

***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 at the NYSERDA Offices
17 Columbia Circle, Albany, NY
Thursday, October 6, 2011***

Final Minutes of RRS Meeting # 146

In Attendance:

Alan Adamson	Consultant	Member
Larry Hochberg	NYPA (RRS Secretary)	Member
Roger Clayton	Electric Power Resources (Chairman)	Member
Roy Pfleiderer	National Grid	Member
Jim Grant	NYISO	Member
Ed Schrom	NYSDPS	Member-Phone In
Henry Wysocki	Con Edison	Member
Dan Head	Con Edison	Member
Jeff May	Central Hudson	Member
Pat Hession	National Grid for LIPA	Member-Phone In
Paul Gioia	Dewey & LeBoeuf	Guest
Zach Smith	NYISO	Guest

Agenda Items

1.0 Introduction

RRS Meeting #146 was called to order by Mr. Roger Clayton at 9:34 AM.

1.1. Executive Session

No Executive Session was requested.

1.2. Requests for Additional Agenda Items

4.5 NERC Reliability Webinar

4.6 Report on NYSRC/NYSDEC Meeting

4.7 Reliability Rule Interpretation Request

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Meeting Minutes #145

The meeting minutes were approved with changes as final. Mr. Hochberg will revise and issue the final minutes.

2.2 Action Items List

AI 144-1: Mr. Adamson sent the 2012 schedule to Ms. Lynch to post on the website. The new due date is November 3, 2011.

AI 144-2: Completed.

AI 144-3: NYPA introduced this issue to the NYISO SOAS and OC in the spring of 2011. The OC has it as an action item and assigned the SOAS to monitor conditions during the fall of 2011. Mr. Hochberg reported on this on-going RRS action item. He reported that since the beginning of fall 2011, the Marcy-Coopers Corners 345kV line was once again scheduled to be kept out-of-service by the NYISO due to high system voltage conditions. This occurred on the weekends of 9/23/11 to 9/26/11 and 9/30/11 to 10/3/11. Mr. Hochberg also reported that he was informed that the NYISO will be preparing a report for SOAS on these recurring outages following the fall season. The report will review all of the year's events and make recommendations on potential solutions.

AI 145-1: Completed.

AI 145-2: Completed.

AI 145-3: Completed. On Agenda, Item 4.1.

3.0 NYSRC Reliability Rules Development

3.1. List of Potential Reliability Rules Changes

3.1.1 PRR 107: Approved to post, comments due 10/28/11.

3.1.2 PRR 108: Approved to post, comments due 10/28/11.

3.1.3 PRR 109: Mr. Adamson reported that the Installed Capacity Subcommittee (ICS) had drafted new measurements for Reliability Rule C-R2 aimed at collecting Demand Side Resource data for Special Case Resources. A draft PRR was circulated to RRS members. Mr. Adamson offered his opinion that the PRR contained too much detail and was not quite ready for RRS' review. He indicated that the PRR still needed to be reviewed by the NYISO and that it would probably be ready for RRS review in about two months.

3.1.4 PRR 110: Mr. Wysocki circulated a PRR which modifies Transmission Capability-Planning Reliability Rule B-R1.b.1 to add post-contingency loading relief using HVdc control. Mr. Wysocki explained that the reason for this rule change request is to provide Con Ed with additional operational flexibility by using the HVdc controlled lines that will be coming into NYC to alleviate certain types of overloads. The PRR also notes an inconsistency between the Introduction section of the Transmission Capability-Planning where the use of HVdc control is mentioned and the rule where it is omitted. Mr. Clayton suggested and RRS agreed that the Transmission Capability-Operating Reliability Rule E-R1.b.1 should be similarly addressed in the PRR. Mr. May suggested and RRS agreed that the wording in the PRR "and HVdc control" should be changed to "and/or HVdc control". Mr. Hochberg inquired as to whether or not this rule change could be considered to be less stringent than any current NERC or NPCC rules. Mr. Smith explained that NERC/NPCC rules contain more general language and refer only to "applicable limits". RRS concluded that this rule change is only being more specific, not less stringent. Mr. Wysocki was requested to modify the PRR in accordance with the discussions and resubmit it next month. Mr. Adamson was requested to begin preparing the PRR compliance elements.

AI 146-1: Mr. Wysocki agreed, as an Action Item, to modify and resubmit PRR 110 in accordance with RRS discussions.

AI 146-2: Mr. Adamson agreed, as an Action Item, to begin preparing the compliance elements for PRR 110.

3.2. NPCC Rules Revisions updates

Mr. Adamson reported that Directories 9 and 10 have been posted for comments. He said that the revision is just a format change and no NYSRC rule changes were required. He also noted that Directory 6 is a new directory that is being reviewed by the NYISO and that NYSRC does not have a similar rule that needs to be reviewed.

3.3. NERC SARs/Organization Standards

NERC Standard Tracking

Mr. Adamson reported that TPL-001-2 was adopted by the NERC BOT and is pending FERC approval. Mr. Grant reported that NERC submitted a filing and tracking rule deemed Find, Fix, and Track (FFT) with FERC which is aimed at reducing the overall compliance burden on NERC stakeholders and reducing paperwork.

4.0 Additional Agenda Items

4.1. BES/BPS Definition-Impact on NYSRC Reliability Rules

Mr. Clayton reported that the NERC BES drafting team's proposed definition of BES and its implementation plan are currently posted for a 45 day comment period and initial ballot through October 10, 2011. He also reported that EC members were asked at the last EC meeting to provide any comments to him for compiling and submitting to NERC. Mr. Clayton noted that he had received comments from Messrs. Duffy and Dahl and stated that the NYSRC will be voting 'yes' with comments. Mr. Adamson reported that there is no consensus within the NPCC membership and many NPCC members are planning to vote 'no' including ISONE, however NPCC will vote 'yes'. NYISO stated that it is planning to abstain as of this date. It also was noted that the NYPSC had sent a comment letter to FERC.

4.2 Interface Limits in NYISO Studies

Mr. Clayton reviewed the conclusion from the last RRS meeting, that interface limits are not a measure of reliability. Mr. Clayton said that he reported that conclusion at the last EC meeting, however Mr. Bolbrock requested RRS to continue the discussion on whether or not an addition to the BPS infrastructure should be permitted to degrade any interface limits including thermal, voltage or stability limits. Reading from the minutes of the last EC meeting, Mr. Clayton reviewed the EC discussions with RRS. Mr. Clayton also distributed and discussed a slide presentation he prepared that summarizes the main points he would make at the next EC meeting. It included points such as: interface limits are inherently variable and depend on system conditions, interface limits vary from study to study, and interface limits are not an absolute reliability criterion. Mr. Clayton informed RRS that he had received comments on his draft slide presentation from Messrs. Bolbrock and Dahl. Mr. Bolbrock's comments suggested a change (or delta) in limits could be used as a criterion. Mr. Dahl's comments suggested that he believed thermal interface limits are a criterion for reliability.

The RRS then discussed the various methods the NYISO uses to determine whether or not a new project has an impact on reliability. Mr. Smith noted that the minimum interconnection standard in Attachment X of the NYISO Open Access Transmission Tariff (OATT) is applicable to new generation and new merchant transmission projects. He said that under the minimum interconnection standard, the system, including the proposed project itself, is allowed to be re-dispatched if the project is found to cause a reduction in interface limits. The System Reliability

Impact Study (SRIS) and Class Year Facilities Study would (and almost always do) conclude that there is no negative impact on reliability as long as a re-dispatch eliminates any reduction in interface limits. Mr. Smith also noted that even though no reliability impacts may be identified for a generator or merchant transmission project, the impact on transfer limits of such a project would be addressed in the deliverability portion of the Class Year study if the project seeks Capacity Resource Interconnection Service.

Mr. Smith said that the minimum interconnection standard does not apply to Transmission Owner transmission modifications which are evaluated in a System Impact Study as required by Sections 3 and 4 of the NYISO OATT. He said that Transmission Owner transmission projects may result in a more optimal generation dispatch than existed prior to the project, but if degradation in transfer limits is identified the NYISO would work with the TO to identify mitigating actions. Although there is no specific written procedure on how any reductions should be alleviated, Mr. Smith pointed out that the NYISO/TO agreement contains language that requires the NYISO and Transmission Owners to evaluate the impacts on system reliability or transfer capability of any proposed modification to the system. Mr. Hochberg stated that this approach did not seem to be consistent with the wording in the NYISO's document "System Reliability Impact Study Criteria and Procedures" he had read on the NYISO website. Mr. Smith stated that some parts of that document are no longer applicable or have been superseded by modifications to the tariff, and the document is in the process of being revised and incorporated into the NYISO Transmission Expansion and Interconnection (TEI) Manual. Mr. Hochberg requested a copy of the revised document for RRS' review when it becomes available. Mr. Smith stated that the TEI Manual is reviewed through the NYISO stakeholder process, specifically the Transmission Planning Advisory Subcommittee (TPAS).

As an example of the process used by the NYISO for Transmission Owner transmission modifications, Mr. Smith cited a recent NYSEG/RGE proposed project to improve reliability in the Rochester area. The proposed project taps into the Niagara-Rochester and Somerset-Rochester 345kV cross-state transmission lines with two 345/115kV transformer banks that will feed local Rochester load. He stated that the study process uncovered a reduction of approximately 350 MW in the Dysinger East normal/emergency thermal transfer limits as a result of the addition of the proposed project. He said that even though studies indicated that the voltage transfer limits for this interface are more limiting, the thermal limits are known to be constraining in normal day-to-day operations, therefore in keeping with Good Utility Practice, a short 345kV transmission line has been proposed as a solution to the problem, although it does not totally restore thermal transfer limits to pre-project levels. Mr. Smith noted that changes in transfer limits may impact the loss of load expectation (LOLE) which is not typically evaluated as part of the System Impact Study, but is evaluated in the Reliability Needs Assessment (RNA). Mr. Hochberg stated that the term "SRIS" seemed to be a misnomer since it would appear that the actual impact on reliability of a proposed project is not known until the RNA is completed. Mr. Clayton pointed out that cost of an upgrade facility that is required for TO transmission projects due to a negative impact on existing transfer capability can be recovered by the TO, however a merchant transmission addition could not recover this cost. Mr. Smith restated that merchant transmission projects are evaluated in a System Reliability Impact Study (SRIS) and Class Year Facilities Study subject to the minimum interconnection standard, interconnection procedures, and cost allocation procedures described in Attachments S and X of the NYISO

OATT compared to a Transmission Owner transmission modification which is evaluated in a System Impact Study (SIS) subject to Sections 3 and 4 of the NYISO OATT. Based on this discussion, Mr. Clayton requested Mr. Smith to review the NYISO's practice of evaluating degradation of transfer limits in System Impact Studies for Transmission Owner transmission modifications with Mr. Corey, as changes to the Transmission Expansion and Interconnection manual might be required. Mr. Smith recommended that the NYISO stakeholder process, specifically TPAS, is the appropriate venue to discuss changes to tariffs and manuals. Mr. Clayton stated that he will modify his slide presentation for the upcoming EC meeting in light of these discussions.

AI 146-3: Mr. Smith agreed, as an Action Item, to notify RRS when the TEI Manual is available for review at TPAS.

AI 146-4: Mr. Smith agreed, as an Action Item, to review with Mr. Corey the practice of evaluating degradation of transfer limits in System Impact Studies for Transmission Owner transmission modifications.

4.3 LOG/MOB update

Mr. Clayton reported that Con Ed has issued revised local planning rules for new generator additions to its system. These include certain requirements for automatic fuel switching, power factor and blackstart capability.

4.4 Policy 6 update

Mr. Gioia agreed with RRS' recommendation to eliminate Policy 6.

4.5 NERC Reliability Webinar

Mr. Clayton distributed to RRS a NERC announcement about a webinar that is being held on October 12, 2011 on Reliability Measures and Risk Assessment.

4.6 Report on NYSRC/NYSDEC Meeting

Mr. Clayton reported that the NYSRC/NYSDEC group met on October 4, 2011 and the main topic of discussion was the federal EPA cross-state air pollution rule, primarily the proposed short (or low) allocations for NY. He reported that the NYSDEC has been in discussions with EPA about this issue and that the EPA has agreed to technical corrections for NY to raise the allocations so NY will be able to meet the new standards for the 2012-2014 time period. Mr. Clayton stated that there was only a verbal agreement at this point and that if nothing is received by NYSDEC in writing by Friday, October 7, NYSDEC may file a notice to contest.

4.7 Reliability Rule Interpretation Request

Mr. Pfleiderer requested an interpretation of whether or not the terminal voltage of a generator that is considered part of the NYSBPS (generally comprising generator units 300 MW and larger

according to the NYSRC definition) is also considered part of the NYSBPS. RRS generally concluded that it was, however Mr. Pfleiderer was requested to find out if a list of NYSBPS generators is included in the ATRA and report back to RRS.

AI 146-5: Mr. Pfleiderer agreed, as an Action Item, to find out if a list of NYSBPS generators is included in the ATRA.

5.0 Committee Reports

5.1. NYSRC EC Meeting Report

There were no additional RRS items to report on.

5.2. NYSRC Installed Capacity Subcommittee (ICS) Meeting Report

Mr. Adamson reported that a preliminary base case IRM of 16.4% for 2012-2013 has been developed by ICS. He stated that about 20 sensitivity cases would be completed in the next couple of weeks and the final base case IRM recommendation would be given to the EC at its November 2011 meeting.

6.0 Next RRS/RCMS Meeting

RRS meeting #146 was adjourned at 12:56 PM.

The next RRS/RCMS joint meeting is scheduled for Thursday November 3, 2011 at 9:30 AM in the NYSERDA offices located at 17 Columbia Circle, Albany, NY.