

**Meeting of the
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Rules Subcommittee (RRS)**

**Draft Minutes of Meeting #120
RRS Meeting @ NYSERDA Offices
15 Columbia Circle, Albany, NY
Thursday, June 4, 2009**

In Attendance:

Al Adamson	Consultant	Member
Larry Hochberg	NYPA	Member
Joeseph Herbert	NYSDPS	Member**
Roger Clayton	Chairman	Member
Roy Pfleiderer	National Grid	Member
Robert Ganley	LIPA	Member
Henry Wysocki	ConEd	Member
Anthony Elacqua	NYISO	Member
Brian Gordon	NYSEG (Secretary)	Member
Timothy Bush	IPPNY	Guest**
Thin Nguyen	NYISO	Guest
Zachary Smith	NYISO	Guest
Jason Miller	DC-Energy	Guest **
Howard Fromer	PSEG	Guest
Dean Ellis	Dynegy	Member
Rick Vera	NYISO	Guest
John Adams	NYISO	Member
Joseph Hipius	National Grid	EC Member**
Liam Baker	US Power Gen	Guest**
Erin Hogan	NYSERDA	Guest*
Jin D'Andrea	TransCanada	Guest*

* Denotes part attendance

** Denotes dial in attendance

Agenda Items

1.0 Introduction

Meeting 120 was called to order by Mr. Clayton at 09:30.

1.1 Executive Session

No Executive Session was requested.

1.2 Requests for Additional Agenda Items

The NYISO Databank Process presentation is added as item 4.2 on the agenda. NYSRC Mission Statement is put on the agenda as item 4.3. Item 4.4 is reserved for discussion concerning the dual fuel issue.

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Meeting #119 Minutes

The minutes of RRS Meeting #119 were approved with changes as final.

2.2 Action Items List

The following Action Items were reviewed:

AI 83-8 Review RFC and ISO-NE Criteria, Rules and Standards

After Mr. Clayton's discussion with Steve Corey, it was discovered that this topic was an action item for the Operating Committee and it was assigned to TPAS.

AI 87-5 RRS to monitor Reactive Power Working Group discussions on NERC Rules regarding reactive power issues on modeling

Reactive Power Working Group is in the process of developing a zonal reactive measurement methodology to identify reactive power usage.

AI 104-4 Draft and send out to RRS a PRR to modify B-M4 in accordance with NYISO requirement to publish BPS List

NYISO has a requirement to publish the BPS list in the gold book but NYISO legal has identified a confidentiality issue with publishing the BPS list in an open forum. The problem that needs to be addressed is not the publication of the BPS list but where shall the list be published to meet the confidentiality requirements. Mr. Adams will discuss with NYISO council if the BPS transmission list can be published on the secured portion of the NYISO website for the B-M4 requirement (**AI 120-1**).

AI 116-1 Inclusion of BPS testing in the study processes for new facilities with EC and Mr. Corey (TPAS)

Status changed to complete on 6/4/2009.

AI 118-1 Provide a white paper on current load flow data checking procedures

Status changed to complete on 6/4/2009.

AI 118-2 Provide NPCC progress on UFLS project

Status changed to complete on 6/4/2009.

AI 118-3 Review Directory#12 for any reliability rule changes

Status changed to complete on 6/4/2009.

AI 119-1 Review NYS Exception Process

Mr. Clayton forwarded to the RRS the NYISO procedure to remove exceptions. The procedure basically states that the NYISO will notify the NYSRC of the need to remove the exception and the reason that the exception is no longer required. The language in the current procedure of “valid” may not be the best term to describe that it is no longer needed. RRS discussed changing this to “valid or required”. Mr. Hochberg expressed a concern that the policy did not contain any provision for a TO to rescind an exception any time it desired, but would have to wait for the NYISO annual review. Mr. Hochberg was asked to suggest alternative wording to reflect these RRS discussions. (AI 120-2).

Status changed to complete on 6/4/2009.

AI 119-2 Review PRR99 (System Restoration) for inclusion of Con Ed comments

Status changed to complete on 6/4/2009.

AI 119-3 ATR List comparison to facilities on NPCC A-10 and NYISO Secured List

Status changed to complete on 6/4/2009.

3.0 NYSRC Reliability Rules (RR) Development

3.1 List of Potential RR Changes

RRS reviewed the list of potential rule changes.

PRR 99 System Restoration

Originally EC approved PRR99 for posting and Consolidated Edison reserved the rights to comment on the posting. Mr. Adamson reported that Mr. Thompson of Con Edison indicated to him that Mr. Mahlmann may have already agreed with the most recent Consolidated Edison comments.

Mr. Adamson has a comment on the recent Consolidated Edison revision about G-M1.6 bottom of page 3. Mr. Thompson requested the change to the phrase “including developing test procedures” which would change “procedures” to “requirements”. Mr. Thompson accepted the comments with modifications.

On page 4, G-M1.9, there was discussion over the use of “and” vs. “or” on drill and/or simulation. The term “and” is more restrictive which makes this requirement change very significant and must be verified with Mr. Mahlmann before any progress can be made on this PRR.

Mr. Adamson stated that the NYISO has responsibility to have procedures for coordinating the TO restoration plan with the NYISO restoration plan which has already been addressed by G-M1. On page 4, section of GM – 2, it was decided to remove “by the NYISO”.

On page 5 G-M3, the change agrees with GM-1.

The proposed change on page 5 GM-3, was as a result of recent testing that identified some black start units which did not start due to the failure of internal auxiliary systems. The comments added were to perform more frequent testing on a quarterly basis of black start auxiliaries to improve the starting reliability of the black start units. The RRS recommends changing the phrase “provide test results to the NYISO upon request” to “failure must be reported immediately to the NYISO”.

Mr. Clayton will review these issues with the EC. The EC may decide to repost PRR 99 for comments with these changes.

Mr. Adamson will ask Mr. Mahlmann if all the proposed PRR99 changes are appropriate and will notify Mr. Clayton accordingly. **(AI 120-3)**

PRR 101 Resource Data Availability

EC changed C-R2 to reduce the overall objective to wording that define the rule and removed the details of how to meet that objective because it is covered in the measure. The word “accurate” has been added for the data requirement. Generator unit terminology has been added to avoid confusion with any other type of facility when there is discussion of outage data. RRS recommends to the EC PRR 101 for posting.

3.2 NPCC Criteria

NPCC Update

RRS must review NPCC Directory #1 **(AI 120-4)**.

3.3 NERC Standards

NERC Standard Tracking

PR 002 was given to group by email for review.

TPL001 comment due July 9, 2009 any concerns Dana with National Grid.

NERC may be accepting of moving from 100 kV and above for a bright line addition

4.0 Additional Agenda Items

4.1 BES / BPS Impact on NYSRC RR

Draft working summary table was handed out to the RRS to determine TDF impacts on secured facilities. The facilities were sorted by voltage class and sensitivity factors. Discussion followed that described the interpretation of the tables.

Mr. Hipius mentioned a list is need with a set of criteria to get on to the list and to get off of the list. The list probably would be closest to the ATR list. WECC is developing parallel approach for BES.

TDF analysis may be used for criteria to be on the NYSRC list even though the BES list may be defined by some other criteria. TDF analysis was done with pickup on interfaces and on zone to zone. If reduced to just interfaces, it may line up better with system transfers.

Mr. Clayton will request TDF for specific facilities comparison and intra-area vs. zonal power shifts with Mr. Elacqua. (AI 120-5)

4.2 NYISO Databank Process

There was concern over due diligence with load flow study work as it relates to new project studies. Load flows received by market participants contained errors and some developers did not understand that data checking would have to be performed before studies were initiated. The NYISO has investigated the entire process.

NYISO has prepared a white paper as a power point presentation to describe current process and recommendations of improvement on a process. The databank process is a foundation to a wide variety of NYISO and developer study work.

Mr. Smith will submit PRR 103 addressing necessary changes to the databank process (AI 120-6).

4.3 Mission Statement

NYSRC focus on the bulk power system and as a result make the NYCA reliable. He wrote back the mission statement cannot be amended without changing the agreement. The NYSRC can extend to other facilities beyond the bulk power system when required to expand. [Although I do not recall retails of this discussion, it appears that it should be clarified.]

4.4 Dual Fuel Issue

Mr. Clayton clarified that any entity, including members of the public, can propose a reliability rule change. A proposal to change or add new reliability rules require approval in concept by the EC before RRS prepares a PRR.

Mr. Sasson had some concerns about the issue of dual unit fuel that was brought to the EC on the meeting before last and it was tabled by the EC until the last meeting. From the April meeting of the EC it was described that Dr. Sasson requested a consideration of a new reliability rule to require dual fuel capability for new base load generation units in the NYCA. Dual fuel capability was required for units in the two party agreements on the existing facilities prior to deregulation. The NYS planning board recognized this issue in the State Energy Plan (SEP) Interim report. At the EC, Mr. Schrom also recognized the importance of the loss of gas supply. Mr. Dahl noted that the reliability issue can be dealt with transmission upgrades and/or improvements to the gas delivery system. The SRIS process includes the loss of gas supply as an extreme contingency and

it requires mitigating actions for loss of gas supply. A solution must include the sharing of responsibility by the electric and gas industry. There is concern over a NYSRC rule that would impact the electric and gas industry system reliability requirements. The NYSRC only has jurisdiction over the electric industry. The EC would provide comments to the NYS SEP.

Mr. Wysocki described Consolidate Edison reasons for the dual fuel request at the EC. For IR3, the loss of a gas main is studied for the winter and summer seasons. To mitigate the loss of gas there is a minimum oil burn requirement of 25% on oil to reduce the impact of the potential loss of a gas main. There is an initiative, by 2012, the DEC minimum oil burn requirement will be removed due to environmental reasons. Generation upgrades, transmission upgrades, and dual fuel units are the currently defined solutions. Dual fuel is most cost effective and most viable. Mr. Adamson states that the loss of gas main is a design contingency and is not an extreme contingency per the local reliability rules.

Handling extreme contingencies BR-4 measures will be employed to mitigate where appropriate. Mr. Hochberg stated that RRS had previously discussed a potential rule be generated that would consider the loss of gas contingency in the planning horizon and is now waiting for the results of a NYISO study on this topic. Mr. Fromer mentioned dual fuel should be a new ancillary service if required and let the providers to supply that service for a cost. Mandated costs (unfunded mandated costs) will have to be added to the ICAP markets if not paid through some other mechanism. The demand curve will elevate ICAP costs. Mr. Clayton mentioned that our group is reliability and that cost allocation is not a part of the RRS scope. As this issue develops it may be possible that the NYISO can work with market participants to develop a rule with input for all market participants.

Studies have been performed to determine the impact of DEC rules on black start. The lights do not go out but the reserve margin increases and cost of electricity increases to meet the one in ten year reliability requirement. There was mention that the discussion as to why a proposal is needed may instead look towards the adequacy of the gas transmission system instead of the electric system. The fundamental problem should be addressed. Consolidated Edison should provide the various electric solutions so that the electric solution can be compared to the any potential gas main solutions. Mr. Clayton will report at EC that this discussion has taken place at the RRS.

EC comments on the SEP went out on May 15, 2009 to address this issue. It was further discussed that DEC wavers are granted only if the supply to firm electric load was imminent. These wavers would need to be made with broader restrictions because most are operating under assumption that the waver is not in effect.

5.0 Committee Reports

5.1 EC

None

5.2 ICS

None

5.2 RCMS

None

6.0 Next Meeting

Meeting #120 was adjourned at 13:55.

The next meeting (#121) is scheduled for Thursday, June 25, 2009 at 9:30 in the NYSERDA offices located at 15 Columbia Circle, Albany, NY.