

***Final Minutes  
New York State Reliability Council, L.L.C. (NYSRC)  
Reliability Rules Subcommittee (RRS)  
Minutes of Meeting #54***

***RRS Meeting @ NYISO Offices  
Washington Ave. Extension, Albany, NY***

***Wednesday, December 3, 2003***

**Attendance**

Roger Clayton (Chairperson)	Conjunction	Member
Steve Corey (part time)	NYISO	Member
Larry Hochberg	NYPA	Member
Alan Adamson		Consultant
Joe Fleury	NYSEG	Member
Hebert Joseph	PSC	Member
Ted Pappas (Secretary)	LIPA	Member
Larry Eng	National Grid	Member

**Guests**

None

**Agenda Items**

**1.0 Introduction**

The meeting was called to order at 10:00 a.m.

**1.1 Executive Session**

No Executive Session was requested.

**1.2 Requests for Additional Agenda Items**

Three new agenda items were added under agenda item 4:

- Submitting reports to the secretary prior to the meeting
- Letter from NYSRC (Ken Haase) to NYISO (Bill Museler)
- Calendar for 2004 meetings

**2.0 Meeting Minutes/Action Items**

## **2.1 Approval of RRS Minutes #53**

The minutes of RRS Meeting #53 were approved as amended. Mr. Pappas will issue the final minutes.

## **2.2 Action Items List**

The action items list was reviewed and updated. An updated action items list is attached.

AI 39-3, Monitor FERC response to short circuit issue (Clayton/Corey).

This is still in dispute resolution process.

AI 39-10, Send new draft SARs and OSs to RRS for consideration (Adamson)

Ongoing

AI 43-1 ( $\Delta$ RR52), Monitor NYISO investigation of governor response and UFLS program (Corey/Alvarez/Pappas)

These issues are becoming part of the blackout investigation.

AI 43-9, Monitor the potential need to revise the definition of the NYS Bulk Power System (RRS)

NPCC CP-11 WG is to undertake this issue; however, it has not yet been addressed.

AI 48-4, Provide update on the NYISO/NYSERDA wind energy study (Corey)

NYSERDA selected a vendor to perform the study. A draft phase I report is due by year's end.

AI 50-1 (PRR 59), Review NYISO package in regards to SEAMS issues related to changing restoration times of operating reserves to match ISO NE (RRS)

NYISO has not yet provided the requested information.

AI 52-1, Determine the need for new rules regarding the definition of areas and tripping times on UFLS relays as a result of the blackout (Corey)

At the NPCC RCC meeting, revisions to A3 regarding performance criteria such as frequency were discussed. The revisions will require systems to respond in a manner that will maintain frequency above 58Hz. This can be achieved by lowering the UFLS relaying time delay to .3sec. and/or lowering the underfrequency trip point of generators to 57Hz (nuclear stations will be exempt).

AI 52-2, Have Eric Allen give a presentation of UFLS studies by NPCC (Corey)

This item will be closed. Larry Eng to give a presentation on the same subject matter. (AI 54-1)

AI 52-6, Review ISO pre-contingency voltage limits and discuss (RRS)

Mr. Corey explained that the system conditions and the post contingency limits are reviewed to determine the pre-contingency limits for those conditions. The pre-contingency limits are then reviewed in the context of the standard pre-contingency limits (+/- 5%) and adjusted to be within the standard envelope. All agreed this was acceptable and this item will be closed.

AI 53-1, Inform Don Raymond to add Hebert Joseph of the PSC to the RRS roster as an alternate for Ed Schrom (Pappas)

Mr. Pappas added Mr. Joseph to the roster. This item will be closed.

AI 53-2, Research NPCC/NERC criteria for information on frequency of communications testing for non restoration type events (Pappas)

See ΔRR67 in section 3.1.

AI 53-3, Review NPCC RD-09 for NYS Reliability Rules changes (Pappas)

This item is complete. See section 3.2.

AI 53-4, Reserve a room for 2004 RRS meetings (Corey)

This item is complete.

### **3.0 NYSRC RR Development**

#### **3.1 List of Potential RR Changes**

RRS reviewed the list of potential rule changes as follows:

ΔRR 8 - Reactive Load and Resource PF Requirements at BPS/LSE Boundaries

A template will be prepared after the operating study is completed.

ΔRR 52 - Generator Governor Response

These issues are becoming part of the blackout investigation.

ΔRR 59 – Operating Reserves

RRS and Con Ed are still awaiting additional information from the NYISO. (AI 50-1)  
The information request was made by the EC at the 7/10/03 meeting.

### ARR 65 Modification of Rule D-R3

Received final EC approval on 11/14.

### ARR 66 System Restoration-Black Start Testing (Modification to Measurement GM-1)

Final EC approval received 11/14/03 to post template (RR03-11) for comments. Template was posted on 11/18/03 with comments due on 1/5/04.

### ARR 67 NYISO Control Center Communications (Modifications to JR-2)

On hold pending Mr. Pappas' review of NERC and NPCC criteria for specific communications testing frequencies. **(AI 53-2)**

## **3.2 NPCC Rules Revisions Update**

Mr. Adamson reviewed the NPCC Criteria Revision Tracking Summary table he had issued to RRS.

### NPCC Basic Criteria A2 (RRS)

Revision 10b was issued and comments are due 1/9/04. Mr. Clayton to submit RRS comments to Mr. Adamson. **(AI 54-2)**

The sections NYISO had comments on were revised to the satisfaction of the NYISO.

In section 5.1 a reference to the definition of "system A" and "system B" should be added. A discussion ensued regarding the need to remove a line from service should either system A or system B relay trip channels be out of service. Mr. Corey explained that the A2 document specified that the design account for either A or B being out of service. Since the design already accounts for one of the channels being unavailable the line can remain in service.

The lack of specific measures, in sections 7 and 8, to be utilized to mitigate consequences was discussed. The group felt that after A2 is approved, RRS could develop these specific mitigation measures.

Mr. Clayton requested that any comments be submitted to him by year's end. **(AI 54-3)**

### RD-09, Procedures for SMD Which Affect Electric Power Systems (Pappas)

No reliability rules need to be revised as a result of this RD.

## **3.3 NERC SARs/Organization Standards (OSs)**

Mr. Adamson reviewed an updated NERC Organization Tracking Summary.

## RS-1, Balance Resources & Demand (Clayton)

Nothing to report.

## RS-2, NERC Reliability Standard 2000-Operate Within Interconnected Operating Limits (Hochberg)

The balloting period is 12/18/03 through 1/6/04.

As a result of discussions at the CP-9 meeting of December 8, it was decided to recommend to the EC that they ballot no due to an undefined time to return the transmission system to a secure state and the imposition of monetary penalties. NPCC will ballot no because of their opposition to monetary sanctions and other issues. Mr. Adamson will draft the RRS recommendation (**AI 54-4**). The draft text follows:

### **NERC RELIABILITY STANDARD 200 “OPERATE WITHIN INTERCONNECTED OPERATING LIMITS”**

#### **RRS Voting Position**

##### **Status**

NERC Standard 200 will be balloted from December 18 – January 6.

##### **Purpose of Standard**

The purpose of this standard is to prevent instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the bulk power system.

##### **Standard Description**

This standard requires adherence to established operating limits to prevent instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the bulk power system. Requirements of the standard address:

- Real time monitoring of system parameters against operating limits
- Performing short-term and real-time transmission reliability analyses relative to the identified operating limits
- Performing corrective actions to mitigate exceeding operating limits
- Keeping recording and filing reports

##### **RRS Recommended Vote**

It is RRS' position that the NYSRC should vote NO on the approval of Standard 200.

##### **Comments to Be Posted With Vote**

“Tv,” the time that Standard 200 allows an Interconnection Reliability Limit can be exceeded without compliance sanctions, is too open-ended.

“Tv” as defined above for this standard does not place any maximum value on the response time required by the Reliability Authority to prepare for the next credible contingency. The existing NERC Operating Policy 2 requires the Control Area to return its transmission system to within security limits as soon as possible, but no longer than 30 minutes. Standard 200 does not require a response within 30 minutes –

rather each limit has its own “Tv”. It is the contention in the Standard that for some limits, the Reliability Authority could determine that a “Tv” greater than 30 minutes may represent an acceptable risk. However, we know of no method or criteria for establishing “acceptable risk” or impact on reliability, either in Standard 200 or elsewhere. Therefore, we believe that it is unacceptable to support a response time greater than 30 minutes, the maximum allowed in existing Operating Policy 2.

Moreover, if each Reliability Authority were allowed the freedom of expanding “Tv” beyond 30 minutes “according to risk” as they perceive it, then the reliability of neighboring Control Areas may be negatively impacted by decisions they have no control over.

It is unwarranted to relax present criteria as proposed by Standard 200, particularly in the aftermath of the August 14, 2003 Blackout.

#### The New York State Reliability Council is opposed to monetary sanctions as applied in Standard 200

The New York State Reliability Council (NYSRC) is opposed to monetary sanctions for non-compliance as applied in this standard. Instead, the NYSRC prefers that NERC issue letters of increasing degrees of severity to communicate non-compliance of standards. The past use of letters by the NYSRC and NPCC for non-compliance has demonstrated that they are a more effective tool for ensuring adherence to standards. In addition, the NYSRC advocates the use of market mechanisms where possible to achieve compliance. Therefore, the NYSRC strongly recommends removal of monetary sanction matrices from this standard and future NERC standards and consider instead, the use of letters, such as that presently applied by the NYSRC and NPCC.

End of RRS vote recommendation draft.

#### RS-3, Assess Transmission Future Needs and Develop Transmission Plans (Adams)

Mr. Adams is a member of the SAR drafting team. Mr. Adamson will talk to Mr. Adams regarding RRS participation in the drafting process. **(AI 54-5)**

#### RS-4, Determine Facility Ratings, Operating Limits, and Transfer Capabilities (Adamson)

Mr. Adamson reviewed his November 10 memo to Mr. Clayton on this item and his attendance at the CP-9 meeting. The text follows:

“The recent NYSRC Executive Committee and RRS review of proposed NERC Standard 600, which has certain elements that are less stringent than NYSRC Reliability Rules, has raised questions related to NERC’s position on Regional and Sub-Regional criteria that are more stringent than NERC Standards. In addition, the same proposed NERC Standard specifies monetary (monetary) sanctions for non-compliance. This raises additional questions.

On November 6 I attended a CP-9 (NPCC Reliability Standards Working Group) meeting in Boston. Tim Gallagher (TG), NERC Director of Standards, attended the meeting. The primary purpose of meeting with TG was for CP-9 members to gain a better understanding of the NERC Reliability Standard Development process, discuss NPCC concerns with parts of the process, and obtain advice on certain elements of the process. A letter, dated November 6, from the NPCC Executive Committee to TG, submitted several observations and comments related to various issues associated with the NERC Standards Development process. The meeting’s discussion with TG centered on the issues identified in this letter. My review below addresses two of these issues: Regional Differences and monetary sanctions. These issues, as pointed out above, are also the source of NYSRC questions and concerns. I will review the other issues raised in the letter at the next RRS meeting. Although many questions on these issues were answered by TG as they relate to NERC positions, there remain unanswered questions as they relate to future reliability legislation.

## 1. Regional Differences

- *NERC's View of More Stringent Criteria for Regions and Sub-Regions.* TG agrees that Regions and Sub-Regions, such as the NYSRC, may adopt more stringent rules than NERC, because of unique characteristics, in order to assure an acceptable level of reliability. TG further agrees that NERC criteria represent the *floor*, not the ceiling. When NERC states that a Region's criteria must be *consistent* with NERC Standards, TG interprets this to mean that a Region may not have less stringent criteria, *but it may have more stringent criteria*. That is, a more stringent NYSRC rule is consistent with the corresponding NERC Standard. But with this said, some CP-9 members are concerned that some NERC management believe that NERC criteria should be the ceiling. TG believes that FERC will defer to the Regions and states regarding their use of more stringent criteria.
- *Application of Regional Differences.* In accordance with the NERC process for developing Standards, a Region may, if it so decides, incorporate its more stringent criteria within a NERC Standard. By having a Region's more stringent criteria in the NERC Standards, entities within that Region must comply with the more stringent Regional requirements. It is NERC's goal that following the pending reliability legislation, FERC will back-up Regional Difference requirements and enforcement if included in the NERC Standards. TG agrees that the NERC process dealing with Regional Difference needs to be clarified.
- *NPCC's Position on Incorporating More Stringent NPCC Differences in the NERC Standards.* On November 5, the NPCC Executive Committee reaffirmed its prior position to include NPCC Regional Differences in NERC Standards. Therefore, NERC Standard 600 will be balloted with the NPCC Regional Difference included. However CP-9 has concerns about the inclusion of Regional Difference in NERC Standards (see bullet below). A letter to the NPCC Executive Committee will be prepared by CP-9 which will state such concerns.
- *Concerns About Including Regional Differences in NERC Standards.* During the CP-9 meeting the following issues and concerns were raised, leading to the conclusion that Regional Differences should not be included in NERC Standards: (a) There are many uncertainties in the NERC Regional Difference process which must be clarified, (b) NERC must approve their inclusion, (c) Entities, both within and outside the Region, may provide comments on Regional Differences when the Standard is posted, (d) Ballot Body members may vote against adopting a Standard if it disagrees with a Regional Difference, (e) It may be difficult to modify or remove a Regional Difference once it is included, (f) Despite NERC including Regional Differences in their Standards, FERC may still decide to remove them from the Standards, (g) Non-compliance with Regional Differences would result in the same monetary sanctions as NERC Standard violations, and (h) both NYISO and ISO-NE have Agreements that require all Market Participants to comply with all State, NPCC, and NERC criteria; so there is no need to have NERC Standards back-up the more stringent criteria in these control areas. (However, it was pointed out by someone at the CP-9 meeting that the pending reliability legislation may make these existing agreements null and void.)

## 2. Monetary Sanctions

- Monetary sanctions for non-compliance *are a part* of the NERC Standards. Monetary sanction matrices appear at the end of each Standard.
- NPCC has always been opposed to monetary sanctions and has been the most vocal Region in its opposition. ISO-NE is opposed to this type of sanction. Both believe that

letters are the most effective means of enforcement. The NYSRC uses letters, and although letters have been required infrequently for non-compliance, I also agree that they are very effective.

- Even if NERC decides to continue the use of monetary sanctions, NPCC would like them at least removed from the Standards. Otherwise, NPCC may elect to vote against all Standards that include this type of enforcement. TG suggested ways that NPCC could proceed to affect removal of monetary sanctions through available mechanisms through the NERC Standard Development process.

### **Conclusions**

Based on the above discussion, I recommend that the NYSRC Executive Committee develop the following NYSRC positions:

1. The Executive Committee should develop a position as to whether it wishes to include Regional and NYSRC Differences in the NERC Standards.
2. The Executive Committee should develop a position as to whether it agrees or disagrees that NERC should impose monetary sanctions for non-compliance with NERC criteria.
3. If the Executive Committee takes a position that it disagrees with monetary sanctions, it should take a position on whether NYSRC should be opposed to, and vote against, any NERC Standard that includes monetary sanctions for non-compliance.

In addition, consistent with discussion at the October 10 Executive Committee meeting, I recommend that NYSRC either send a letter to NERC management, or meet with NERC management, to state its position on the need for Regional and sub-Regional criteria that may be more stringent than NERC criteria, without NERC's approval; and to request NERC to support these positions. The issue of monetary sanctions could also be addressed. This could be done jointly with ISO-NE, which has similar concerns."

End of text of Mr. Adamson's memo.

Mr. Adamson will prepare comments. **(AI 54-6)**

### **RS-8, Coordinate Interchange Transactions (T. Pappas)**

This new standard will ensure reliability-related data pertaining to interchange transactions is verified and communicated to functional authorities. Reliability related data to be verified should include megawatt magnitude, ramp start and stop times, and the interchange transaction's duration. Reliability related data should be communicated by and between the Interchange Authority, Balancing Authority, Reliability Authority, Transmission Service Provider, and Purchasing-Selling Entity functions.

Verification of data should indicate that a mutual agreement exists between parties that intend to implement a proposed interchange transaction as well as approval by the appropriate functional authorities.

The new standard will also provide a mechanism for interchange transaction identification that could be used for congestion management and/or relieving operating limit violations.

The standard is being drafted and, as of December 1, 2003 will be posted for comment in December of 2003.



## RS-9, SAR-Coordinate Operations (Fleury)

Standard is being drafted.

## RS-13, Certification of the Interchange Authority Function (T. Pappas)

The new standard will ensure that each entity that wants to be recognized as an Interchange Authority has the capability of performing the responsibilities assigned to the Interchange Authority function. Each entity that wants to be recognized as an Interchange Authority shall demonstrate that it has the processes, procedures, tools and agreements in place to demonstrate that it has the capability of performing the responsibilities assigned to the Interchange Authority Function.

NERC approved drafting of a standard and as of December 1, 2003 it was still underway.

## RS-18a, Permanent Cyber Security Standard (Corey)

This standard will replace the Urgent Action Cyber Security Standard issued and approved in 2003. Steve Corey will provide comments.

## **4.0 Additional Agenda Items**

### **4.1 Submitting Reports for Pre-meeting Minutes**

Mr. Pappas requested that, when possible, reports should be submitted to him 2-3 days prior to the meeting for inclusion in preliminary minutes.

### **4.2 Letter from NYSRC (Ken Haase) to NYISO (Bill Museler)**

Mr. Clayton reviewed the letter and the two major points. NYSRC will review the blackout events to assure that the NYISO and market participants were in compliance with reliability rules and will review the need for new rules as a result of the blackout. The text of that letter follows:

Dear Bill:

Thank you for meeting with me and other representatives of the New York State Reliability Council Executive Committee on October 7 to outline a cooperative effort between the NYISO and the NYSRC in the review and analysis of the August 14, 2003 Blackout.

At the meeting, I indicated that the focus of the NYSRC's review of the events related to the Blackout will be on the New York Control Area in order to determine whether the NYISO and Market Participants were in compliance with NYSRC Reliability Rules and NYISO Operating Procedures during the period leading up to the Blackout, during the Blackout, and during the restoration. The NYSRC also will be considering whether our review indicates that revisions to the existing Reliability Rules are warranted. We requested that the NYISO provide certain information to the NYSRC to enable it to effectively conduct its review of the August 14 Blackout. I believe that you agreed that the NYISO would provide the following information to the NYSRC:

1. Monthly status reports by the NYISO representative at the NYSRC Executive Committee meetings on the NERC/DOE Blackout investigation and any reports

issued by the U.S./Canadian Power Outage Task Force until the investigation is complete and all New York related recommendations, if any, are implemented.

2. A written Compliance Report submitted to the Chairman of the NYSRC's Reliability Compliance Monitoring Subcommittee analyzing whether or not the NYISO and all Market Participants were in full compliance with the existing NYSRC Reliability Rules, NPCC and NERC standards, and all NYISO Operating Procedures:
  - a. Prior to and during all generation and transmission trips external to New York up to 4:10:40 p.m. when the NY-PJM ties began to trip.
  - b. During all generation and transmission trips in New York beginning with the tripping of the NY-PJM ties, during the separation of the upstate and downstate systems, and through the shutdown of the downstate system.
  - c. During the restoration of the New York system.
3. The Compliance Report also will:
  - a. Include an as accurate as possible timeline and sequence of all generator, transmission equipment and load shedding trips in New York as well as all manual operator actions.
  - b. Identify the cause of all generator, transmission equipment, and load shedding trips in New York.
  - c. Verify that every automatic protective relay system, including under-frequency load shedding, in New York worked correctly and as intended and, if not, why not and whether any corrective action by the NYISO will be taken.
  - d. Verify, including a review of operator logs and tapes, that every manual system operator action taken was appropriate and, if not, why not and whether the NYISO will take any corrective action.
  - e. Provide to the NYSRC any recommended changes to the NYSRC Reliability Rules and the NYISO Operating Procedures that it would consider beneficial, based on its analysis of the events which contributed to and constituted the Blackout and the restoration of the New York system.
4. The NYSRC requests that the NYISO submit a final draft of the Compliance Report to the NYSRC 30 days after the issuance of the U.S./Canada Power Outage Task Force Final Report on the Blackout. This should allow the NYISO to include comments on any significant recommendations of the Task Force.

Please let me know if you would like to discuss any of the above. The NYISO's continued cooperation and assistance to the NYSRC in the exercise of its responsibilities is greatly appreciated.

Sincerely,

H. Kenneth Haase

End of text of Haase letter.

### 4.3 2004 Meeting Schedule

Below is the approved 2004 meeting schedule. Starting times were changed to 0930.

Number	Date	Location	Start Time
55	January 6, 2004	NYISO	0930
56	February 5, 2004	NYISO	0930
57	March 4, 2004	NYISO	0930
58	April 1, 2004	NYISO	0930
59	May 6, 2004	NYISO	0930
60	June 3, 2004	NYISO	0930
61	July 1, 2004	NYISO	0930
62	August 5, 2004	NYISO	0930
63	September 2, 2004	NYISO	0930
64	October 4, 2004	NYISO	0930
65	November 4, 2004	NYISO	0930
66	December 2, 2004	NYISO	0930

## 5.0 Reports

### 5.1 Report on NYSRC EC Meeting #55

The EC stated that it would not ballot no on a NERC item if the only objection was monetary sanctions. Other actions are covered under items above.

Minutes of NYSRC EC meetings are available at <http://www.nysrc.org>.

### 5.2 NYSRC ICS Report

Mr. Adamson reported that the annual IRM report base case shows a 17.1% IRM requirement for 2004. The final report should go to the EC by 12/11/04.

Minutes of NYSRC ICS meetings are available at <http://www.nysrc.org>.

### 5.3 NYSRC RCMS Report

Mr. Adamson reported that the 2003 program is almost complete and the 2004 program is being developed.

Minutes of NYSRC RCMS meetings are available at <http://www.nysrc.org>.

## 6.0 Next Meeting

The meeting was adjourned at 1330.

The next meeting is scheduled for 0930 on **Tuesday**, January 6, 2004 at the NYISO offices located at Washington Avenue Extension, Albany, NY.

Final Minutes of Meeting No. 54 submitted by Ted Pappas on January 8, 2004.