

FINAL

New York State Reliability Council (NYSRC) Reliability Rules Subcommittee (RRS) Minutes of Meeting #30

RRS Meeting @ NYISO Washington Avenue Extension Albany, NY

Wednesday, October 31, 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

Mary Lynch	Orion Power
Glenn Haake	Independent Power Producers of New York, Inc.
George Pond	Hiscock & Barclay-Representing American National Power, Inc.

Agenda Items

1.0 Introduction

The meeting was called to order at 10:05 AM in Conference Room WD. Mr. Clayton briefly reviewed the provisions of the NYSRC Openness Policy #2 for the benefit of the guests. Mr. Haake stated he was attending the meeting to be available for discussions on the comments he sent to Mr. Clayton regarding the proposed changes to LRRs 3 & 5. Mr. Pond stated he was attending to listen to the RRS discussions.

1.1 Executive Session

No Executive Session was requested.

1.2 Requests for Additional Agenda Items

Items 4.1 through 4.4 were added to the agenda.

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Minutes #29

The minutes of RRS Meeting #29 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 AIs11-7 and 17-1 (CO-9 proposed standards), Mr. Davis reported that the standards haven't been approved yet.

Regarding AI29-3, Mr. Muir reported that the plan has been sent to the NYISO as confidential and power plants that are impacted will be notified accordingly.

Regarding AI29-4, Mr. Adamson reported that this AI was covered at the ICAP WG meeting on 10/17 and will be added to the list of model updates for next year.

3.0 NYSRC RR Development

3.1 List of Potential RR Changes

Discussion of LRRs #3 and #5

Mr. Clayton reported that the EC had approved for posting for review and comments the following potential rule changes:

- ΔRR43 (Open Process Log No. RR01-15) - Local Reliability Rules Measurements.
- ΔRR45 (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. Fleury noted that the potential rule changes were posted to the NYSRC web site on 10/16/01 with comments due 11/29/01. Mr. Clayton also reported that ΔRR37 through ΔRR42 and ΔRR44 have received final approval from the EC.

Mr. Clayton stated that he had received a letter from Mr. Haake dated 10/29/01 containing preliminary comments on the proposed changes to LRRs 3 and 5. He noted that IPPNY expects to file its final comments on the NYSRC web site before the 11/29/01 due date. Mr. Clayton opened the floor to discussion of Mr. Haake's comments and to respond to his questions. Mr. Haake stated that he was present to express concerns of the generator community regarding the proposed changes to LRRs 3 and 5. Concerns noted by Mr. Haake included:

- The proposed rules are too vague compared to the original rules which identified specific generating units impacted;
- The proposed rules do not provide for input from market participants as to application protocols;
- The RRS should wait until the completion of the NYSERDA gas study before amending these LRRs;
- The proposed rules represent a threat to generator development--this is because many new generator proposals are gas fired only (not dual-fueled) due to more extensive permitting requirements for dual fuel units--will gas-only generators be "restricted" at peak loads when LBMPs are the highest?
- The proposed rules are not clear on restrictions, units, load levels etc. Ms. Lynch noted that it may not make sense to restrict gas-only units during peak loads when they are most needed.

Mr. Haake asked what is meant by "exceeds minimum criteria"? Mr. Davis explained that all market participants are obligated to comply with NERC and NPCC reliability criteria. These criteria set forth the minimum requirements for bulk electric system reliability. He noted that the minimum NERC and NPCC criteria do not require entities responsible for electric system reliability to examine the impact of loss of gas supply contingencies on the bulk electric supply. However, LIPA and Con Edison do consider such loss of gas supply contingencies. Thus, the NYSRC LRRs 3 & 5 exceed the minimum criteria of NERC and NPCC. Mr. Davis noted that he studies the gas contingency regularly to assess the potential consequences and that a new gas pipeline or electric tie line to Long Island would be most helpful.

Mr. Pond stated that ANP supports the concerns of Mr. Haake. He followed up with some additional questions: What planning standards are the LRRs designed to meet? Is it the NPCC 1 day in 10? What proof is there that the proposed rules are related to achieving that standard?

In response, Mr. Schrom stated that it would be unacceptable public policy to accept a situation in which, due to the loss of a single gas pipeline, the whole of Long Island could be blacked out and system operators would not be able to restart generation. Mr. Davis stated that his criterion is to solve for the single worst gas contingency without resulting in a total electric system black out on Long Island. He stated that he knows there is a problem under certain operating conditions.

Mr. Clayton summed up the discussions by concluding that everyone is in agreement that the loss of gas supply contingency is a legitimate concern and the question is how should the new rule be stated and implemented. Ms. Lynch indicated that perhaps this should be a Reliability Rule, not an LRR.

Mr. Adamson suggested to Mr. Haake that perhaps a review of the measurements (Δ RR43) might alleviate some of his concerns regarding procedures issues. Mr. Adamson invited comments on the measurements as well.

Messrs. Haake and Pond thanked RRS for the opportunity to present their views.

Discussion of Priority 2 Potential Rules

- Δ RR8 - (Reactive load and resource PF requirements at BPS/LSE boundary) - Mr. Corey reported that this issue had arisen during the on-going reactive resource adequacy study. Working through the RRWG and TPAS, he expects a recommendation to be brought to RRS in the form of a template upon completion of the study. Mr. Clayton requested RRS to review the study upon completion (AI30-1).
- Δ RR9 - (Normal/extreme contingency definition) - Mr. Corey explained the purpose of testing for extreme contingencies in planning studies. He stated that even though the wording of NYSRC extreme contingency rule is more specific than the corresponding NPCC rule, in practice the application of either rule would be the same. After some discussion, RRS agreed to remove this potential rule from the list.
- Δ RR12 - (Disturbance reporting) - Mr. Adamson stated that the NERC standards cover disturbance reporting and RCMS had determined that NYISO is in compliance. RRS agreed to remove this potential rule from the list.
- Δ RR18 - (Special Protection Systems – Application Criteria) - Mr. Clayton had prepared a draft template some time ago and re-opened discussion of this item (note that, at meeting #20, RRS had agreed that this was an application of RR 4.2.1 that should be addressed by the NYISO). He asked whether NY needs a rule that is more specific than the NPCC requirements for SPSs. He noted that New England has a more specific standard (see e-mail to RRS dated 4/3/00 from Mr. Corey) and pointed to concerns New England now faces due to consideration of potential consequences of unintended SPS operation. He noted that SPSs are not permitted in some areas of the country. Mr. Corey briefly reviewed the history of SPSs noting that they were originally intended to be a temporary short-term fix which is why they are referenced in the operating criteria, not in the design criteria. He pointed out that there were concerns about the proliferation of SPSs because they might interact unpredictably. He noted that there are no restrictions on the use of SPSs in the current rules. Mr. Corey explained why New England interconnection standards tend to promote the use of SPSs much more than NY's. RRS agreed to the following changes to the list of potential rules: change the "P" to an "R" and change "letter to ISO for EC approval" to "prepare template".

- ΔRR20 - (Multiple utilities on same ROW) - Mr. Clayton reported that he had researched this topic and was unable to find additional information. RRS agreed to wait for the results of the NYSERDA gas study. The assignee was changed to Mr. Muir.
- ΔRR28 - (Ramp-rate reserve criterion) - Mr. Davis reported that the NYISO issues a monthly report on reserve pick-up performance and that ISO did well over the summer, but performance was poor last week. Mr. Davis stated that he still sees indications of not enough ramp-rate reserve. Mr. Corey reported that the ISO had taken steps to improve the performance. RRS agreed to remove this PRR from the list and that Mr. Davis should continue to monitor ISO performance (AI30-2).
- ΔRR29 - (Short-circuit criterion) - Mr. Clayton reviewed the genesis of this PRR noting that there are several different methods of calculating short-circuit currents as well as applying the results. Mr. Corey stated that the NYISO is now preparing a NY short-circuit data base. Mr. Schrom indicated that its use may be expanded to confirm analysis done by the TOs to facilitate the Article 10 process. RRS agreed to keep this PRR on the list and wait until the short-circuit data base is completed and all of its applications are identified.
- ΔRR30 - (NYCA "state" performance) - Mr. Clayton reported that a draft template had been prepared. This PRR was to gauge ISO reliability performance by monitoring its "states". RRS concluded that this monitoring may already exist. RRS agreed to remove this PRR from the list and refer it to RCMS for possible action such as a report on "state" performance (AI 30-3).
- ΔRR34 - (Off-frequency/off-voltage generator no-trip nomogram) - Mr. Clayton stated that generator manufacturers are having difficulty complying with the NPCC nomogram. Mr. Eng reported that NPCC SS-38 is currently reviewing under frequency relay settings criteria. RRS agreed to remove this item from the list but monitor SS-38 activities on this subject (AI 30-4).

Mr. Eng reported that a new NPCC working group was formed. It is designated CP-11 and has been charged with reviewing the NPCC A-2 criteria. Mr. Eng suggested that RRS should monitor the work of the group. Mr. Eng will send the CP-11 scope of work to RRS (AI 30-5). Mr. Clayton added this topic to the agenda for the next RRS meeting.

3.2 RR Revision 2 Update

Mr. Adamson reviewed the latest draft of the Rev. 2 Rules manual. He stated that some comments were provided at the last EC meeting and that some had been received from Messrs. Fleury and Hochberg since that last RRS meeting. Messrs. Clayton, Eng and Fleury provided additional comments at this RRS meeting. All RRS members were requested to e-mail their comments to Mr. Adamson by COB 11/1/01 (AI 30-5) and he will send an updated Rev. 2 to Mr. Fleury for review at the next EC meeting.

Mr. Adamson indicated that he had updated section VI-Exceptions to Reliability Rules. Regarding exceptions, Mr. Hochberg stated that he had noticed a proposal to modify an operating exception on the NYISO web site under meeting materials for the 10/3-4/01 SOAS meeting. He also stated that he thought the NYSRC rules require that modifications of exceptions to the Reliability Rules must be approved by the NYSRC (see Rev.1 section 4.2.2.2.a last paragraph and Rev.1 section 6.0). RRS

agreed that the NYISO process for obtaining operating exceptions to the rules needed to be checked. Mr. Hochberg provided a copy of the NYISO web site posting to Mr. Clayton who will raise this issue at the next EC meeting (AI 30-6).

4.0 Additional Agenda Items

4.1 Confidentiality Memo

Mr. Clayton reviewed the confidentiality memo prepared by Mr. Gioia.

4.2 NYSERDA Gas Study

Mr. Davis reviewed the status of the NYSERDA gas study. Mr. Haake noted that Charles River Associates was chosen to perform the study and that another meeting of the study group is scheduled for November.

4.3 RRS Meeting Schedule for 2002

Meeting number	Date	Location	Start Time
32	Jan. 3 - Thurs.	NPCC	10:00 AM
33	Jan. 31- Thurs.	NYISO	10:00 AM
34	Feb. 28 - Thurs.	NYISO	10:00 AM
35	April 4 - Thurs.	NPCC	10:00 AM
36	May 2 - Thurs.	NYISO	10:00 AM
37	June 6 - Thurs.	NYISO	10:00 AM
38	July 3 - Wed.	NYISO	10:00 AM
39	Aug. 1 - Thurs.	NPCC	10:00 AM
40	Sept. 5 - Thurs.	Syracuse (NMPC)	10:00 AM
41	Oct. 3 - Thurs.	NYISO	10:00 AM
42	Oct. 30 - Wed.	NPCC	10:00 AM
43	Dec. 5 - Thurs.	NYISO	10:00 AM

4.4 Loss of Power Supply to NYISO Computer and Communications Systems

Mr. Corey reported that the failure of an UPS on 10/16/01 resulted in the loss of all NYISO computers and communications used for security and market operations at a time when the alternate control center was inoperable. Mr. Davis expressed concern that the NYISO never declared an emergency for this incident. Mr. Adamson was requested to raise this issue at the next RCMS meeting (AI30-7).

5.0 Reports

5.1 NYSRC EC Meeting #30

Mr. Clayton reported on RRS matters discussed at the EC meeting. He noted that the EC had approved 7 new rules/measurements as final and the gas burning LRRs for posting. He reported that the ICAP WG has commenced work on the generation deliverability study and that the RRS has an assignment to develop a white paper on ICAP/UCAP.

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

5.2 NYSRC ICAP WG

Mr. Adamson reported that the ICAP WG met last month and reviewed the preliminary base case results. He reported that the base case is showing an IRM of 18%, up from 17.1% last year. He indicated that the increase is due to modeling improvements which include improved reserve sharing modeling, modeling of gas turbine deratings due to temperature and modeling of lower output from run-of-the-river hydro facilities to reflect actual operating history. He also noted that a section on unforced capacity would be added to the report. The ICAP WG is meeting next week to discuss the results of sensitivity analysis. He expects the ICAP WG to send the draft report to RRS by 11/21/01 for discussion during an RRS conference call scheduled for 11/28/01.

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

5.3 NYSRC RCMS (NYISO Compliance)

Mr. Adamson reported that RCMS is working on the 2002 compliance program.

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

6.0 Next Meeting

NYISO Offices at Washington Avenue Extension on Thursday, 12/6/01 at 10:00 AM

The meeting was adjourned at 4:09 PM.

Final Minutes of Meeting #30. Submitted to RRS by Larry Hochberg on December 13, 2001.