

# ***FINAL***

## ***New York State Reliability Council (NYSRC) Reliability Rules Subcommittee (RRS) Minutes of Meeting #31***

### ***RRS Meeting @ NYISO Washington Avenue Extension Albany, NY***

***Thursday, December 6, 2001***

#### **Attendance**

John Muir	Con Edison	Member
Roger Clayton (Chairman)	PG&E National Energy Group	Member
Steve Corey	NYISO	Member
Larry Eng	Niagara Mohawk Power Corp.	Member
Larry Hochberg (Secretary)	New York Power Authority	Member
Joe Fleury	New York State Electric & Gas Corp.	Alternate Member
Ray Kinney	New York State Electric & Gas Corp.	Member
Pat Callahan	Rochester Gas & Electric	Member
Phil Davis	Keyspan Energy	Member
Ed Schrom	NYS Dept. of Public Service	Member
Alan Adamson		Consultant

#### **Guests**

Curt Dahl	Keyspan Energy	ICAP WG
Gary Freeland	New York State Electric & Gas Corp.	ICAP WG
Mike Hogan	Central Hudson Gas & Electric Corp.	ICAP WG
Greg Drake	NYISO	Participant
Frank Vitale		Consultant

#### **Agenda Items**

##### **1.0 Introduction**

The meeting was called to order at 10:05 AM in Conference Room WD.

##### **1.1 Executive Session**

No Executive Session was requested.

## **1.2 Requests for Additional Agenda Items**

There were no requests for additional agenda items.

## **2.0 Meeting Minutes/Action Items**

### **2.1 Approval of RRS Minutes #30**

The minutes of RRS Meeting #30 were unanimously approved with minor revisions. Mr. Hochberg will revise accordingly and issue the final minutes.

### **2.2 Action Item List**

The Action Item list was reviewed. An updated action item list is attached.

Regarding AI28-8 (impact of VR on reliability), Mr. Clayton requested Mr. Muir to contact Mr. Sasson.

Regarding AI30-2 (monitor reserve pick up and ramp-rate performance), Mr. Davis volunteered to prepare a summary for RRS. Mr. Fleury noted that he issues the NYISO report to the EC monthly.

Regarding AI30-3 (NYISO "state" performance), Mr. Adamson reported that a monthly report will be provided to the RCMS after the NYISO software for this function is implemented.

Regarding AI30-7 (loss of NYISO computers and communications), Mr. Adamson reported that there will be a report on this incident at the next RCMS meeting. In addition, he reported that RCMS will perform a compliance assessment of the Rev. 2 "J" rules (NYISO Control Center Communications) and will assess the need to recommend any new rules.

## **3.0 2002/03 IRM Study**

The minutes of RRS Conference Call #2, which dealt solely with a discussion of the 2002/03 statewide IRM study results, were unanimously approved without revision. Mr. Hochberg will issue the minutes as final.

Several members of the ICAP WG were in attendance for the IRM study discussions. Mr. Hochberg offered some additional comments on the draft IRM study report. His comments were discussed by RRS and the report was modified accordingly. RRS unanimously accepted the report as modified. Messrs. Drake and Vitale will incorporate the modifications and issue a revised draft to RRS, ICAP WG and Mr. Fleury by December 7, 2001 in time for review by the EC at their December 14, 2001 meeting (AI 31-1).

Mr. Clayton opened the discussion of an RRS IRM recommendation by reviewing last year's study result and recommendation. He noted that last year's study showed a required IRM of 17.1% for base case conditions. In addition, he recalled that last year's required IRM of 18% recommended by the RRS and adopted by the EC included a 0.9% adder to account for additional factors including:

- the combined impact of the sensitivity testing and the confidence limit (+/- 0.5%) on the base case IRM;
- intangibles such as the changes in electric dispatch protocols associated with transition to the NYISO and neighboring ISOs; and
- a desire to move conservatively due to other uncertainties associated with the electric industry restructuring, including regulatory and legislative actions.

Mr. Clayton suggested that a review of each of these factors would help RRS decide whether or not an adder should be recommended on top of this year's base case result of 18%. Mr. Clayton noted that the confidence limit mentioned in the first bullet has not changed. It also was noted that some of the uncertainty with respect to the second bullet has lessened due to more ISO operating experience. RRS thus concentrated on a discussion of the sensitivity testing results mentioned in the first bullet to try to get a feel for the level of conservatism built into the base case result. After extensive discussion of the assumptions used for the sensitivity cases as well as updates to the modeling, RRS concluded that it would recommend to the EC adoption of the base case result of 18%. To help describe how RRS arrived at this conclusion, Messrs. Clayton and Adamson will prepare an exhibit that will illustrate the variation of sensitivity cases from base case assumptions. They also will prepare a report transmittal memo and resolution for the 12/14 EC meeting (AI 31-2).

## **4.0 NYSRC RR Development**

### **4.1 List of Potential RR Changes**

RRS reviewed the list of potential rule changes and added  $\Delta$ RR46 (see discussion below).

#### **Discussion of LRRs #3 and #5**

Prior to discussion of LRRs 3 and 5, Mr. Clayton pointed out the provisions of Policy 1 and that RRS was in the "RRS reviews comments" stage of the rule modification process. Also, Mr. Clayton turned over the chair to Mr. Hochberg while he represented IPPNY's positions.

Mr. Clayton reported that comments on the following PRRs had been received from IPPNY and NYSEG:

- $\Delta$ RR45 (Open Process Log No. RR01-17) - Local RR#5 Revision (Loss of Generator Gas Supply-Long Island).

- ΔRR45A (Open Process Log No. RR01-18) - Local RR#3 Revision (Gas Burning Procedure-New York City).

Mr. Adamson provided a working paper that responds to IPPNY's comments point-by-point. Mr. Clayton summarized IPPNY's comments regarding the proposed changes to LRRs 3 and 5 and various RRS members responded as follows:

- Mr. Clayton stated that the original rules are very specific and the proposed rules are very general. He indicated that the wholesalers are concerned that the specificity is being moved to the application of the rule. Mr. Kinney echoed similar concerns about specificity (which units, what load levels, etc). Mr. Davis responded that the EC had requested RRS to make the gas supply rules more generic due to the changing nature of the gas and electric systems.
- Mr. Clayton stated that there is no new study that demonstrates that there is a need to change the rules. Mr. Davis responded that studies of the impact on the electric system of loss of gas supply contingencies are done twice a year and the detailed results are provided to the NYISO. Mr. Muir also noted that Con Edison does similar types of studies. Messrs. Adamson and Schrom indicated that the rules need to change so that the results of the most recent LIPA and Con Edison studies can be applied to reliably operate the system.
- Mr. Clayton suggested that the existing rules should govern until it is demonstrated that there is a need for a change. While Mr. Davis disagreed with this option, Mr. Adamson suggested that this concept could be included in a letter to the ISO.
- Mr. Clayton stated that the rules do not specify the applicable criteria and asked how they can be objectively measured. Mr. Davis responded that his criterion is a single point failure of a gas line should not result in a total electric system collapse. Mr. Adamson pointed out that the language such as that in item #5 (rationale) of the proposed rule template provides a criterion that could be used in the LRR. It states: "A sudden loss of gas pressure in gas transmission facilities that supply Long Island generators could result in the units tripping off line and system collapse".
- Mr. Clayton suggested that the rule should specify that applications of these LRRs should be subject to the approval of the NYISO committees including the business and management committees, as they will have economic impacts. Mr. Adamson disagreed, stating that the proposed measurements (ΔRR43 (Open Process Log No. RR01-15) - Local Reliability Rules Measurements) require implementation procedures to be developed by the NYISO and TOs. See item #10 of Mr. Adamson's working paper. Mr. Davis agreed that the new, more generic rules leave implementation up to the NYISO. He stated that he prefers that the NYISO decide on specifics such as units and load levels, not him. Mr. Adamson reminded RRS of the audit provisions of NYSRC Policy 4 and also pointed out that next year the RCMS will review the NYISO procedures associated with the existing LRRs and will look at the types of analyses the NYISO has requested the TOs to perform.
- Mr. Clayton suggested that the RRS should wait until the completion of the NYSERDA gas study before amending these LRRs. Messrs. Davis and Schrom pointed out that the NYSERDA gas study will not be able to analyze gas system dynamics and thus there is no need to wait for the results of that study.

Since a consensus could not be reached, it was concluded that the RRS would report to the EC that the majority of RRS members accept the proposed changes to LRRs 3 and 5 rules as written. RRS also would consider adding language similar to the rationale statement provided in the proposed rule (see bullet #4 above) to satisfy IPPNY's concern over the lack of a criteria statement. Furthermore, RRS noted that a minority would like to make some additional changes. Mr. Clayton stated that he wanted to get input from IPPNY membership regarding the additional changes they might like to make. He noted that the IPPNY changes probably could not be prepared in time for the next EC meeting. RRS agreed to leave further discussion of this matter to the EC. RRS agreed to send Mr. Adamson's working paper on responses to IPPNY comments to the EC for information prior to their meeting. (AI 31-3).

### **Discussion of Priority 2 Potential Rules**

- ΔRR18 - (Special Protection Systems – Application Criteria) - Mr. Clayton had prepared a draft template some time ago and re-issued it to RRS on 12/5/01. Discussion of this item was postponed to the next RRS meeting.
- ΔRR46 - (Restoration of 30 Minute Reserve) - This new potential rule request was submitted by Mr. Muir to ensure compliance with NPCC requirements as set forth in NPCC Document A-6. Mr. Muir had sent RRS a draft template for the rule change on 12/5/01. RRS discussed the recent wording changes made to A-6, notably those concerning regulating reserve as well as restoration of 10 minute and 30 minute reserves. RRS agreed to expand the template to include all three types of reserve. Messrs. Muir and Davis will work on revising the template and re-issue to RRS (AI 31-4).

### **NPCC CP-11 Working Group-A2 Criteria**

There was nothing new to report.

### **Exceptions**

As per AI 30-6 (Raise issue of process for obtaining operating rules exceptions at the next EC meeting), Mr. Clayton reported that he was directed by the EC to locate appropriate references in the NYSRC agreement that give the NYSRC jurisdiction over exceptions to the rules. Mr. Clayton reported that the appropriate references have been identified in the NYSRC Operating Agreement, NYSRC Agreement and Rev. 1 of the NYSRC Reliability Rules manual. Mr. Clayton will send the list of references to Mr. Hogan, Chairman of the NYISO System Operations Advisory Subcommittee (AI 31-5).

### **4.2 RR Revision 2 Update**

Mr. Hochberg noted that the Table in Part V of Rev. 2 (Summary of System Conditions for Operating States) also appears in three NYISO manuals, however the wording in the NYISO manuals appears to have been updated. This observation led to a general RRS discussion about which entity has

jurisdiction over defining the conditions for the various states and, if the NYISO makes changes to the definitions, does it affect reliability. RRS noted that Rev. 2, Section 6 of the Introduction contains the following statement: "These five operating states are defined in Part V." (Similar language can be found in Rev. 1, rules section 4.3 where the following statement can be found in bold italics: "The NYSRC defines five (5) states that must be operated to: Normal, Warning, Alert, Major Emergency, Restoration. All of these states are summarized in Exhibit 1.") RRS agreed to review this issue at a later date (AI 31-6). Mr. Adamson was requested to update the Rev. 2 Table in Part V to conform to the NYISO Tables (AI 31-7). Mr. Adamson will forward the latest version of Rev. 2 to Mr. Fleury for distribution to the EC noting that Part V of Rev. 2 is being updated (AI 31-8).

With regard to the schedule for Rev. 2, RRS agreed to recommend that the EC approve Rev.2 at the next EC meeting. RRS noted that this recommendation is dependent on the outcome of EC decisions regarding LRRs 3 and 5, and, if necessary to meet the schedule, the EC could decide to adopt Rev. 2 with the original, unmodified versions of LRRs 3 and 5.

## **5.0 Additional Agenda Items**

There were no additional agenda items.

## **6.0 Reports**

### **6.1 NYSRC EC Meeting #31**

There was no report. Minutes of NYSRC EC meetings are available at <http://www.nysrc.org>.

### **6.2 NYSRC ICAP WG**

See item 3.0 above. ICAP WG minutes are available at <http://www.nysrc.org>.

### **6.3 NYSRC RCMS (NYISO Compliance)**

Mr. Adamson reported that RCMS will be proposing the 2002 compliance program at the next EC meeting. It is to be based on Rev. 2 of the Rules. He indicated that new compliance templates were being prepared based on the measurements contained in Rev. 2. He noted that sanctions would be discussed at the upcoming RCMS meeting.

RCMS minutes are available at <http://www.nysrc.org>.

## **7.0 Next Meeting**

NPCC Offices in New York City on Thursday, 1/3/02 at 10:00 AM

The meeting was adjourned at 3:40 PM.

Final Minutes of Meeting #31. Submitted to RRS by Larry Hochberg on January 8, 2002.