

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

**RRS/RCMS Meeting @ NYSERDA Offices
17 Columbia Circle, Albany, NY
Thursday, March 3, 2011**

Final Minutes of RRS Meeting #139

In Attendance:

Alan Adamson	Consultant	Member
Larry Hochberg	NYPA (RRS Secretary)	Member
Roger Clayton	Electric Power Resources (Chairman)	Member
Brian Gordon	NYSE&G	Member
Roy Pfleiderer	National Grid	Member
Paul Kiernan	NYISO	Member
Jim Grant	NYISO	Member
Dean Ellis	Dynegy	Member
Jeff May	Central Hudson	Member
Dan Head	Con Edison (RCMS Secretary)	Member
Pat Hession	LIPA	Member
Henry Wysocki	Con Ed	Member
John Adams	NYISO	Member
Zach Smith	NYISO	Guest

Agenda Items

1.0 Introduction

RRS Meeting #139 was called to order by Mr. Roger Clayton at 09:30. Mr. Clayton reviewed the EC discussions and reasons for the joint meeting of RRS and RCMS. Mr. Clayton also explained that the two groups were not combined into a single group due to possible future work load requiring disaggregation. He instructed Messrs. Hochberg and Head to prepare the minutes for the RRS and RCMS portions respectively. He also suggested that Mr. May consider membership in RRS.

1.1 Executive Session

No Executive Session was requested.

1.2 Requests for Additional Agenda Items

4.1 BES definition

4.2 RRS Scope Review

4.3 Conflict of Interest Forms

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Meeting #138 Minutes

The minutes of RRS Meeting #138 were approved with minor changes as final.

2.2 Action Items List

AI 43-1 Mr. Adams stated that there was nothing new to report.

AI 52-1 Mr. Adams reported that the new UFLS plan was up for approval today at the RCC meeting.

AI 104-4 Mr. Adams reported that this AI is on hold pending the outcome of the FERC BES definition work.

AI 137-4 –Complete. Mr. Ellis provided a summary of the NERC activity in regards to generator testing and verification. He noted that, at some point, RRS may have to consider a rule change if four-point testing becomes a NERC requirement.

AI 137-7 – Complete. Mr. Clayton informed RRS that the averaging period is one year for the new EPA clean air rule.

3.0 NYSRC Reliability Rules (RR) Development

3.1 List of Potential RR Changes

RRS reviewed the list of potential rule changes.

PRR 8

Mr. Pfliegerer stated that the reactive power working group had a meeting yesterday and discussed possible load power factor and reactive reserve guidelines. He noted that the group recommended to the OC that these issues could be looked at when the RNA studies are performed. It has been reported to RPWG that generator and load reactive modeling had improved since the RPWG was formed. Mr. Pfliegerer also advised RRS that there

is a NERC standards drafting team looking at voltage performance and verification of reactive load models.

PRR 52

Regarding governor response, Mr. Clayton inquired about the need for a new rule. Mr. Ellis noted that FERC had held a technical conference on governor response and more can be expected from FERC on this issue. Mr. Clayton requested RRS to monitor FERC and NERC activities on this subject.

AI 139-1: RRS agreed, as an Action Item, to monitor FERC and NERC governor response activities.

PRR 104

The EC gave final approval in November 2010.

PRR 106

The EC gave final approval in January 2011.

EC Ad Hoc NYSRC/DEC Environmental Group

Mr. Clayton informed RRS that the DEC group has been discussing the potential impacts on installed capacity of the LOG/MOB rules. Mr. Clayton said that about 4000 MW of generation in Zone J is subject to the LOG/MOB rule. He suggested that because of the large amount of generation that is impacted, the LOG/MOB rule may have to be changed. This is because the new NOX and other environmental regulations will be much more restrictive. His concern is that generators may just decide to switch off since they will not be able to comply with both the LOG/MOB and environmental rules simultaneously. He said that the IRM would be impacted if 1000 MW of generation in Zone J is removed from the model. To support the analysis he would like to bring to the DEC group, Roger requested Mr. Head to make a presentation of Con Ed's LOG/MOB analysis at the next RRS meeting.

AI 139-2: Mr. Head agreed, as an Action Item, to make a presentation on Con Ed's LOG/MOB analysis at the next RRS meeting.

3.2 NPCC Rules Revisions Updates

NPCC Update

Mr. Adamson reviewed the NPCC tracking summary he had sent to RRS. Mr. Adamson advised RRS that NPCC is in the process of revising the definition of an SPS in Document A-7 and suggested that this could impact the NYSRC definition. In particular, he indicated that NPCC added to the definition that automatic under voltage load shedding is not to be considered an SPS. Mr. Hochberg expressed concern that this seemed to be a relaxation of the standard and could have potential negative reliability implications. He expressed interest in the reason for this modification. Mr. Hochberg

was requested to examine the NPCC website for comments on this issue and find out if NYPA has reviewed the revision and report back to Mr. Adamson.

Mr. Adamson also reported that there was a recent ballot out for NPCC members to vote on a change in the scope of the Compliance Committee. He noted that RCC already voted in favor of the change.

AI 139-3: Mr. Hochberg agreed, as an Action Item, to examine the NPCC website for comments on the change to the definition of an SPS and to check internally for NYPA's review.

3.3 NERC SARs/Organization Standards

NERC Standard Tracking

Mr. Adamson reviewed the NERC tracking summary table for the benefit of the RCMS members. He informed them that NPCC normally provides comments on NERC standards.

4.0 Additional Agenda Items

4.1 BES Definition

Mr. Clayton reported on FERC Order 693 which basically defines all lines 100 kV and above as BES and therefore subject to NERC standards. He stated that it was NPCC's position not to offer any opposition to this proposed definition. He also reported that there is a new standards drafting team of which Mr. Phil Fedora of NPCC and Ms. Jennifer Dering of NYPA are members. The team is to review both the new FERC BES definition and how to obtain exceptions. Mr. Clayton suggested that it is most likely that radial feeds would be categorized as exceptions.

Mr. Kiernan inquired as to when RRS would be reviewing the impact on NYSRC rules of the new FERC BES definition. Mr. Kiernan suggested that there may be a number of philosophical issues and approaches that probably should be discussed and resolved. He cited, as an example, the difference between the perspectives of the Gioia principle which postulates that the NYISO is accountable for TO/GO non-compliance and the NERC principle which posits that each user, owner and operator is to be held directly responsible for requirements they are registered for. He wondered if there wouldn't be conflicts/duplication of effort between NERC efforts and NYSRC efforts over similar rules and standards. Mr. Kiernan said this might become more problematic particularly if New York Market Participants register for more roles in NERC's compliance registry.

Mr. Clayton explained that, in accordance with the NYSRC/NYISO Agreement, NYISO is responsible for compliance with all Reliability Rules, including those identified in the NYSRC Rules as requiring actions by market participants, and has the responsibility of securing market participant compliance with said Rules via its procedures, tariffs and service agreements. The NYSRC/NYISO Agreement also requires the NYISO to comply with NPCC and NERC standards and criteria, and therefore the NYSRC has oversight concerning NYISO compliance with these requirements. Mr. Clayton decided that a discussion of this issue should be held at the EC and said he will report on these RRS

discussions at the next EC meeting. He also requested Mr. Kiernan to send him an email with the specific question(s) he would like the EC to address by the next RRS meeting.

AI 139-4: Mr. Clayton agreed, as an Action Item, to report on the RRS discussion of Mr. Kiernan's questions and concerns about NYISO compliance at the next EC meeting.

AI 139-5: Mr. Kiernan agreed, as an Action Item, to send an email to Mr. Clayton with the specific questions he wants the NYSRC to address regarding his concern with compliance reporting redundancy.

4.2 RRS Scope Review

Mr. Clayton reviewed the RRS responsibility list and rule development procedure for the benefit of RCMS members. He noted that the definition of BES is within the scope of RRS. He also noted that RRS is required to consider the economic and environmental implications of proposed rules or rule modifications. Mr. Clayton requested Mr. Adamson to draft an update to the RRS scope for review at the next meeting.

AI 139-6: Mr. Adamson agreed, as an Action Item, to draft an update to the RRS scope for review at the next RRS meeting.

4.3 Conflict of Interest Forms

Mr. Clayton requested Messrs. Hession and Wysocki to return the filled-in conflict of interest forms.

5.0 Committee Reports

5.1 NYSRC EC Report

The EC last met February 11. Mr. Clayton reported on issues that impact RRS. He also reported that Mr. Roger Caiazza had analyzed the impact of the NYS Climate Action Council Act which requires going to a large percentage of renewable power generation. One of Mr. Caiazza's conclusions was that it would require 14 more nuclear plants and all fossil fueled vehicles to be electric to meet the climate action. Mr. Caiazza is scheduled to make a presentation on this at the next EC meeting.

5.2 NYSRC ICS Report

Mr. Adamson reported that ICS has moved up its study schedule by about a month. He also reported that ICS will be reviewing data more thoroughly and that the data will be provided to the TOs for their review as well. He also reported that it looks like, for the first time, environmental regulations will impact the base case IRM for 2012.

5.3 NYSRC RCMS Report

RCMS reporting will take place during the RCMS portion of the joint meeting.

6.0 Next RRS/RCMS Meeting

RRS meeting #139 was adjourned at 11:35 AM.

The next RRS/RCMS joint meeting is scheduled for Thursday, March 31, 2011 at 9:30 in the NYSERDA offices located at 17 Columbia Circle, Albany, NY.