

Page 6: Mr. Clayton asked for 'on' to be stricken in line 15.

Page 7: Mr. Clayton asked for the word 'notified' to be added after 'generator' in line 5

Page 8: Mr. Hochberg noted that 'not' should be 'now' in line 2 of Section 3.3.

Page 9: none

The minutes were approved for issue after incorporation of the identified changes.

2.2 RRS Action Item List

AI 43-9 – No update

AI 83-8 – No update

AI 87-5 – No update

AI 139-1 – No update

AI 141-1 – No update

AI 155-4 – No update

AI 165-4 – completed; to be discussed in Agenda Item 3.1.1.

AI 165-5 – Mr. Clayton suggested that this has been covered under PRR 116 with discussions about ‘normal operating state’ and ‘material benefit’. He suggested that we close this Action Item.

AI 166-7 – completed

AI 166-8 – completed

AI 167-1 – Mr. Clayton read the Action Item and, after further consideration, suggested that PRR 97 could be retired. In his opinion, PRR 97 has been super-ceded by current events, specifically the Rules Enhancement Project. Mr. Adamson agreed that there would effectively be a PRR 97, but it would be part of the overall Rules. He thought that RRS would still need to do something to address the intent of PRR 97, which is to resolve the list of NYCA facilities to which the NYSRC Reliability Rules apply. There was a discussion about the designated list of BPS facilities and the A-10 subset list. Mr. Adamson suggested that an Agenda Item be created for the next meeting to discuss this topic in further detail as the Action Item already suggests; Action Item 167-1 will remain open.

Mr. Clayton stated that the EC has indicated the facilities list for NYSRC will not change regardless of what happens to the BES definition at NERC, as reported at the last RRS meeting. Mr. Clayton recommends retiring PRR 97 because we are covering this review in other activities [**Action Item 168-1**]. Further, he requested that a new Action Item be created to review the NYSRC definition with respect to the NYISO’s ATR list of facilities [**Action Item 168-2**]. Mr. Adamson asked for clarification of B-M4 and the associated Procedure for the NYISO to submit their list of Bulk Power Facilities to RCMS for review, and asked if it is still appropriate terminology. Mr. Clayton answered in the affirmative. Mr. Adamson reiterated that the list shall be reported in the Load and Capacity Report (aka Gold Book); he didn’t think that it is and suggested that the NYISO has been violating this measurement for years. Mr. Clayton thought that the NYISO’s position of the ATR list has changed and that it is no longer considered CEII. Mr. Sharp stated that the ATR list is still considered CEII by the NYISO. Mr. Clayton clarified that the ATR list can now be reviewed by NYSRC, but it cannot appear in the Gold Book. Mr. Clayton recommended that RRS have an Action Item introduce a new PRR (117) to address Mr. Adamson’s concern to clarify the need for publication of ATR list and how it is associated with Measurement B-M4. Note: after subsequent review of open Action Item 43-9, it was recognized that this request for a new AI would be a duplicate. Hence, a new AI will not be created.

AI 167-2 – completed; to be discussed under Agenda Item 3.1.1.

AI 167-3 – completed

RRS 168 Minutes - approved

AI 167-4 – completed

AI 167-5 – completed

AI 167-6 – completed

AI 167-7 – completed; to be discussed under Agenda Item 4.1. Mr. Adamson clarified that RRS comments should have been specific to Section A.

3. NYSRC Reliability Rules Development

3.1 List of Potential Reliability Rules Changes

PRR97

3.1.1: PRR 116: SRP clarifications – R. Clayton

Mr. Clayton opened the discussion by summarizing the various meetings that have taken place since the last RRS meeting. He expressed optimism that progress was being made with ConEd and the NYISO. The latest draft of PRR 116 posted for this meeting reflects the outcome of discussions from the last meeting with the NYISO where general agreement was reached. Additional comments were received from the NYISO after the latest draft was issued that surprised Mr. Clayton because these comments introduced new concepts that had not been discussed before. He suggested that RRS discuss the comments at today's meeting, then meet again privately with the affected parties, specifically ConEd and the NYISO. Mr. Gioia indicated that he also had additional comments, but that they were not substantive. Mr. Adamson mentioned the same. Mr. Clayton commented that Mr. Sasson has been out of the country and not available to comment on the suggested changes and outreach to Mr. Forte has yielded no response. Mr. Head expressed his certainty that Mr. Sasson will want to comment on these changes upon his return. Mr. Adamson commented that the NYISO has suggested changes to wording to which Mr. Sasson was adamantly opposed and therefore RRS should allow Mr. Sasson adequate opportunity to respond.

Mr. Clayton explained the pdf document that was issued by the NYISO; the NYISO accepted all of the other comments and changes, then made their changes after creating a final document. He indicated that the problem with this approach is that the Executive Committee will want to see all of the changes being proposed in the PRR. Ms. Whitaker stated that the NYISO was only trying to distinguish and make clear their suggested changes; they are willing to reproduce the previous change document for EC review. Mr. Clayton stated that he has been in discussion with Mr. Hession regarding the LRR portion of PRR116 and indicated that LIPA has expressed their desire opt out of the LRR and believes there is no benefit to having LIPA involved in these Local Reliability Rules. Mr. Clayton posed a general question to RRS for discussion as to whether the Reliability Council believes there is any benefit to the network reliability to have a LRR in the LIPA territory. Mr. Gioia briefly speculated that if LIPA has contracts for black start service with generators within its territory that it could be a different situation than with ConEd. Mr. Clayton asked Mr. Hession to provide some explanation later in the discussion why

LIPA does not want to participate in these suggested rules. Mr. Adamson stated that he spoke with Mr. Dahl after the last RRS meeting and indicated that he was still on the fence with a LRR for LIPA's territory.

Mr. Clayton stated that he wanted to review the PRR at a high level, then double back on selected areas with more detail. He started with Page 2 under Local Rules, I-M7. The NYISO struck the first two lines that requires the NYCA SRP to include NYISO procedures. It is standard for all NYSRC Rules to require the NYISO to have procedures. Ms. Whitaker responded that there was a misunderstanding of intent. She explained that the NYISO was trying to say that the NYISO procedures would not reside in the SRP; the NYISO is not objecting to having procedures that would require ConEd to do the necessary studies. Mr. Adamson expressed concern that the NYISO was eliminating the need for procedures; Ms. Whitaker responded that the NYISO did not mean to eliminate that requirement.

Ms. Phillips from Hess joined the meeting on the phone and Ms. Rodrigues from LIPA acknowledged her presence on the phone at this time. Mr. Clayton asked Ms. Phillips for the opportunity to finish the point he was making before yielding the floor to her.

Mr. Gioia interjected his concern over the NYISO's suggestion to use the term 'shall permit' and instead preferred the term 'to provide for' the inclusion of any black start capable resource in ConEd and LIPAs SRP.

Mr. Adamson moved the discussion back to the NYISOs removal of 'procedures'; Ms. Whitaker reiterated that the NYISO is not suggesting elimination of having procedures, but wanted to make the point that their procedures would not reside, or be embedded, in the NYCA SRP. Mr. Clayton asked Mr. Adamson to keep notes on the changes for the sake of the next revision of the PRR.

Mr. Clayton moved the discussion to the next NYISO comment, described in I-M7.1. The NYISO struck the annual requirement for the TO study and defaulted to the approach that studies will be conducted as warranted by system conditions. Mr. Adamson stated that an 'as warranted' requirement is not clear. He likened this change to the annual transmission assessment whereby a study is done each year unless there have been no changes to the system. In this case no updates would be necessary. Mr. Adamson indicated that the NYISO was stating something different than mimicking the approach of the annual transmission assessment. Ms. Whitaker responded by stating that the NYISO has no objection to requiring ConEd to perform an annual study. The NYISO was under the impression that (at the smaller meeting with only Mr. Clayton, Mr. Adamson, and Mr. Gioia) this was the concept that was agreed upon. Mr. Sharp stated that this change was not important to the NYISO and that it will be reversed.

Mr. Clayton moved the discussion to Measure I-M7.2. He indicated that the NYISO is introducing the new concept of a study of an alternate SRP. Mr. Clayton indicated that concept was never discussed; he likened the requirement to the PSC Article X process. Mr. Gioia suggested deleting the change. Ms. Whitaker explained the NYISO's reasoning for this suggestion. The NYISO believes that for any TO to demonstrate a material benefit of a specific unit, there will need to be a SRP study performed with and

without the unit. Additionally, a summary document compare these two studies will be imperative. Mr. Sharp clarified that the NYISO is not looking for an entirely new SRP. Mr. Adamson expressed concern over the terminology being used. Mr. Gioia suggested that the existing PRR wording already provides for what the NYISO is requesting. Mr. Adamson explained that what the NYISO is suggesting is more procedural in nature, and that the NYISO was not interested to discuss procedures at this level of detail. Mr. Gioia brought the discussion back to the need for this change and reiterated his position that the NYISO's suggestion is unnecessary. Ms. Whitaker stated that the NYISO would be more comfortable if there was a reference to a comparison in the Measure. She further offered to provide alternate wording that may be acceptable to RRS. Mr. Campoli asked a clarifying question as to what the NYISO staff is looking to see. Mr. Adamson reiterated his position that what the NYISO is requesting is part of the methodology and that these details should not be included in a Rule or Measure. He asked the NYISO if they wanted to see (ConEd's) study at this point. Mr. Sharp responded that at this juncture the NYISO does not want to see a study. Mr. Adamson pointed out that this is in contrast with the changes they are requesting. Mr. Head, then Mr. Sharp, clarified that the NYISO wants to see the study only if there is a material benefit or change to the SRP and the identified generator disagrees with participation. The conversation moved to a discussion around the word 'possible'; various participants joined in the discussion, but it was decided ultimately to strike the word from the Measure.

Mr. Clayton acknowledged Mr. Baker, who was on the phone. His concern was an interest in being able to comment further on the NYISO's proposed changes. Mr. Clayton reminded everyone that he sent the prior (to the NYISO commented) draft to IPPNY; Ms. Whitaker stated that she sent the NYISO markup to Mr. Baker yesterday.

Mr. Clayton acknowledged Ms. Phillips, who was on the phone. Ms. Phillips described recent discussions between her company and ConEd regarding black start service. Specifically, Hess is concerned about energizing the underground cable that connects their generator to Gowanus under black start conditions. In summary, they are seeking 'just and reasonable compensation' for assuming the risk and liability of a cable failure. Mr. Gioia responded by stating that the Reliability Council would not interfere with any market participant seeking tariff changes relative to compensation. The Reliability Council's only concern is reliability. Any participant has the opportunity to express their concerns and comment on the proposed rules. Ms. Phillips understood Mr. Gioia's explanation, but she finished by pointing out that the Reliability Council may not even need to be exploring Rule changes if there was 'just and adequate' compensation tariffs already in place. There was further discussion about the details of compensation, but Mr. Clayton indicated that the Rules do offer an option for a generator to seek an exemption from participation in the program.

Mr. Clayton moved the discussion to Measure I-M7.3.2. The NYISO struck the requirement for the NYISO to provide studies to a resource owner that is requesting an exemption. Mr. Sharp explained that their position is that the transmission owner is providing any studies to the generator being selected for participation and it is unnecessary for the NYISO to do so as well. Mr. Head recalled that Mr. Sasson's position was for the TO to provide studies to the NYISO and not to a generator owner, but he was unsure if Mr. Sasson had changed his position on this topic. Ms. Whitaker

stated that the NYISO does not agree with that philosophy and that the NYISO should not be involved in the discussions until there is a disagreement between the TO and generator owner, at which time the study would have already been provided to the generator owner. This was a key discussion topic at the last meeting. Mr. Hochberg recalled the discussion from RRS Meeting #167 and the agreement that was reached regarding the simultaneous submission of a full study to the NYISO and a condensed version of the study to the generator owner. Ms. Whitaker acknowledged that she was not at the last meeting for the discussion, however she strongly believes that the NYISO should not be providing any study to a generator owner since the transmission owner will provide study information to a generator owner in the parallel case when a new unit is identified to participate in the black start program as per the NYISO tariff. She indicated that she will have a conversation with Mr. Sasson to understand why this situation may be viewed differently by ConEd than the situation for a new generator interconnection. Mr. Sharp asserted that Mr. Sasson has agreed that if they provide a study for a new generator interconnection, then they would be willing to provide it in this situation. Mr. Baker found irony in the fact that a generator owner can be relied upon to provide a critical service to the industry, but not trusted with the contents of a transmission owner's study. Ms. Whitaker reiterated the tariff language specific to ConEd being required to provide study work for any new generator interconnection that is being considered to provide black start service subject to appropriate confidentiality concerns. As such, the NYISO does not see this process as any different from a confidentiality perspective. Mr. Clayton summarized his understanding of prior discussion as the TO will provide a summary to the selected generator owner and if the generator owner files for an exemption would they receive a detailed study from the transmission owner. This process may be unnecessary based on the precedent already established in the NYISO tariff as stated by Ms. Whitaker.

Mr. Adamson asked the NYISO a clarifying question as to who will be providing what studies to whom as identified by their changes in I-M7.3.1 and I-M7.3.2. Mr. Sharp clarified that they moved the responsibility of providing resource studies to the resource owner, effectively placing the NYISO in an oversight role. Mr. Adamson understood the changes after the explanation was provided.

Mr. May asked a clarifying question about the process by recapping statements made by Mr. Sasson at the last RRS meeting. Mr. May read the statements where Mr. Sasson was emphatic that the NYISO and not a generation owner could pass judgment on a transmission owners restoration plan. Later in the discussion Mr. Sasson conceded that the transmission owner could provide a summary of the SRP study to the resource owner simultaneous to providing a full study to the NYISO. Mr. May explained that Mr. Sasson never reached a point where he was willing to provide a full study to a generator owner. Mr. Sharp responded by stating that subsequent to the last meeting Mr. Sasson agreed to provide the full SRP study to a resource owner based on the current tariff language regarding new generator interconnections. Mr. May stated that the tariff language is specific to new generator interconnections. Further, he raised concern that two different processes were being mixed: the SRIS study for new generators and the annual SRP studies that review the mix of existing generators. Mr. May also recalled that many RRS committee members were in agreement at the last meeting that the NYISO should be reviewing and agreeing to the recommendations of a transmission owner's annual SRP

study before the study conclusions are shared with the selected resource(s). Lastly, he expressed concern that many RRS committee members are not aware of focus group discussions that are occurring in-between formal RRS meetings and as such, are not current on agreements being made among ConEd, the NYISO, and select committee members. Ms. Whitaker expressed her willingness to have a conversation with the committee to summarize the interim meeting discussions and any changes in agreement. Mr. Baker commented that since there will be an obligation by the generator owner to demonstrate good cause to an exemption, failing to provide the study to the generator owner puts them at an unfair disadvantage to justify their exemption. It was his opinion that it is only fair to provide the generator owner with the transmission owner's SRP study that identifies the need for a particular resource. Mr. May explained last month's meeting discussion where a distinct difference was made between the studies being performed by the TO that demonstrate a material benefit to system reliability for their selection in the black start program versus the reasons for a generator to claim an exemption based on their ability to provide the service. The high level summary provided to the resource owner was deemed a way to provide the basic selection information to the generator owner without necessarily having the generator owner critique the transmission owner's SRP study. None of this would preclude a generator owner from performing their own study if they questioned the results of a transmission owner's study. In this scenario the NYISO would act as the broker between the TO and GO and ultimately make the decision as to the inclusion or exclusion of an identified resource. Mr. May reiterated that the NYISO is responsible for the NYCA SRP, which includes the NYISO's backbone SRP and all transmission owner SRP. Mr. Gioia reiterated the current tariff language for new generator developers and stated that a precedent has been set and ConEd has agreed to provide the studies. Mr. Clayton closed the discussion by recognizing the current process for new developers and sharing his opinion that studies should be provided to selected resources, subject to confidentiality, so that they can use it as a basis for exemption, if desired. Mr. May took exception to this opinion and stated that the discussion should not be exclusive between the transmission owner and resource owner and that NYISO needs to be involved in the process. Ms. Whitaker responded to Mr. May by stating that the NYISO in no way is stepping away from the role of arbiter for generator/resource disagreements. The NYISO will not tell any transmission owner that they have identified too much black start capability.

Mr. Adamson raised a question about the word 'such' in I-M7.3.2. Essentially, it is any information that the NYISO requests. The word 'such' is referring to additional information; the NYISO will change 'such' to 'any'.

The discussion moved to I-M7.3.3; Mr. Gioia thought that removal of the word 'direct' and insertion of the word 'shall' creates ambiguity in the Measurement. Mr. Sharp explained that it is the Reliability Rule that requires the resource to participate. Mr. Gioia responded by stating it is the NYISO tariff and not the Reliability Rule that requires participation. The Reliability Rule is not directly enforceable; the action takes place from the NYISO tariffs and service agreements. The NYISO is going to take these comments back for further discussion and consideration. The NYISO is also considering to strike the last line of this section, 'and in the NYISO (Black Start Program) SRP'. Some further discussion took place as to the appropriateness of leaving the term 'black start program' to tie generator owners to the NYISO program, however Mr. Gioia asserted that the

Reliability Council should not be making decisions or commenting on issues pending at FERC.

Mr. Clayton asked and there were no comments on I-M7.3.4.

The discussion moved to I-M8.1. Mr. Adamson described a report issued by the NYISO summarizing physical capability issues with black start generators. He stated that the words in this section were selected by Mr. Sasson in response to the NYISO's report. Mr. Baker asked if the NYISO reviews the work done by ConEd to identify resources. Mr. Clayton responded with 'no'. Mr. Baker expressed concern that nobody will be critiquing a transmission owner's study work and that a 'back of the napkin' study could be created that identifies all resources are necessary for black start service. Mr. Clayton responded with the informal 'no harm, no foul' rule whereby the NYISO will intercede only when there is a disagreement between the transmission owner and the identified resource. Additionally, Mr. May recalled that Ms. Bluvast stated at the last RRS meeting that the NYISO does not have the technical capability on staff to critique TO study work. Ms. Whitaker confirmed and supported that recollection.

Mr. Adamson took exception to the removal of the term 'actions' in the opening paragraph of Measurement I-M8. A discussion took place around the effectiveness of NYISO procedures to require actions. Mr. Clayton ended the discussion with his opinion that this is not a major concern. Mr. Adamson also took exception to the removal of the wording 'and NYISO procedures'. Mr. Sharp responded that resources would be found in non-compliance of NYISO tariffs, not procedures. Mr. Adamson disagreed; a market participant would be found in non-compliance of NYISO procedures. The NYISO agreed to leave this terminology in the Measurement.

The conversation moved to a discussion regarding Measurement I-M9. Mr. Clayton stated that LIPA has specifically asked to not have a LRR for the LIPA territory. He summarized the NYISO's position that they are not going to second guess a transmission owner's selection of black start resources. Mr. Hession stated that an annual compliance requirement for a study that is currently not performed does not add value to the LIPA territory at this time. Mr. Adamson asked, and Mr. Hession confirmed, that there are black start resources within the LIPA territory that are not explicitly part of the LIPA SRP. A further discussion took place relative to LIPA's relationship with generators within their territory and why the Reliability Council would not require a LRR for LIPA's territory. Mr. May asked Mr. Hession if the additional generator units that are under contract to provide black start service, but not identified in the LIPA SRP, provide a material benefit to the LIPA SRP. Mr. Hession responded in the negative. He further described that LIPA is one of the few transmission owners in the state that can start its system without relying on the backbone and in a very efficient and effective manner. The resources that do not participate in the core plan would not enhance LIPAs ability to restore their system. He asserted that more black start capability is not necessarily better. He does not want to annually justify why any unit within LIPA territory is not participating in their SRP; he would like for the process and the Reliability Rules to allow a transmission owner to have the latitude for discretionary action and not have to demonstrate the need through studies. Essentially, LIPA has established a contractual call option with all of the generators within their territory. Mr. Hession preferred to not

discuss the details of these contracts or the reasons behind their decisions. He reiterated that LIPA does not support a local reliability rule for the LIPA territory. Mr. Clayton pursued the logistics of how LIPA would include any of these additional units into their SRP. Mr. Hession could not think of any reason why a unit would decline participation for financial reasons. Mr. Clayton asked, and the NYISO confirmed, that these additional units are not being compensated under the NYISO tariff. Mr. Hession suggested that a Reliability Rule that requires a generator to participate when requested would be helpful. Mr. Gioia distinguished the difference between LIPA and ConEd is that ConEd has a unit in its territory that it has identified as important to their SRP, but has been unwilling to participate in the NYISO black start program. The unit has agreed to provide the service under their own tariff on a month-by-month basis. The PRR is meant to assist ConEd with procuring the resources necessary to satisfy their SRP. Mr. Hochberg concluded that this scenario could happen in any transmission owner's territory; we are creating a LRR for ConEd's territory because that is where the concern exists. Mr. Clayton pointed out that it's not that LIPA is not subject to the Reliability Rules, but that they do not want to subject themselves to the additional requirements described in the LRR specific to ConEd. It was Mr. Clayton's opinion that LIPA has the right to choose to not be subject to a LRR. Mr. Hochberg hypothesized the scenario of receiving comments during posting as to why there is a LRR for ConEd when this situation could happen anywhere in the State. Mr. Gioia responded by stating that most other TOs in the State rely on the NYISO backbone for restoration and there was a judgment applied during the Rule development that it was more important to have more stringent local rules for the ConEd territory. Mr. May posed a scenario whereby the Reliability Council stripped away the Local Reliability Rule and made a determination as to whether the system could be restored by only the backbone. He answered his own question by stating that system restoration with only the backbone is possible, but would take a lot longer to occur. Mr. Clayton agreed with the hypothesis, but made the distinction that scenario would not comply with the NYSRC 'prompt' rule. Some discussion ensued related to the choice of having additional black start resources identified and it becoming a cost based decision. Mr. Gioia did not understand the point of the discussion; NYC and LI territories are densely populated areas and cannot afford to wait for restoring their systems off of the backbone. He further asserted that the system regulators regulate the cost of providing service and they are very interested in black start capability. Mr. Gioia stated that ConEd and LIPA have a statutory obligation to maintain reliability and are not going to wait a hypothetical 10 additional hours to begin system restoration only because they do not want to pay for the service. He characterized that approach as inconceivable. Mr. Clayton summarized that this LRR is going to be a reliability benefit for ConEd, but the discussion asks the question about all other transmission owners. He alleges that this situation is applicable only to ConEd and LIPA. LIPA already has the ability to improve their restoration performance by calling on additional resources. Mr. May questioned that the Reliability Council is creating this LRR only for ConEd and because ConEd, different from LIPA, does not have black start service contracts with all of their generators. Mr. Clayton responded that when the Reliability Council writes a Rule, there is a reference to economics and environmental issues in the RRS Scope of Work. As such, RRS believes that this PRR is important to ConEd and is not relevant to LIPA because they have contracts established with generators within their territory. Mr. Hochberg raised a concern about the potential for generator owners to argue the alleged inconsistency of Rule application to different transmission owner territories. Mr. Gioia

responded by stating that the Reliability Council can make reasonable distinctions to support the position for requiring a LRR for ConEd's territory. The Council can also argue that this no demonstrated need for any other TO territory outside of ConEd. Mr. Clayton expressed a desire to resolve this issue with respect to LIPA on this cycle of the PRR revisions. He is prepared to air RRS's concerns at the Executive Committee and he will explain the reasons why RRS believes the LRR is needed only in the ConEd territory. It was Mr. Clayton's opinion that this decision is important enough to be discussed and made at the EC level.

Mr. Hochberg asked about carving out a generator section of the LRR to make it clear what is required of generator owners. Either they provide voluntarily or they apply for an exemption. Mr. Adamson responded that the NYISO has tariff provisions that are applicable to the generator owners.

The discussion moved to reviewing the NYISO comments for the compliance elements. Mr. Adamson raised a concern with the NYISO's suggestion to remove the requirement to supply a methodology (I-M8 Full Compliance Statement). He would like to retain the ability of the Reliability Council to have access to the methodology being used to identify black start resources. Mr. Sharp responded that the methodology is more applicable to ConEd than to the NYISO. Further, he characterized the terminology of a methodology or study as vague. Mr. Adamson was concerned that there would be nothing to review if ConEd did not perform a study. He drew a parallel to NERC requirements where a study may never be completed, but there is a methodology in place to determine if a study is necessary. The term 'methodology' will be reinstated into the Compliance Statement.

Mr. Clayton requested Mr. Adamson to update the latest draft PRR with all of the discussion points raised at today's meeting [**Action Item 168-3**] and circulate it to everyone in attendance. Mr. Adamson expects to complete the update by Tuesday August 6th. Once updated, Mr. Clayton would like to meet again with the NYISO sometime before the next RRS meeting to gain consensus. A meeting has been tentatively scheduled with the NYISO on Monday August 12th at 10AM to review the updates being compiled by Mr. Adamson. The NYISO will confirm the meeting date, time, and location after checking availability of other participants and a meeting room [**Action Item 168-4**].

RRS paused for lunch at 12:03PM and returned at 12:30PM

3.2 NPCC Rules Revision Update

No updates.

3.3 NERC SARS/Organization Standards

Mr. Adamson indicated that the tracking summary reflects the recent actions within the past 2 months; mostly voting activity. There is nothing in the list of Standards actions that affect the NYSRC.

4. Additional Agenda Items

4.1 Rules Enhancement Plan – A. Adamson

Mr. Adamson has reformatted the Rules for Sections A, C, & D at this point. Mr. Clayton asked RRS if there were any committee member comments on the latest draft of the Enhancement Plan. Mr. Hochberg suggested a split of A-R2 into two separate Rules, effectively making three separate Reliability Rules in Section A. Mr. Adamson will consider this suggestion and comment on it at the September 5th meeting.

Mr. Clayton suggested that each new Rule be reviewed, presented to the EC, and posted for comment in PRR format as they are developed. The objective is to expose these changes to the public for comment so that RRS does not put significant effort into making changes before receiving feedback and running the risk of last minute comments that potentially derail the work that has been completed to-date.

5. Reports

5.1 NYSRC EC Meeting Report – R. Clayton

Mr. Clayton briefly identified the topics covered at the last EC meeting. He indicated there was extensive discussion on PRR 116. He discussed the Rules Enhancement Plan and the EC liked what was presented. There was also a discussion on the Defensive Strategies implementation of PMUs around the state; funding has run out and an RFP will be issued to continue with the program.

5.2 NYSRC ICS Meeting Report – A. Adamson

Mr. Adamson did not attend this month's ICS meeting. Hence, there is nothing to report.

6. Next Meeting #169:

The next RRS/RCMS joint meeting is scheduled for Thursday, September 5th, 2013 at 9:30 AM in the NYSERDA offices located at 17 Columbia Circle, Albany, NY.

RRS meeting #168 was adjourned at 12:55 PM.