

IMPLEMENTATION OF RECOMMENDATIONS IN THE REPORT, *RELIABILITY COMPLIANCE REVIEW OF 2004 OUTAGE DATA MISREPORTING EVENT*

Introduction

This report describes the implementation status and outcomes of the seven recommendations included in the RCMS report, *Reliability Compliance Review of 2004 NERC-GADS Outage Data Misreporting Event* (C-M5 Report), dated November 26, 2008. That report provided RCMS findings and recommendations relative to its review of a 2004 outage data reporting violation and related compliance concerns that were raised.

Recommendation Implementation Status and Outcomes

Recommendation 1: The Executive Committee should find that the NYISO took all reasonable action to secure compliance with the Reliability Rules and a letter of non-compliance should not be issued to the NYISO.

Implementation Outcome

The Executive Committee approved this recommendation. ***Completed.***

Recommendation 2: The NYISO should include mitigation measures in future non-compliance letters to market participants, recognizing confidentiality limitations.

Implementation Outcome

The NYISO has agreed to include mitigation measures in future non-compliance letters. ***Completed.***

Recommendation 3: The Executive Committee should authorize the Reliability Rules Subcommittee (RRS) and RCMS to conduct the following tasks:

3.1 An interpretation of Measurement C-M5 shall be prepared by the Reliability Rules Subcommittee (RRS) which would in particular clarify the meaning of the measurement term “accurate resource outage data.”

Implementation Outcome

RRS prepared an interpretation of C-M5 which was approved by the Executive Committee in January 2009 (see Attachment #1). ***Completed.***

3.2 RRS shall determine whether the C-M5 interpretation developed in Task 1 is consistent with the NYISO definition of a C-M5 violation.

Implementation Outcome

In January 2009, RRS determined that the NYISO definition of a C-M5 violation (see C-M5 Report) *is not consistent* with the above RRS interpretation. ***Completed.***

3.3 Depending on the outcome of Tasks 1 and 2, RCMS shall recommend to the Executive Committee whether a compliance review of previous cases of outage data misreporting is warranted.

Implementation Outcome

RCMS recommended to the EC that a formal C-M5 compliance review of outage data reported prior to 2009 is not warranted. A report showing the basis for this recommendation is shown in Attachment #2. ***Completed.***

3.4 RRS shall prepare a PRR to modify Measurement C-M5, if appropriate, to incorporate the C-M5 clarification from Task 1 and/or changes suggested by the NYISO or other entities.

Implementation Outcome

RRS prepared PRR 101 that modifies Measurements C-R2, CM4, C-M5, and C-M6. This PRR has been posted for comment. ***Completed.***

Recommendation 4: The NYISO should consider the implementation of a more robust NYISO outage data screening process.

Implementation Outcome

To address this recommendation, the NYISO has defined a specific screening test to indicate potential cases of outage data misreporting for further follow-up.

NYISO will use the GADS database as the source of all data needed to support the new EFORD screening capability. The NYISO currently plans to use historical annual period EFORD data for each generator and compare it to that generator's own current annual period EFORD data for the purpose of reporting, screening and analyzing the data used in the NYISO Reliability Studies. The current annual period is the year being analyzed and can be any historical year where a complete set of GADS data is available for January through December. Replacement of "suspect" data identified by the screening model with appropriate proxy data will be reviewed and approved by ICS before use in NYSRC studies.

NYISO has contracted with its existing GADS software vendor to develop a tool to perform this screening. The tool will allow NYISO to interactively enter filter criteria in order to populate a report, which will indicate suspect EFORD values for subsequent analysis and potential data replacement in the reliability study base case.

Development of the screening process tool is on-going; the NYISO expects the screening process to be completed during the first quarter of 2010. ***On-going.***

Recommendation 5: The NYISO should consider conducting in-house NERC-GADS workshops annually, or when the NYISO deems appropriate, and strongly encourage generation owners and operators to attend.

Implementation Outcome

The NYISO held a GADS workshop in April 2009. Also, the revised C-M4 requires GADS training programs be conducted for Installed Capacity Providers focusing on proper generating unit outage data collection and reporting methods for submission of accurate data to the NYISO. ***Completed.***

Recommendation 6: The NYISO should request MMU to notify Resource Planning, at a reasonable time during its investigation, when it finds potentially incorrect outage data.

Implementation Outcome

NYISO counsel previously reiterated the NYISO position that the MMU is an independent arm of the NYISO as affirmed by the NYISO tariff and FERC orders, and is therefore not required to report the existence of an ongoing investigation of GADS data.

However, ICS and RCMS remain concerned that delays in correcting outage data resulting from this NYISO policy could adversely impact IRM study results. (The NYSRC was recently notified by the NYISO that incorrect outage data had been identified. This notification was more than eight months after this incorrect outage data had been identified by MMU.) However, as this report was being prepared, the NYISO forwarded a proposal to RCMS on September 24 for mitigating this concern, as follows:

Each year, before the input assumptions of the NYSRC IRM Study are finalized, the NYISO staff would hold an internal meeting among Auxiliary Market Operations, System Resource Planning, and the Market Monitoring Unit (MMU). At that meeting, the three departments would discuss whether any generators have been identified as having suspect or erroneous EFORd outage data based on the GADS Screening Process, the MMU outage data review process, or other sources of information; and if so, how these generators should be represented in the next IRM study. NYISO senior management would be consulted as appropriate. ICS would also be consulted regarding the NYISO's recommendations, with adequate protection of Confidential Information under the NYISO's Code of Conduct.

RCMS recommends that ICS review the above NYISO proposal and determine whether it adequately addresses NYSRC's concerns. ***On-going.***

Recommendation 7: The Executive Committee should request the NYISO and ICS to jointly perform an analysis of EFOR trends.

Implementation Outcome

This RCMS recommendation resulted from the rise in EFOR levels that were observed in 2007. The recommended ICS/NYISO analysis included 2008 data which showed that, although the average NYCA EFOR slightly declined in 2008 from 2007, New York City and Long Island EFORs continued to rise. ICS does not believe that these higher 2007 and 2008 EFORs were caused by data aberrations, but that they show a trend towards higher NYCA outage rates compared to 2002-2006 levels. As a result, ICS concluded that 2007 and 2008 outage data should be included in the historical five-year EFOR average to be used in the 2010 IRM Study. ICS plans to conduct sensitivity analyses to examine the IRM impact of continued increases in EFORs. ***Completed.***

Conclusions

Five of the seven C-M5 report recommendations have been fully implemented. Development of the NYISO outage data screening process (see Recommendation #4) is well underway, with completion expected in early 2010. As discussed above, RCMS recommends that ICS review a recent NYISO proposal shown under Recommendation #6 for mitigating an ICS and RCMS concern about receiving results of GADS data investigations by the MMU in a timely manner.

Approved by the NYSRC Executive Committee on October 9, 2009

Attachment #1

RRS INTERPRETATION OF C-M5

Reliability Rule C-R2

Resource availability data required for the analysis of the reliability of the *NYCA* shall be collected and maintained. Data shall include forced, partial, and maintenance outage and load response statistics for resources located in/or serving the *NYCA*, covering an appropriate historical period.

Measurement C-M5

Owners of resources located in or serving the *NYCA* shall provide to the NYISO accurate resource outage and load response data on a timely basis for their units in accordance with NYISO procedures, tariffs and schedules.

RRS Interpretation of C-M5

The following interpretation of the meaning of the term “accurate resource outage data” in C-M5 was developed by RRS:

The intent of this term is that outage data reported by market participants to the NYISO shall be accurate (correct) prior to being used for IRM studies or other NYSRC or NYISO study or market applications; and that any misreported data that is submitted by market participants shall be identified by the NYISO using due diligence procedures for data screening and scrubbing to ensure the outage data is correct when it is used for these applications. A reportable violation of Measurement C-M5 arises when erroneous outage data is not identified and corrected by due diligence procedures before it is used in NYSRC or NYISO study applications.

Attachment #2

RCMS PAPER ON C-M5 OUTAGE DATA REPORT RECOMMENDATION 3, TASK 3

Background

The RCMS report, *Reliability Compliance Review of 2004 NERC-GADS Outage Data Misreporting Event* (RCMS C-M5 Report), dated November 26, 2008, included seven recommendations to the Executive Committee (EC). Recommendation 3 included four tasks. Task 1, which requested RRS to interpret Measurement C-M5, has been completed and approved by the EC. Appendix A provides this interpretation. Task 2, which has also been completed by RRS, concluded that the definition of C-M5 that the NYISO has been using to measure market participant compliance with C-M5 (see Issue #1 in RCMS C-M5 Report) is inconsistent with the RRS C-M5 interpretation.

Task 3, the subject of this paper, reads: “Depending on the outcomes of Tasks 1 and 2, RCMS shall recommend to the Executive Committee whether a compliance review of previous cases of outage data misreporting is warranted.” Following review of the Tasks 1 and 2 outcomes and a NYISO data request, RCMS developed a Task 3 recommendation which is covered later in this paper.

Task 4, to develop revised reliability rule and measurement requirements for outage data reporting and data review, is underway via PRR 101.

RCMS Review

The RCMS C-M5 Report states under Issue #1 that the NYISO reported to RCMS that several audits conducted by the NYISO MMU since 2001 uncovered outage data misreporting events. Recognizing the C-M5 interpretation, some of these outage data misreporting events have the potential of violating NYSRC rules. To further examine this compliance issue, on February 12, 2009, RCMS requested the NYISO to provide information on the number of instances between 2006 and 2008 that EFOR_d data had to be restated because outage data reported to the NYISO was found to be to be incorrectly reported. A summary of NYISO response is as follows:

- During 2006 to 2008, seven different market participants were requested to restate their GADS outage data because incorrect data was found by the NYISO. For some market participants, the GADS outage data for more than one generating unit had to be restated. (Five in 2006, one in 2007 and one on 2008.)
- The GADS outage data for all seven market participants above were restated after the EFOR_d data had been used in IRM studies.

From this information, RCMS has concluded that there may have been up to seven market participants that violated C-M5 during 2006-2008.

Conclusions

Because outage data accuracy concerns were raised by the NYSRC, the NYISO and market participants have recently made substantial progress towards improved outage data reporting and screening processes. These mitigation efforts have included a program to improve the NYISO outage data screening process and conduct of a GADS workshop in early April. Further, the NYISO has cooperated in the implementation of many other RCMS C-M5 Report recommendations. Several are now complete, with substantial progress made in the remaining recommendations.

In addition, the development of revised outage data reporting and review requirements as defined in PRR 101 should lead to more accurate EFOR_d data for use in NYSRC and NYISO reliability studies. The NYISO has offered many positive suggestions in the preparation of this PRR.

Because of the high priority the NYISO has placed on mitigation efforts to develop more accurate EFOR_d data, RCMS recommends to the EC that a formal C-M5 compliance review of outage data reported prior to 2009 is not warranted.