# *Final Minutes*
# *New York State Reliability Council, L.L.C. (NYSRC)*
# *Reliability Rules Subcommittee (RRS)*
# *Minutes of Meeting #56*

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

## *Thursday, February 5, 2004*

**Attendance**

| | | |
|---|---|---|
| Roger Clayton (Chairperson) | Conjunction | Member |
| Steve Corey | 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 |
| John Adams (part time) | NYISO | Member |
| Ken Layman (part time) | NYISO | Guest |

**Agenda Items**

**1.0 Introduction**

The meeting was called to order at 0930.

**1.1 Executive Session**

No Executive Session was requested.

**1.2 Requests for Additional Agenda Items**

- Update meeting schedule on NYSRC website. **(AI 56-1)**
- Review rule CR-2. (See section 3.1)

**2.0 Meeting Minutes/Action Items**

**2.1 Approval of RRS Minutes #55**

The minutes of RRS Meeting #55 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 (ΔRR52), Monitor NYISO investigation of governor response and UFLS program (Corey/Alvarez/Pappas)

These issues are becoming part of the blackout investigation. Also see section 3.1.

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

Nothing new to report.

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

See section 3.1.

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)

At the request of Mr. Adams of the NYISO PRR 59 should be dropped at the present time. This item will be closed.

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)

See information under ΔRR52 in section 3.1.

AI 54-2, Provide comments to Mr. Adamson on A2 rev 10b (Clayton)

This item is complete and will be closed. See Section 3.2.

AI 54-5, Talk to Mr. Adams regarding RRS participation in SAR drafting (RS-3) (Adamson)

This item is complete and will be closed. See section 3.3.

AI 55-1, Provide RRS with a copy of the NYSERDA phase 1 wind energy report (Corey)

This item is complete and will be closed. Also see section 3.1.

AI 55-2, Regarding PRR59, contact Mr. Adams of the NYISO inquiring about the status of the EC's information request and the NYISO interest in continuing to request this change (Pappas)

T. Pappas sent an e-mail to Mr. Adams on 1/28. See Section 3.1 for update and full text. This item is complete and will be closed.

AI 55-3, Forward ΔRR66 template to Mr. Raymond for consideration at the next EC meeting (Adamson)

This item is complete and will be closed. Also see section 3.1.

AI 55-4, ΔRR 67 Query NYISO regarding the type and frequency of testing performed on emergency communications equipment (Adamson)

This item is complete and will be closed. Also see section 3.1.

AI 55-5, Submit comments on A2 to NPCC (Adamson)

This item is complete and will be deleted. Also see section 3.2.

AI 55-6, Present RRS comments on NERC Standard 600 to EC (Clayton)

This item is complete and will be deleted. Also see section 3.3.

AI 55-7, Request EC to authorize RRS to comment directly to NERC (Clayton)

This item is complete and will be deleted. The EC approved the request and asked to be kept informed of RRS comments.

AI 55-8, Draft comment on NERC Standard 400 regarding monetary sanctions (Adamson)

Ongoing. Also see section 3.3.

## 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

The draft report is available at:
http://www.dps.state.ny.us/Phase_1_Draft_Report_1-8-04.pdf

A template will be prepared after the operating study is completed and accepted. The desired result is defined parameters at the interface between the bulk power system and the underlying transmission system.

Mr. Layman of the NYISO presented an overview of the report, which examined transmission below 230Kv in each zone and at the connections between zones. The goal was to determine reactive requirements to achieve:

- Acceptable pre and post contingency voltages
- A net zero reactive intertie flow when all reactive components in a zone are maximized.

This issue will continue to be monitored.

ΔRR 52 - Generator Governor Response

Mr. Corey reported that NPCC has requested a high priority be placed on the following blackout event studies:

- Evaluation of the event relative to NPCC criteria
- Island survival issues, especially for southeast New York
- Undervoltage load shedding

ΔRR 59 – Operating Reserves

RRS and Con Ed are still awaiting additional information from the NYISO. **(AI 50-1)** The following is the text of an e-mail sent to Mr. Adams requesting an update from the NYISO on this matter.

John,

Early in 2003 the NYISO requested changes to New York State Reliability Rules that would extend the restoration time for reserves. The NYISO would like New York's restoration time to match ISO-NE's. At the July 10, 2003 Executive Committee of the NYSRC, the NYISO was requested to provide additional information for review. To date this information has not been received. The RRS is carrying this information request as action item 50-1.

Please respond to the following:

Is the NYISO still seeking a this [sic] rule change?
If so, when can the NYSRC expect to receive the information requested at the 7/10 meeting?

The next RRS meeting is February 5.

Ted Pappas

RRS Secretary

(End of e-mail text)

At the request of Mr. Adams this proposed rule change will be dropped. Mr. Adamson will report this to the EC. **(AI 56-3)**

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

This was approved by the EC at the 1/9/04 meeting.

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

Mr. Campoli of the NYISO will review the testing requirements for communications equipment at the next RCMS meeting. Mr. Adamson will give the RRS a report. **(AI 56-2)**

Wind Power Report

Draft NYSRC comments on the report follow:

**NYSRC Comments on "The Effects of Integrating Wind Power on Transmission System Planning, Reliability, and Operations -- Phase 1 Preliminary Overall Reliability Assessment"**

NYSRC has following comments regarding the draft report entitled, "The Effects of Integrating Wind Power on Transmission System Planning, Reliability, and Operations -- Phase 1 Preliminary Overall Reliability Assessment", dated January 9, 2004; 1) Consideration of Locational Capacity Requirements in Reliability Analysis, 2) Consideration of Capacity Deliverability to establish adequacy of transmission system to support large scale integration of Wind Resources, and 3) Operational impact of rapid and sustained drop of output coupled with load volatility.

**1) Reliability Analysis (Section 5) – Need to Address Locational Capacity Requirements**

The Phase 1 report describes significant differences in LOLE results from installing wind resources downstate versus "actual site location" (West of Central East) due to "the impact of transmission constraints".

To avoid such a LOLE impact, a minimum resource ICAP — i.e., locational ICAP — must be maintained in each of the New York City and Long Island Zones. In accordance with NYSRC Reliability Rule A-R2, *Load Serving Entity ICAP Requirements,* the NYISO is required to calculate and establish the appropriate locational ICAP. The most recent NYISO study (*Locational Installed Capacity Requirements Study,* dated February 12, 2003) determined that the LSEs serving the New York City and Long Island Zones must maintain minimum ICAP-to-peak load ratios of 0.80 and 0.95, respectively.

It is important this analysis include a discussion of NYC and LI Locational Capacity Requirements and an evaluation of the impact of wind resources on these requirements.

**2) Fatal Flaw Powerflow Analysis (Section 4) – Consideration of Capacity Deliverability to Establish Adequacy of Transmission System to Reliably Support Large Scale Integration of Wind Resources**

The Fatal Flaw Analysis assumes generation redispatch as a means for thermal overload mitigation to establish the adequacy of the NY transmission system to support large scale integration of wind resources.

NYCA requirements for capacity deliverability must also be considered before establishing the adequacy of the NYCA transmission system to reliably support large scale integration of several thousand MW of wind power. This is particularly important given that 85% of all wind resource potential identified in the report exists West of Central East (Zones A-E). NYSRC Rules A-R1 and A-R2 require consideration of transmission limitations and deliverability of NYCA resource capacity in determining the adequacy of the NYCA transmission system to reliably support several thousand MW of wind resources West of Central East. Additional powerflow and reliability studies should be performed to determine this impact.

**3) NYS Wind Power and Load Variability (Section 3) -- Impact of Rapid and Sustained Drop of Output on Operations**

Based on a single standard deviation analysis (63% of samples within +/- 1 sd of average) of operating data from two wind farms in Minnesota, the report suggests it is unlikely that any rapid drop in production from

the wind resources coupled with load volatility will exceed the existing limiting contingency that sets the 10 minute operating reserve for the state (1200 MW).
This conclusion should be based on NY specific measurements considering all samples. The impact of rapid drop of output over several minutes coupled with zonal load volatility should also be reviewed for transmission limited downstate regions of NY such as Long Island where significant wind penetration potential exists.

(End of draft comments)

Mr. Adams addressed the comments as follows:

1. Locational requirements will be reviewed in the Phase II report. Phase I looked at a loss of load scenario not installed reserves.
2. The items discussed above will probably not be addressed in Phase II
3. The items discussed above will be addressed in Phase II

The phase II draft should be complete by September 2004.

Mr. Eng stated that due to the isolated locations of wind generators, the transmission constraints could further negatively impact wind power availability.

Mr. Corey stated that at some point RRS may need to address interconnection requirements for future generators. Mr. Clayton commented that this might be beyond the charter of the RRS, which is to set criteria. Mr. Adamson will discuss this at the next EC meeting. **(56-4)**

Standards Discussion

Mr. Clayton discussed a white paper titled "The Need For Strong Planning and Operating Criteria To Assure A Reliable Bulk Power Supply System". A copy of the paper follows:

**Prepared by F.J. Delea, J.A. Casazza, G.C. Loehr and R.M. Maliszewski**
**Power Engineers Supporting Truth**

Following the 1965 Blackout more than 35 years ago, most of the power systems in North America formed associations called Regional Reliability Councils to promote the reliability of bulk power supply. These councils developed and adopted a series of planning and operating standards or "criteria" for the design and operation of a reliable electric power supply system. Each Regional Council established criteria consistent with the nature of its member power systems and the characteristics of the areas they served. All members were obligated to plan and operate their systems in accordance with these regional standards.

Even though each region developed its own criteria, there was a high degree of consistency among all of the regional criteria. Differences were recognized as necessary to reflect the characteristics of each region, and the criticality of the areas served. For example, the systems in the Northeast, particularly in New York, developed more stringent standards than those in some other areas of the country because of the importance to the nation of a reliable power supply to the New York City load area. Each Region's criteria also recognized the unique characteristics of its geographical area and its electric system. For example, the New York City area has a very high load density, limited transmission supply options, and a vast underground cable system.

In 1969, the Regional Reliability Councils established the National Electric Reliability Council – subsequently renamed the North American Electric Reliability Council (NERC). Through NERC, overall reliability standards were developed. These have always been considered *minimum* standards. All of the

regional criteria are in conformance with the NERC standards as a minimum; but some regions, such as the Northeast Power Coordinating Council (NPCC), maintain more stringent standards for the reasons cited above. NERC standards are the *minimum* – national standards should always be minimum rather than absolute or "one size fits all" criteria. Densely populated areas, like the metropolitan areas of New York, Chicago or Washington, must be designed and operated in accordance with a higher level of reliability than would be appropriate for sparsely populated parts of the country. It is essential that regional differences in terms load and population density be recognized in the application of planning and operating criteria. Any move to adopt a national, "one size fits all" formula for all parts of the United States would be disastrous to reliability.

Electric power systems are typically planned and operated to be capable of withstanding the most severe contingency that can occur on the system. In other words, the system must be able to suffer the most serious single contingency (often called the n-1 criterion) without overloads, low voltages, system instability, or loss of customer load. In some regions, the n-1 criterion may be defined to involve more than a single element – for example, loss of both transmission circuits that share a common set of towers, or a fault on the system not properly cleared because of a relay or circuit breaker malfunction. Whatever the case, system operators must deal with such contingencies in a minimum amount of time, and adjust generator outputs and system flows so that transmission line loadings and voltages are quickly returned to safe operating levels, and thereby be prepared for any subsequent contingency.

The events surrounding the August 14, 2003 Blackout emphasize the importance of having strong planning and operating criteria. There are some who argue that substantial transmission additions need to be made to improve the reliability of the bulk power system. While strengthening the system at strategic locations may be desirable, it must also be recognized that adding transmission reinforcements will also make the bulk power supply system electrically tighter; thus, any severe disturbance could have a larger geographic impact. For this reason, each proposed addition must be thoroughly tested in accordance with the applicable regional reliability criteria to assure that the impact of such additions will not have adverse effects elsewhere. Reliability is a function of the criteria used, not the amount of transmission in service.

Some are now claiming that existing standards are too strong, and unduly restrict commercial use of the transmission system. As a result, moves are underway to relax planning and operating criteria in order to allow the transmission system to carry higher transfers. While attractive on paper, such increases in capability would be illusory. The bulk power system's vulnerability to widespread interruptions and blackouts would increase dramatically. Attempts to relax or "water down" existing standards are contrary to the public interest. If implemented, they would surely lead to degradation in power supply reliability – a condition contrary to the goal of the blackout investigation, and to the wishes of the people. .

A strong transmission system designed and operated in accordance with weakened criteria would be disastrous. Instead, a concerted effort should be undertaken to determine if existing reliability criteria should be *strengthened*. Such an effort would recognize the geo-electrical magnitude of today's interconnected networks, and the increased complexities deregulation and restructuring have introduced in planning and operating North American power systems. Most important, reliability should be considered a higher priority than commercial use. Only through strong standards and careful engineering can unacceptable power failures like the August 14 Blackout be avoided in the future.

(End of paper)

The major point of the paper is that the standards and criteria drive reliability and we should take a close look at the standards and assure that changes to them are not decreasing reliability.

Reliability Rule C-R2

This rule requires the collection of resource availability data to properly analyze the NYCA reliability. At the last EC meeting, Dr. Sasson of Con Ed requested a review of the rules to determine if the rules require that the data be correct. After a discussion and

a review of the NYISO audit process the RRS concluded that the rules are specific enough and include verification of data by the NYISO.

### 3.2 NPCC Rules Revisions Update

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

NPCC A1, Criteria for Review and Approval of Documents

Nothing new to report.

NPCC Basic Criteria A2 (RRS)

RRS comments were posted on 1/9/04. Revision 10d will be issued.

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

Mr. Adamson reviewed an updated NERC Organization Tracking Summary.

RS-1, Standard 100, SAR-Coordinate Operations (Fleury)

The SAR was issued and comments are due 3/1/04. Comments regarding regional differences and economic sanctions will be included. Mr. Fleury is asking that any RRS member send comments to him. NPCC CP-9 comments will also be considered following their 2/20/04 meeting. Mr. Adamson will also contact the NYISO regarding comments. **(AI 56-6)**

RS-2, Standard 200-Operate Within Interconnected Operating Limits (Hochberg)

On 1/7/04 the voting results were made public. Less than 10% of the votes cast were for approval. The standard will be revised.

RS-3, Standard 300-Balance Resources & Demand (Clayton)

Nothing to report.

RS-4, Standard 400-Coordinate Interchange Transactions (T. Pappas)

The purpose of the new standard is to ensure that an interchange authority coordinates the implementation of interchange between source and sink balancing authorities such that the following reliability objectives are met:

1. Each interchange is checked for reliability before it is implemented.
2. The balancing authorities implement the interchange exactly as agreed upon in the interchange confirmation process.
3. Interchange information is available for reliability assessments.

The standard was posted for comments on 12/15/03 with comments due by 2/12/04.

The comment form was reviewed. Comments regarding regional differences and economic sanctions are included. T. Pappas will revise the comment form and send it to Mr. Adamson, who will finalize the comments based on NPCC input. **(AI 55-8)**

Comments submitted by RRS follow:

**1. The drafting team carefully reviewed the SAR associated with this standard and believes that all the listed requirements have been met in the four requirements included in the standard (see CI Standard Reference Document, Appendix A). Do you agree?**

☐ Yes

☒ No

Comments: ***We feel there should be more detail written into the actual Standard, as opposed to relying on the Reference Document. One area that we feel that is weak in the Standard is the requirements made of the PSE. As written, the PSE is not specified by name anywhere in the Standard. The SAR references "when an entity desires to transfer energy…" one would assume this to be the PSE and the Reference Document points to 402 in the Standard to cover this requirement, yet 402 references the IA only.***

***The condensed format and transition from 12 sub-items of the SAR to 4 sub-standards/requirements is a good step.***

**2. NERC Regions have the right to ask for Regional differences for inclusion in NERC standards. ERCOT has asked for the following Regional Difference that would be applied on an Interconnection-wide basis.**

*This requirement does not apply in the ERCOT Region because ERCOT operates as a single Balancing Authority, asynchronous to the Eastern and Western Interconnections. This difference shall be applied on an Interconnection-wide basis in ERCOT.*

**The following text explains how Regional Differences that would be applied on an Interconnection-wide basis must be treated:**

"Proposals for Regional Standards or Regional Differences that are intended to apply on an **Interconnection-wide basis** shall be presumed to be valid and included in a NERC Reliability Standard unless there is a clear demonstration within the NERC standards process that the proposed Regional Standard or Regional Difference:

- Was not developed in a fair and open process that provided an opportunity for all interested parties to participate;
- Would have a significant adverse impact on reliability or commerce in other Interconnections;
- Fails to provide a level of reliability of the bulk electric system within the Interconnection such that the Regional Standard would be likely to cause a serious and substantial threat to public health, safety, welfare, or national security; or
- Would create a serious and substantial burden on competitive markets within the Interconnection that is not necessary for reliability."

Can you identify any reason why ERCOT's request for an Interconnection-wide Regional Difference should be denied?

☒ Yes (Please state your reason for not supporting the ERCOT difference)

☐ No

Comments: ***We understand that ERCOT does not operate any synchronous ties with either the Eastern or Western Interconnections, however, we are concerned how transfers over DC ties will be coordinated even when they are modeled as a generator or load and not in the ACE equation. Effectively, this is still inter-Area interchange that needs to be reliably coordinated. If not the Coordinate Interchange Standard, what Standard will assure this? The definition of interchange is "Energy transfers that cross Balancing Authority boundaries", which does not differentiate between AC and DC ties. It would seem that this Regional Difference request is not appropriate, and all DC inter-Area ties should fall under this Standard regardless of how an Area models them.***

**3. Are you aware of any other Regional differences that should be included in this standard?**

☐ Yes

☒ No

Comments: The NYSRC Reliability Rules are not inconsistent with or less stringent than the proposed NERC Standard, and the NYSRC has elected not to propose that NYSRC Reliability Rules be made part of this Reliability Standard.

*4. Do you agree with the "sanction" philosophy in this standard of using percentages rather than absolute counts to determine levels of compliance? The proposed sanction philosophy is that a small entity that has a problem with 2 of 10 possible items will be treated the same as a large entity that has a problem with 20 of 100 possible items.*

☒ Yes

☐ No

Comments: ***In this way, it would be considered as a more fair process. Please also see our statement in Comment Form Question #23 response regarding our continued opposition to monetary sanctions.***

**5. This standard does not dictate a specific deadline (i.e. timing) for requesting, approving, or implementing interchange as is currently required in the E-Tag Standards and Communication Protocols, rather it leaves timing up to the parties involved in the Interchange. Do you agree with this approach? (Please see the CI Standard Reference Document as it explains this philosophy).**

☒ Yes

☐ No

Comments: ***We don't believe setting standard timing is a practical expectation. This could have Market implications and potentially restrict flexibility for two adjacent Markets to agree to a more conducive timing schedule.***

**6. Definitions of key terms used in the standard are attached to the standard. Please offer any suggested improvements to these definitions in the space below. (Please see the CI Standard Reference Document as it explains this philosophy).**

**Interchange:** Energy transfers that cross Balancing Authority boundaries.

**Arranged Interchange:** The state where all arrangements necessary to submit the interchange request to the Interchange Authority have been made.

**Confirmed Interchange:** The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to the Balancing Authorities.

**Implemented Interchange:** The state where the Balancing Authority enters the Confirmed Interchange into its area control error equation.

Interchange: ***The New York State Reliability Council (NYSRC) agrees with the definition above.***

Arranged Interchange: ***The NYSRC agrees with the definition above.***

Confirmed Interchange: ***The NYSRC suggests the following wording: "The state where the Interchange Authority has verified the Arranged Interchange and is ready to submit it to all Balancing Authorities including intermediate BAs."***

Implemented Interchange: ***The NYSRC suggests the following wording: "The state where the Balancing Authority utilizes the Confirmed Interchange in its hourly dispatch."***

**7. Do you agree with the proposed requirements and measurements in section 401?**

☐ Yes

☒ No

Comments: ***Consistency with our position that DC Inter Area Ties should be treated as Interchange. Measurements – b.1 "Evidence must include all the transactions not just those in the ACE equation…" (include all DC tie flows).***

**8. Do you agree with the proposed compliance monitoring process in section 401?**

☒ Yes

☐ No

Comments: ***Although NYSRC feels audits are desirable for demonstrating compliance, we are concerned that the potential exists for excessive audits.***

*9. Do you agree with the proposed levels of noncompliance in section 401?*

☒ Yes

☐ No

Comments: ***For the purposes of bringing more clarity, we propose that, as per "requirements" and "measurements" of standard 401, the wordings within section (e) Levels 1-3 of non-compliance should be changed to " ……..confirm that implemented Interchange matches corresponding "Confirmed Interchange submitted by the Interchange Authority".***

**10. Do you agree with the proposed requirements and measurements in section 402?**

☐ Yes

☒ No

Comments: ***The NYSRC suggests the following wording in (b) vii: "Each Reliability Authority, Balancing Area, and Transmission Service Provider has been notified and provided approval or denial***."

**11. Do you agree with the proposed compliance monitoring process in section 402?**

☒ Yes

☐ No

Comments: ***Although the NYSRC feels audits are desirable for demonstrating compliance, we have concerns that the potential exists for excessive audits.***

*12. Do you agree with the proposed levels of noncompliance in section 402?*

☒ Yes

☐ No

Comments:

**13. Do you agree with the proposed requirements and measurements in section 403?**

☒ Yes

☐ No

Comments:

**14. Do you agree with the proposed compliance monitoring process in section 403?**

☒ Yes

☐ No

Comments:

*15. Do you agree with the proposed levels of noncompliance in section 403?*

☒ Yes

☐ No

Comments:

**16. Do you agree with the proposed requirements and measurements in section 404?**

☒ Yes

☐ No

Comments:

**17. Do you agree with the proposed compliance monitoring process in section 404?**

☒ Yes

☐ No

Comments:

*18. Do you agree with the proposed levels of noncompliance in section 404?*

☒ Yes

☐ No

Comments:

**19. Do you agree with the concept that Implemented Interchange requires equal and opposite use by two BA's in their ACE equations and that losses will be handled as just another type of Interchange when being settled as energy exchange? (Please see the CI Standard Reference Document as it explains this philosophy).**

☐ Yes

☒ No

Comments: ***The issue of losses may appropriately be handled by mutual agreements or methodologies established between the BA's and the IA's.***

*20. Do you agree that dynamic schedules would be covered by this standard as just another type of bilateral interchange? (Please see the CI Standard Reference Document as it explains this philosophy).*

☒ Yes

☐ No

Comments:

*21. Does the standard adequately address the reliability requirements for implementing changes to the parameters of an already Implemented Interchange? For instance, if an emergency occurs, is the coordination defined by the requirements sufficient to ensure reliability is maintained or are additional coordination requirements needed? If so, please explain.*

☐ Yes

☒ No

Comments: ***Standardized coordination modes and/or guidelines need to be defined or referred to within the standards to adequately address the reliability requirements.***

***The NYSRC feels more clarity is needed in defining what the Emergency procedures are in the Standard. Again, the Reference Document seems to hold these important details, yet they are not clearly a part of the Standard.***

***Perhaps this needs to be addressed and coordinated with Standard 1000, "Prepare for and Respond to Abnormal and Emergency Conditions".***

*22. This standard does not require that Balancing Authorities and Purchasing/Selling Entities acknowledge the receipt of Confirmed Interchange from the Interchange Authority. Should such a requirement be included? If so, why?*

☐ Yes

☒ No

Comments: ***We understand this has been omitted due to its redundancy, however, the Standard should clarify this and why.***

*23. Please provide other comments on the standard that you haven't provided in response to the previous questions in this document.*

Comments:

1. The NYSRC is opposed to monetary sanctions as the only option for dealing with noncompliance as applied in this and other proposed NERC Standards. Unfortunately, direct monetary sanctions invite "gaming the system", and encourage "business" decisions based on potential profits or savings versus potential penalties. Instead of monetary sanctions, the NYSRC prefers that NERC have the authority to issue letters of increasing degrees of severity to communicate noncompliance of mandatory standards. The NYSRC and NPCC now rely on a more stringent and mandatory process than monetary sanctions to assure compliance with reliability standards. Compliance is now mandatory through the contractual agreements and tariffs that all participants need in order to conduct business. The use by the NYSRC and NPCC of letters to regulatory agencies and other oversight bodies for reporting noncompliance has demonstrated that letter sanctions are a more effective tool for ensuring adherence to standards. Such letters establish the basis for liability in the event of a subsequent criterion violation, and in the case of market participant noncompliance, threaten the violator's ability to do business with or through an ISO or RTO. Moreover, letters that communicate noncompliance best allow focus on the "root cause" of a violation, as well as its reliability impact.

Therefore, the NYSRC recommends that this and other NERC Standards expressly provide that letter sanctions be used in addition to or instead of monetary sanctions under circumstances in which they would be an equally or more effective enforcement mechanism.

***2. The NYSRC recommends a more logical order to the Standard (i.e., chronological sequence); "Implementation of Interchange" should be last, not first.***

***3. The NYSRC does not feel multiple IA's within a RA is a workable solution; furthermore, we feel that there may be a need for an interconnection-wide IA for oversight.***

***4. Effective Period – "The effective date upon the approval of the NERC Board of Trustees" is not a practical implementation. There needs to have a reasonable transition period built in to allow Areas to make any necessary changes to achieve compliance.***

***5. We believe all requirements must be documented and detailed in the Standard itself, not in the Reference Document. Any Reference Documents associated with a Standard should be used strictly as a training tool; the Standard should be a "stand-alone" document and be self-explanatory.***

End of RRS comments on Standard 400

RS-5, Standard 500, SAR-Assess Transmission Future Needs and Develop Transmission Plans (Adams)

The drafting team held it's first meeting and the next meeting is scheduled for February. The existing standards will be used as a starting point. The team will review the A, B, C and D contingencies. The goal is to have the first draft of the SAR completed by late February. Mr. Adams, a member of the drafting team, will provide periodic updates to the RRS. **(AI 56-5)**

RS-6, Standard 600-Determine Facility Ratings, Operating Limits, and Transfer Capabilities (Adamson)

NYSRC comments filed on 1/14/04. It is not clear if NERC will issue a revision based on the comments or go to ballot.

RS-13, Standard 1300, SAR-Cyber Security (Permanent) (Corey)

Nothing new to report.

RS-15, Standard 1500, SAR-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 2/5/04 it was still underway.

RS-19, RS Process Manual Revisions

The existing manual can only be revised through the SAR process. This SAR is the first step in eliminating that requirement. RRS reviewed and approved Mr. Adamson's comments and will review the CP-9 comments.

Comments on the SAR by RRS follow:

1. **Do you agree with the proposed changes to the standards process manual? If you disagree, please list your objections in the space provided.**

☒ Yes

☒ No

Comments: Yes, the New York State Reliability Council (NYSRC) agrees with the concept of expediting changes to the Standards Development Process Manual, but we are concerned with how the SAC will make their notifications on the proposed changes. In addition, the proposed revision does not state whether the first balloting is binding. Also, there is no proposed wording to be added to describe the SAC subcommittee, its membership, and how members will be selected.

The NYSRC also notes that wording in the two references below seems contradictory and preclusive of any further changes being made to the Process Manual.

From the "Background" section above;

**Fundamental changes to the process would still need to be accomplished via the SAR process.**

From the "Brief Description" section of the SAR:

**The SAC has utilized the SAR process to make this request as required, but if it is approved by the industry, this would be the last time a process manual change would be initiated via a SAR.**

2. **After reviewing the proposed modification to the manual, do you have any suggested revisions to the text developed by the SAC?**

☒ Yes

☐ No

Comments: The NYSRC suggests a clarification of how an entity would submit a request to change a fundamental non-tenet of the process, e.g., SAR, e-mail, telephone?

End of RRS comments on the Process Manual SAR

**4.0 Additional Agenda Items**

Covered in 3.1

**5.0 Reports**

**5.1 Report on NYSRC EC Meeting #57**

Actions are covered under items above.

Minutes of NYSRC EC meetings are available at http:\\www.nysrc.org.

**5.2 NYSRC ICS Report**

The ICS met on 2/4/04 to organize for the 2005 IRM study. This included identifying key issues with respect to updating certain assumptions for this study.

Minutes of NYSRC ICS meetings are available at http:\\www.nysrc.org.

**5.3 NYSRC RCMS Report**

The 2003 compliance review program is being completed. It will be finalized at the next meeting as well as details of the 2004 compliance program.

Minutes of NYSRC RCMS meetings are available at http:\\www.nysrc.org.

**6.0 Next Meeting**

The meeting was adjourned at 1350.

The next meeting is scheduled for 0930 on Thursday, March 4, 2004 at the NYISO offices located at Washington Avenue Extension, Albany, NY.

Final Minutes of Meeting No. 56 submitted by Ted Pappas on March 5, 2004.