

FINAL

New York State Reliability Council (NYSRC) Reliability Rules Subcommittee (RRS) Minutes of Meeting #19

***Regular RRS Meeting @ NMPC Eastern Regional Control Center,
Guilderland, NY***

Monday, December 4, 2000

Attendance

Mayer Sasson (Chairman)	Con Edison	Member
Roger Clayton (Secretary)	PG&E National Energy Group	Member
Keith O'Neal	New York State PSC	Member
Steve Corey	NYISO	Member
Larry Eng	Niagara Mohawk Power Corp.	Member
Larry Hochberg	New York Power Authority	Member
Phil Davis	KeySpan Energy	Member
Ray Kinney	New York State Electric and Gas Corp.	Member
Pat Callahan*	Rochester Gas & Electric	Member
Alan Adamson		Consultant
Joe Fleury	New York State Electric & Gas Corp	EC Member

* = Did not attend

Agenda Items

1.0 Introduction

1.1 Requests for Additional Agenda Items

RRS reviewed the posted agenda and added four agenda items to be covered under Items 5.1 - 5.4 below. There being no further discussion, the amended agenda was adopted.

1.2 Topics for Open Session

There was no discussion of the open session topics in preparation for the closed session.

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Minutes #18

The RRS Meeting #18 Minutes were unanimously approved without revision.

2.2 Action Item List

The Action Item list was reviewed. An updated action item list is attached. AIs 17-2, 18-2, 18-3 and 18-5 are completed. AIs 18-1 and 18-4 are pending.

3.0 Report on NYSRC EC Meeting #19

Mr. Fleury provided the following status report:

- The proposed NYSRC 2001 budget of K\$550 will be acted upon at EC #20.
- The proposed NYSRC funding mechanism through a TSC surcharge and its associated FERC filing will be acted upon at EC #20.
- The EC requested that the RRS investigate the issue of Latent Reserves. This issue is covered in Agenda Item 5.1 inst.
- The EC requested the RRS to review and respond to references to the NYSRC in the FERC report, "Investigation of Bulk Power Markets, Northeast Region", November 1, 2000. This issue is covered in Agenda Item 5.2 inst.
- The draft press release regarding summer 2001 generation and transmission preparedness was tabled pending the ICAP WG 2001 IRM report.
- GE's NYSERDA report on NYCA reliability is in final draft.

4.0 NYSRC RR Development

4.1 List of Potential RR Changes

Due to time constraints, discussion of potential RR changes was postponed until the next regular meeting of RRS.

	<u>Potential Rule Change</u>	<u>Assignee</u>	<u>RRS Action</u>
1.	New "knee of the curve" P-V criterion	S. Corey	Prepare template
2.	Planning responsibility (NY ISO TEI 5.3)	N/A NYISO issue	Remove from list
3.	Prioritization. Planning by queue position or by group.	N/A NYISO issue	Remove from list
4.	Definition of BPS	S. Corey	Prepare template
5.	Provision for Emergency Actions	K. O'Neal	Template completed

6.	Reserve requirements as a function of demand elasticity		Remove from list
7.	Study impact of changes to ICAP 1/10 ICAP WG & EOP criteria		2001 IRM study. Remove from list.
8.	Reactive load and resource PF requirements at BPS/LSE boundary	S. Corey	Prepare template
9.	Normal/extreme contingency definition	S. Corey	Prepare template
10.	Incremental impact criterion	S. Corey	Remove from list
11.	CBM/TRM issues	R. Clayton	Remove from list
12.	Disturbance reporting	L. Eng	Coordinate with NYISO disturbance reporting
13.	Long term reserve requirements (ISO/RC Agreement, Article 4.5)	K. O'Neal	
14.	ICAP assumptions on generators to be included in study	ICAP WG	2001 IRM study. Remove from list
15.	Replacement Operating Reserve	K. O'Neal (T)	Completed. Remove from list.
16.	"Quick Start" Mode for 30 Minute GTs at Gowanus & Narrows	M. Sasson (T)	Completed. Remove from list.
17.	Impact of local RR on local and state wide reserve requirements	ICAP WG	2001 IRM study. Remove from list
18.	Special Protection Systems – Application Criteria	R. Clayton	Template completed
19.	15 minute reserve criterion		Remove from list.
20.	Multiple utilities on same ROW	V. Kotecha	R. Clayton to research
21.	Restoration criteria	M. Sasson	Assignee added.
22.	Protection criteria	S. Corey	Prepare template
23.	Generator Unit Availability Data Requirements	A. Adamson	Completed. Remove from list
24.	Interconnection requirements		J. Adams to discuss with S. Corey.
25.	NOx Emissions – DEC criteria and impact on dispatch in NYC	M. Sasson	Draft policy statement tabled by EC
26.	Equipment maintenance criteria	P. Davis	Remove from list.
27.	System data maintenance		Description of potential rule required
28.	Ramp-rate reserve criterion	M. Sasson	Obtain NYISO comment on template
29.	Short-circuit criterion	S. Corey	Prepare template
30.	NYCA “state” performance	K. O’Neal	Prepare template

Concern was expressed over the number of reserve pick-ups, frequency excursions and alert states noted in recent NYISO Operating Reports. It was agreed that the RRS would request the RCMS to identify any new RRs or RRs needing modification to address this issue [AI 19-1].

4.2 NPCC A6 compliance

There was nothing new to report.

4.3 Consultant and ISO memos ICAP one-month procurement period

The NYISO BIC has tabled implementation of the proposed change to a one-month procurement period until Q3/Q4, 2001 pending further analysis. It was noted that the NY PSC issued a statement opposing such a change at this time pending further investigation. It was also noted that the NYISO Staff issued a memorandum in support of such a change contingent upon certain conditions. No RRS action was proposed.

4.4 NYISO 10 minute Locational Reserve Policy

Mr. Rick Gonzalez of NYISO reported upon the new NYISO “Locational Reserve Requirements” for NYCA operating reserves. He noted that the referenced memo is on the NYISO web site, and that the SOAS and OC NYISO committees had reviewed and approved the proposal. He agreed to modify the introductory paragraph so that the phrase, “and that local reliability rules are not being allowed to define standards for the reliable operation of New York’s bulk transmission systems” be stricken and replaced by, “It is recognized that local Reliability Rules may require more stringent local reserve requirements for the reliable operation of New York’s bulk transmission systems”. He explained the rationale for reducing some of the reserve margins in Eastern New York and Long Island based upon review of the Central-East and ConEd-Long Island interface limits.

It was agreed that the new reserve requirements for ConEd are consistent with NYSRC’s Local Reliability Rule #2.

Mr. Phil Davis presented the KeySpan/LIPA reaction to the new reserve margins based upon Mr. P. M. Hogan’s memo entitled, “NYISO Locational Reserve Requirement for Long Island”. Mr. Davis explained that the new reserve requirements for Long Island are inconsistent with existing ConEd/LIPA procedures.

After considerable discussion it was concluded that this issue is more properly under the purview of the RCMS as it is a NYISO implementation of an existing RR (NYSRC RR 4.1.1) and that no new RR is required [AI 19-2].

4.5 Draft Scope for Revision 2 to RRs

RRS discussed Mr. Al Adamson's proposal "Implementation Plan for Developing Revision 2 of the NYSRC Reliability Rules Document" dated 11/9/00. It agreed to submit to the EC for approval with the following revisions:

- Include reference links to NPCC and NERC web sites
- Reformat Rev 2 to follow expected NPCC format
- Include time estimates for the various tasks

4.6 Draft Revision to Policy 1-1

Mr. Al Adamson presented the final draft of the revision to Policy 1-1, "Procedure for Reviewing, Developing, Modifying, and disseminating NYSRC Reliability Rules. It was discussed and agreed to forward to the EC for their approval.

5.0 Additional Agenda Items

5.1 Latent (Non-Contracted) Operating Reserves

The EC requested the RRS to investigate this matter. The NYISO practice of relying on latent or non-contracted operating reserves to replenish 10 minute operating reserves within 30 minutes following a contingency was discussed. The RRS has concern over this practice for day-ahead and in-day operating reserves and will recommend to the EC that it request further clarification from the NYISO [AI 19-3]. A draft letter written by Mr. Kieth O'Neal (at the follow-on joint meeting with the ICAP WG on 12/5/00) was approved by RRS for EC consideration.

5.2 FERC Report, "Investigation of Bulk Power Markets, Northeast Region"

The EC requested the RRS to review and respond to references to the NYSRC in the FERC report. It was discussed at length and agreed that the references to the NYSRC in the partial document at hand did not warrant a response. However, further review (at the follow-on joint meeting with the ICAP WG on 12/5/00) did uncover several references requiring a response:

- Page 1-6: "For 2000, the forecasted capacity reserve margin ... for the NYISO ... was 16.3 percent (below the required 18 percent margin set by the New York State Reliability Council)".
- Page 1-55: "Several factors contributed to this price increase (in New York City summer 2000): load pockets exacerbated by outages which could have led to the exercise of market power in some instances, difficulty siting new plants, transmission constraints, increased fuel costs, *onerous reliability rules* and software and design problems which made it difficult to import power from ISO-NE and PJM".

- Page 1-57: “The New York Reliability Council’s local reliability rules can also contribute to higher prices. The rules require that New York City and Long Island have substantial amounts of generation installed locally. For example, New York City is required to have generation equal to 80 percent of its forecasted peak load installed within the City. New York City’s forecasted peak load this summer exceeded 10,000 MW, so the requirement amounts to 8,000 MW and exceeds the actual in-city generation by a few hundred megawatts. A similar requirement applies to Long Island”.
- Page 1-11: “Some capacity additions are in the works in the Northeast region. In New York, for example, 240 MW of capacity (a 5-percent increase) is expected to be added to the congested Central-East interface by 2002.”
- Page 1-72: “During thunderstorms that could knock those lines (the Hudson River lines) out of service, reliability rules require 80 percent of New York City’s energy to be generated within the

It was agreed to draft a response to these points for EC review [AI 19-4].

5.3 ConEd Global Short-Circuit Solution

ConEd is proposing to split the Sprainbrook 345 kV substation and install 345 kV series reactors on its system as a means of controlling short-circuit duty. This proposal will allow more in-city generation to be interconnected but lower the transfer limit into NYC by up to 1100 MW. Concern was expressed over the impact of this solution on NYCA reliability. ConEd, at a NYISO TPAS meeting, has agreed to investigate this with a MARS analysis. Mr. Steve Corey noted that this solution will only be implemented as a function of unit commitment. Mr. Al Adamson noted that RCMS will monitor TPAS activity.

5.4 Formal Notification to other NYSRC Committees

It was agreed that RRS would notify other NYSRC committees of its requests for action in writing or email.

6.0 Open Session

The formal open session ran from 1300 to 1315 with no participants on line.

6.1 NYSRC ICAP WG Report

The 2001 IRM study will be discussed at the 12/5/00 joint RRS/ICAP WG meeting.

6.2 NYSRC RCMS Report (NYISO Compliance)

It was agreed to inform the RCMS of concerns over the issue discussed in Agenda Item 5.1 (Latent or Non-Contracted Operating Reserves) [AI 19-5].

RRs identified issues for RCMS attention in 2001 including: RR 4.1 Operating Reserves; NPCC A6.

6.3 NYSRC RRS NERC Compliance Report

There was nothing new to report.

6.4 NYSRC RR Development Report

There was nothing new to report.

7.0 Next Meeting

RRS Meeting #20 was scheduled to be held at Con Edison, NYC on Tuesday, January 9, 2001 @ 10:00AM.

RRS Meeting #21 was scheduled to be held at NYISO, Guilderland on Thursday, February 1, 2001 @ 10:00AM.

Final Minutes of Meeting #19. Submitted to RRS by Roger Clayton on January 9, 2001.