

NEW YORK STATE RELIABILITY COUNCIL

2003 Reliability Compliance Program

*Prepared by the
Reliability Compliance
Monitoring Subcommittee*

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NYSRC 2003 RELIABILITY COMPLIANCE PROGRAM

Introduction

The New York State Reliability Council (NYSRC) Reliability Compliance Program is designed to measure and ensure compliance with the NYSRC Reliability Rules in order to provide for a reliable bulk electric supply and delivery system in New York State. The NYSRC Reliability Monitoring Subcommittee (RCMS) manages the compliance program, which includes conducting reviews to ensure that all users of the New York State Bulk Power System, including the New York Independent System Operator (NYISO) and New York Market Participants, comply with the NYSRC Reliability Rules. The objective of the compliance program is to encourage compliance to the NYSRC Reliability Rules necessary to preserve the reliability of the New York Control Area.

Compliance with the NYSRC Reliability Rules is reviewed and evaluated in accordance with NYSRC Policy 4, *Procedure for Monitoring Compliance with the NYSRC Reliability Rules*. This Policy was updated in 2003. A major reference document for the compliance monitoring process is the NYSRC Compliance Template Manual. This manual is updated as new and modified Reliability Rules and Measurements are adopted. The Compliance Template Manual includes a compliance template for each Measurement. These templates cover reporting and compliance monitoring responsibilities, reporting frequencies, and statements of requirements for full compliance and levels of noncompliance. The Compliance Template Manual also describes the types of non-compliance notification letters that must be issued for various levels of noncompliance.

This report presents the results of the 2003 NYSRC Reliability Compliance Program.

2003 Compliance Program Measurements

The following table shows that, in 2003, compliance was reviewed by RCMS for one-third of all the NYSRC measurements having NYISO reporting responsibility. Nine NYSRC measurements having Market Participant reporting responsibility were monitored, as required, by the NYISO. A compliance review report was prepared by RCMS for each assessment; they are included as Appendix. A summary table is attached showing an overview of the NYSRC 2003 Reliability Compliance Program, including the measurements assessed, milestone dates, and compliance results.

Compliance Responsibility	Total NYSRC Measurements	Measurements in 2003 Compliance Program	Measurements Fully Compliant in 2003 Compliance Program
NYISO	45	15	12
Market Participants	11	9	9
Total	56	24	21

The above table shows that three measurements for which NYISO compliance was scheduled to be reviewed were not determined to be fully compliant. For one measurement the NYISO was found in non-compliance, while the NYISO was granted additional time to prepare the necessary documentation to meet compliance requirements for the other two measurements. These compliance reviews are as follows:

- NYSRC Compliance Program required that the NYISO submit an NYCA Resource Adequacy Review report to the NYSRC by May 1, 2003. The report was not received within the 30 day grace period permitted by NYSRC compliance review procedures, which resulted in a Non-Compliance Level 1 designation. The required report was later received and found in full compliance. The resource adequacy results shown in this report are covered in the third bullet of the next section of this report.
- In March 2003, a modification of Reliability Rule C-R1, *Verification Testing of Resource Capacity*, was adopted by the NYSRC Executive Committee. This modification requires the NYISO to establish a procedure for the NYISO to forward resource capacity data to the operating function of the Transmission Owners. Although the NYISO certified that it had implemented this requirement in practice, written procedures were not prepared by a delayed implementation date of December 2003 that had been granted by RCMS. A letter was sent to Messrs. Adams and Calimano by RCMS Chairman Loehr expressing concern with this delay and setting a final date for establishing these requirements, after which the NYISO would be found in noncompliance.
- Measurement J-M2, related to Reliability Rule J-R2, *NYISO Communications Under Emergency Conditions*, requires the NYISO to provide reports to the NYSRC summarizing the results of performance tests on critical voice and data systems. The NYISO had questions about the scope of these required reports. In addition, the RCMS wished to have a clearer understanding of the types of communications testing performed by the NYISO. As a result, RCMS agreed to delay its compliance assessment until after a NYISO presentation to RCMS on these issues, which was scheduled for May 2004.

Other 2003 Reliability Compliance Program Results

Other issues emanating from the 2003 Compliance Program are as follows:

- In 2003 the NYISO was found to be in full compliance with NYSRC Reliability Rule A-R2, *Load Serving Entity Installed Capacity Requirements*. By comparison, the NYISO was in non-compliance with this Rule in 2002. That was the result of a faulty NYISO method for translating NYCA installed capacity requirements into LSE Unforced Capacity (UCAP) requirements, and resulted in a shortfall of LSE ICAP. The UCAP/ICAP translation methodology was corrected for 2003.
- The NYISO reported to RCMS that its audits of the generating unit outage data reported in 2003 had revealed errors by some resource providers. Such errors impact the assumptions used in NYSRC studies for establishing NYCA Installed Capacity Requirements. There will be discussions with the NYISO to improve its procedures for reporting outage data, including the analysis and review of outage data after receiving it from the resource providers.
- Based on its review of the NYCA Resource Adequacy Review report, the RCMS concluded that if planned generating units are not installed on schedule, particularly in NYC, the probability of load shedding could exceed the 0.1 days per year criterion. It could also result in an excessive number of In-City voltage reductions and other emergency procedures. Such a situation could potentially exist though 2006.

NPCC and NERC 2003 Reliability Compliance Programs

The NYISO must also comply with certain NPCC and NERC Standards. RCMS has oversight responsibility concerning NYISO compliance with these NPCC and NERC criteria. During 2003, NPCC reviewed NYISO compliance relative to 11 NPCC-required assessments and 15 NERC Standards. NPCC concluded that the NYISO was in full compliance with all 26 of these required assessments and standards.

Conclusions

The following is a listing of the conclusions reached by RCMS based on its experiences with the 2003 Reliability Compliance Program:

1. The NYISO Staff provided valued assistance and cooperation during the compliance review process.

2. After the adoption of new Reliability Rules and measurements, there were delays regarding NYISO implementation. This concern was also noted in the 2002 Compliance Program report. The RCMS recommends that the NYSRC Executive Committee work with the NYISO to address this issue.
3. The 2004 Compliance Program should include a review of NYISO compliance with system restoration rules. This review should recognize and consider current NYISO efforts to examine system restoration following the August 14, 2003 Blackout.
4. The NYSRC has temporarily waived certain monthly operating reporting requirements because the unavailability of required monitoring facilities. The waiver should be reviewed following installation of planned NYISO EMS facilities during 2004.

2003 NYSRC RELIABILITY COMPLIANCE PROGRAM

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED ¹	DUE NYSRC	DATE RECV'D.	DATE OF RCMS REVIEW	COMP. LEVEL ²
<i>MEASUREMENTS WITH NYISO RESPONSIBILITY</i>							
Resource Adequacy							
A-M2	A-R2,3	Establishing LSE ICAP requirements	A	03/01/03	03/13/03	04/10/03	FC
A-M4	A-R2	Reporting LSE ICAP deficiencies		³	12/22/03	01/08/03	FC
Transmission Capability - Planning							
B-M4	B-R6	List of NYS Bulk Power System Facilities	B	12/31/03	¹⁰		¹⁰
Resource, System & Demand Data Requirements							
C-M1	C-R1	Procedures for resource capacity testing	C	05/01/03	⁵	05/07/03, 01/08/04	⁵
C-M4	C-R2	Procedures for reporting resource availability data	D	04/01/03	4/10/03	05/07/03	FC ⁶
C-M6	C-R2	Resource availability statistics and trends report	E	09/01/03	⁸	⁸	FC
C-M9	C-R4	Procedure for maintenance of system data bases	F	10/01/03	10/08/03	11/13/03	FC
C-M10	C-R4	System data bases	G	10/01/03	10/08/03	11/13/03	FC
Operating Reserves							
D-M2	D-R1,2,3	Operating reserve requirement procedures	H	10/01/03	10/08/03	10/08/03	FC
Local Reliability Rules							
I-M1	I-R1,3,4	NYISO requirements for NYC local rules 1,3,and 4	I	06/01/03	06/11/03	06/11/03	FC
I-M2	I-R3	NYISO requirements for LI local rule 3	I	06/01/03	06/11/03	06/11/03	FC
NYISO Control Center Communications							
J-M2	J-R1,2	NYISO Control Center Communications Testing & System Loss Reports	J	³	⁹		

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED ¹	DUE NYSRC	DATE RECV'D.	DATE OF RCMS REVIEW	COMP. LEVEL ²
Reliability Assessment							
K-M2.a	K-R2	NYCA transmission review	K	11/01/03	01/08/04	2/12/04	FC
K-M2.b	K-R2	NYCA resource adequacy review	L	05/01/03	06/11/03	09/11/03	L1 ⁷ , FC
K-M2.c	K-R2	Interregional reliability assessment					
K-M2.d	K-R2	Monthly operating reports		Monthly	01/08/04 ⁴	01/08/04 ⁴	FC ⁴
K-M2.e	K-R2	Major emergency reports		³			

MEASUREMENTS WITH NY MARKET PARTICIPANT RESPONSIBILITY

Resource Adequacy

A-M3	A-R2,3	Certifying LSE ICAP obligations are met (LSEs)	M	12/01/03	12/22/02	01/08/04	FC
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Resource & Demand Data Requirements

C-M2	C-R1	Reporting resource capacity test results (ICAP Providers)	M	12/01/03	12/22/03	01/08/04	FC
C-M3	C-R1	Reporting generator reactive power capacity test results (GOs)	M	12/01/03	Not yet rec'd		
C-M5	C-R2	Resource availability data reporting (ICAP Providers)	M	12/01/03	12/22/03	01/08/04	FC ¹¹

Operation During Major Emergencies

F-M4	F-R8	TO load shedding capability (TOs)	M	12/01/03	12/11/03	12/11/03	FC
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System Restoration

G-M2	G-R1	Transmission owner blackstart capacity procedure (TOs)	M	12/01/03	12/11/03	12/11/03	FC
G-M3	G-R2	Blackstart generator startup and operation demonstration (GOs)	M	12/01/03	12/11/03	12/11/03	FC

Local Reliability Rules

I-M5	I-R1,3,4	Con Edison procedures for local rules 1,3, and 4	M	12/01/03	12/11/03	12/11/03	FC
I-M6	I-R3	LIPA procedures for local rule 3	M	12/01/03	12/11/03	12/11/03	FC

Footnotes:

¹ COMPLIANCE DOCUMENTATION:

- A. NYISO Locational Capacity Requirement Report for the 2003 summer capability period. Documentation should include how the analysis covered in the report considered intra-zonal transmission capacities. In addition, an analysis should be provided showing the adequacy of the UCAP/ICAP translation for providing the required statewide ICAP for the 2002-03 winter period.
- B. NYISO procedure for developing a list of NYS Bulk Power System facilities. If available, the facilities list should also be provided.
- C. NYISO procedure for resource capacity data verification testing. This document should include the procedure for reporting resource net dependable capacity and reactive power capacity to the operating function of the TOs.
- D. NYISO procedure for reporting availability data. This document should include the method the NYISO uses to ensure that ICAP Providers report accurate availability data.
- E. Report showing NYCA resource availability statistics and trends.
- F. NYISO procedure for developing and maintaining load flow, short-circuit, and stability data.
- G. A statement addressing how this measurement is being implemented.
- H. NYISO procedures that specify operating reserve procedures, including updates that recognize recent modifications in NYSRC Operating Reserve Rules and NPCC A-6.
- I. NYISO procedures that define NYISO and TO responsibilities as they apply to implementing Local Rules I-R1, I-R3, and I-R4.
- J. Reports in accordance with Measurement J-M2.
- K. Annual NYCA Transmission Assessment Report. Either include in this report, or prepare a separate document, providing results of the most recent NYCA fault duty assessment in accordance with B-M1.
- L. NYCA resource adequacy assessment for the 2003 to 2006 period.
- M. A single letter from the NYISO certifying NYISO compliance review results for all nine Market Participation assessments.

² FC – Full Compliance

- L1 - Non-Compliance Level 1
- L2 – Non-Compliance Level 2
- L3 – Non-Compliance Level 3
- L4 – Non-Compliance Level 4

³ As Required

⁴ This information is for the December 2003 operating report. All previous monthly reports were found in full compliance.

⁵ Required NYISO compliance documentation for implementing a Rule C-M1 modification (adopted on 3/14/03) was not available to RCMS by the initial 5/1/03 due date. This rule modification requires that the NYISO forward resource capacity data to the transmission owners. However, the NYISO reported to RCMS on 5/7/03 that, despite not preparing written compliance procedures by then, the Rule C-M1 modification had been implemented in practice. RCMS granted the NYISO additional time – to 12/1/03 – to prepare the required procedure. As of 2/12/04 this procedure was still unavailable. Mr. Loehr transmitted a letter to the NYISO indicating concern about this delay, which has reliability implications.

⁶ Although the NYISO is in full compliance with Rule C-R2, the NYISO agreed to include provisions in NYISO procedures to address RCMS concerns related the failure of present procedures to require reporting of transmission outages that impact generation availability, and to improve the quality of outage data by implementing additional audits.

- ⁷ Non-Compliance Level 1 was assigned at the June 11, 2003 RCMS meeting because the required report was over 30 days overdue.
- ⁸ The resource availability statistics report are part of the ICS 2004-05 IRM report.
- ⁹ The NYISO will provide RCMS with a summary of control center communications tests during 2003.
- ¹⁰ A one-year extension was granted the NYISO for implementing B-M4 requirements. Preparation of required NYISO procedures for developing a list of NYS BPS facilities is being coordinated with a similar on-going NPCC effort.
- ¹¹ Although the NYISO reported that resource providers were in full compliance with C-M5, which requires resource providers to provide resource outage data to the NYISO in accordance with NYISO procedures, the NYISO has reported to the NYSRC that audits conducted in 2003 have revealed that reported outage data for several generating units was in error. RCMS requested the NYISO to provide the NYSRC with the results of these audits, including corrected outage rates.