

**NEW YORK STATE  
RELIABILITY  
COUNCIL**

*2004 Reliability  
Compliance Program*

*Prepared by the  
Reliability Compliance  
Monitoring Subcommittee*

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# NYSRC 2004 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 Compliance 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*. 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 non-compliance.

This report presents the highlights of results of the 2004 NYSRC Reliability Compliance Program. Certain Compliance Program assessments focused on NYISO compliance with Reliability Rules related to operation during major emergencies and system restoration, criteria that were relevant to NYISO operations during the August 14, 2003 Blackout.

In addition to managing the 2004 Reliability Compliance Program, RCMS conducted two special assessments during 2004. An analysis was made as to whether or not the NYISO and the Market Participants were in full compliance with existing NYSRC Reliability Rules and NPCC and NERC Standards prior to and during the August 14, 2003 Blackout. In addition, RCMS reviewed a NERC Control Area Readiness Audit report for the NYISO to determine whether results of the audit revealed any Reliability Rules compliance violations. This report covers the results of these special assessments.

## 2004 Compliance Program Measurements

The following table shows that in 2004, compliance was reviewed by RCMS for over one-third of the NYSRC measurements having NYISO reporting responsibility. All NYSRC measurements having Market Participant reporting responsibility were

monitored by the NYISO. A summary table is attached showing an overview of the NYSRC 2004 Reliability Compliance Program, including the measurements assessed, milestone dates, and compliance results.

Compliance Responsibility	Total NYSRC Measurements	Measurements in 2004 Compliance Program	Measurements Fully Compliant in 2004 Compliance Program
NYISO	47	18	18
Market Participants	11	11	11
Total	58	29	29

The above table shows that the NYISO and Market Participants were in full compliance with all measurements that were assessed in 2004.

### Highlights from the 2004 Compliance Program

1. Although the NYISO was found in full compliance with all of the measurements that were reviewed for compliance, concerns were raised during certain of the compliance reviews, as follows:
  - Questions were raised about the methodology the NYISO uses to conduct locational capacity requirement studies which are required under Measurement A-M2, *Establishing LSE ICAP Requirements*. As a result, a joint ICS/NYISO staff study was initiated in the spring of 2004 to review this and related locational capacity requirement issues. This study is expected to be completed in early 2005.
  - The NYISO reported that it has found that for some cases, generating unit resource availability that was submitted to the NYISO by Resource Providers, as required by Measurement C-M4, *Procedures for Reporting Resource Availability Data*, was overstated. This same concern was raised in the NYSRC 2003 Reliability Compliance Program report. In addition, present outage reporting procedures do not require reporting of transmission outages that impact generation availability. As a result, in 2004 the NYISO was requested by RCMS to enhance its outage reporting procedures to recognize these deficiencies and to ensure more accurate availability data, including improved measures to check the accuracy of the data the NYISO receives from the resource owners.
  - Reliability Rule C-R1, *Verification Testing of Resource Capacity*, requires the NYISO to forward resource capacity data it receives from Resource Providers to the Transmission Owners (TOs). Certain TOs have raised concern about the timeliness of receiving this data from the NYISO. As a result, RCMS has

requested RRS to specify the minimum time requirements in this rule and related measurements for forwarding capacity data to the TOs. Also, during its oversight review of NYISO's review of Resource Owner compliance with Measurement C-M2, *Reporting of Resource Capacity Test Results*, the NYISO reported that a delay of required information from TOs caused Resource Providers to delay their required submission of capacity data to the NYISO. As a result, the NYISO was requested by RCMS to improve its TO reporting requirements in this area.

2. Although the NYISO was assessed to be in full compliance with existing NYSRC System Restoration Reliability Rules, RCMS and RRS concluded that these rules should be enhanced to provide more specific requirements. In addition, these rules should be modified so as to be consistent with recent NPCC and NERC Standard modifications and recommendations from the NYISO System Restoration Working Group following its review of the 2003 Blackout. RRS is presently developing system restoration rule modifications recognizing these issues.

### **NYISO Compliance with Reliability Rules during the 2003 Blackout**

In November 2003 the NYSRC requested the NYISO to conduct a self-assessment analyzing whether or not the NYISO was in full compliance with existing NYSRC Reliability Rules and NPCC and NERC Standards during the events prior to and during the August 14, 2003 Blackout. On June 10, the NYISO issued the self-assessment which concluded that it had been in compliance with these rules and standards. RCMS reviewed the NYISO self-assessment and confirmed that the NYISO was in full compliance with NYSRC Rules and NPCC and NERC Standards prior to and during the 2003 Blackout.

### **NERC Readiness Audit of the NYISO**

NERC issued an audit of the NYISO, conducted on April 14-15, 2004, which examined the readiness of the NYISO to perform its control area and reliability coordinator operation responsibilities. The report recommended several areas for improvement. The NYISO has since resolved all of these issues. An RCMS assessment of the readiness audit report concluded that there were no Reliability Rule violations concerning the issues related to NERC's recommended areas of improvement.

### **2004 NPCC and NERC Reliability Compliance Programs**

In addition to complying with NYSRC Rules, the NYISO must also comply with all NPCC and NERC Standards. RCMS has oversight responsibility concerning NYISO compliance with these NPCC and NERC criteria. During 2004, NPCC reviewed NYISO compliance relative to 13 NPCC and 41 NERC Standards that were included in the 2004 NPCC and NERC Reliability Compliance Programs. NPCC concluded that the NYISO

was in full compliance with all 54 of standards included in the 2004 NPCC and NERC reliability assessments.

## **Conclusions**

The following is a listing of the conclusions reached by RCMS based on its experiences with the 2004 Reliability Compliance Program:

1. As in past years, the NYISO staff provided valued assistance during the RCMS compliance review process.
2. As previously discussed, concerns were raised about resource capacity and availability data issues during 2004 RCMS compliance review assessments. The accuracy and timeliness of this data is critical to NYISO planning and operating studies, as well as to NYSRC IRM requirement studies. Accordingly, RCMS requested the NYISO to improve certain data reporting procedures, and will continue monitor these issues during 2005.
3. The NYSRC is pleased that the NYISO and Market Participants were found to be in full compliance with all NYSRC Rules that were assessed in the 2004 NYSRC Reliability Compliance Program, as well as with all NPCC and NERC standards that were assessed in the 2004 NPCC Reliability Compliance Program. In addition, RCMS confirmed that the NYISO was in full compliance with all NYSRC, NPCC, and NERC Reliability Rules prior to and during the August 2003 Blackout.

## 2004 NYSRC RELIABILITY COMPLIANCE PROGRAM

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED <sup>1</sup>	DUE NYSRC	DATE RECV'D.	DATE OF RCMS REVIEW	COMP. LEVEL <sup>2</sup>
<b><i>NYISO Assessments – Compliance Reviews by NYSRC</i></b>							
<b>Resource Adequacy</b>							
A-M2	A-R2, 3	Establishing LSE ICAP requirements	A	03/01/04	2/20/04	3/11/04	FC <sup>5</sup>
A-M4	A-R2	Reporting LSE ICAP deficiencies		<sup>3</sup>	12/9/04	12/9/04	FC
<b>Transmission Capability – Planning</b>							
B-M1	B-R1-3, B-R7	NYCA Short Circuit Study	B	12/01/04	12/9/04	1/12/05 <sup>12</sup>	
B-M4	B-R6	List of NYS Bulk Power System Facilities	C	12/01/04	<sup>8</sup>		
<b>Resource, System &amp; Demand Data Requirements</b>							
C-M1	C-R1	Procedures for resource capacity testing	D	05/01/04	5/12/04	5/12/04, 6/10/04	FC
C-M4	C-R2	Procedures for reporting resource availability data	E	06/01/04	7/12/04	8/12/04	FC <sup>6</sup>
<b>Operating Reserves</b>							
D-M2	D-R1-4	Operating reserve requirement procedures	F	08/01/04	8/12/04	8/12/04	FC
<b>Transmission Capability - Operating</b>							
E-M1	E-R1-3	Procedures for actions taken for transfer limit violations	G	07/01/04	7/8/04	7/8/04, 10/7/04	FC
E-M3	E-R5	Procedures for transmission outage coordination	G	07/01/04	7/8/04	7/8/04, 10/7/04	FC
E-M4	E-R6, 7	Procedures for allowing more stringent operating conditions during severe weather conditions	G	07/01/04	7/8/04	7/8/04, 10/7/04	FC

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED <sup>1</sup>	DUE NYSRC	DATE RECV'D.	DATE OF RCMS REVIEW	COMP. LEVEL <sup>2</sup>
E-M6	E-R8	Pre-seasonal fault duty assessments	H	07/01/04	7/8/04	7/8/04, 10/7/04	FC 7
<b>Operation During Major Emergencies</b>							
F-M3	F-R8	Procedures for ensuring sufficient load shedding capability	I	10/01/04	10/7/04	10/7/04	FC
<b>System Restoration</b>							
G-M1	G-R1, 2	Procedures for maintaining a coordinated restoration plan	J	10/01/04	10/7/04	10/7/04	FC
G-M4	G-R3	Simulations of system shutdowns & restoration plan	K	10/01/04	10/7/04	10/7/04	FC
<b>System Protection</b>							
H-M2	H-R2	Compliance documentation for meeting H-M3	L	09/01/04	9/09/04	9/09/04	FC
H-M3	H-R2	Procedure for monitoring compliance with NPCC & NYISO requirements	L	09/01/04	Delayed to 3/1/05 <sup>9</sup>		
<b>Reliability Assessment</b>							
K-M2.a	K-R2	2003 NYCA transmission review	M	02/01/05	1/8/04	2/12/04	FC
K-M2.b	K-R2	NYCA resource adequacy review	N	05/01/04	5/25/04	6/10/04	FC
K-M2.d	K-R2	Monthly operating reports		Monthly	1/12/05 <sup>4</sup>	1/12/05 <sup>4</sup>	FC <sup>4</sup>

<b>Market Participant Assessments – Compliance Reviews by NYISO</b>							
<b>Resource Adequacy</b>							
A-M3	A-R2, 3	Certifying LSE ICAP obligations are met (LSEs)	O	12/01/04	12/9/04	12/9/04	FC
<b>Resource, System &amp; Demand Data Requirements</b>							
C-M2	C-R1	Reporting resource capacity test results (ICAP Providers)	O	12/01/04	12/9/04 <sup>10</sup>	12/9/04	FC

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED <sup>1</sup>	DUE NYSRC	DATE RECV'D.	DATE OF RCMS REVIEW	COMP. LEVEL <sup>2</sup>
C-M3	C-R1	Reporting generator reactive power capacity test results (GOs)	O	12/01/04	12/9/04	12/9/04	FC
C-M5	C-R2	Resource availability data reporting (ICAP Providers)	O	12/01/04	12/9/04	12/9/04	FC <sup>11</sup>
C-M11	C-R4	Providing load flow, short circuit and stability data to the NYISO (TOs & other designated MPs)	O	12/01/04	12/9/04	12/9/04	FC
<b>Transmission Capability - Operating</b>							
E-M7	E-R8	Evaluating assessment for a location that the NYISO has determined fault duty levels may be exceeded (Equipment Owners)	O	12/01/04	12/9/04	12/9/04	FC
<b>Operation During Major Emergencies</b>							
F-M4	F-R8	TO load shedding capability (TOs)	O	12/01/04	12/9/04	12/9/04	FC
<b>System Restoration</b>							
G-M2	G-R1	Transmission owner blackstart and operation procedure (TOs)	O	12/01/04	12/9/04	12/9/04	FC
G-M3	G-R2	Blackstart generator startup and operation demonstration (GOs)	O	12/01/04	12/9/04	12/9/04	FC
<b>Local Reliability Rules</b>							
I-M5	I-R1, 3, 4	Con Edison procedures for Local Rules 1, 3, and 4	O	12/01/04	12/9/04	12/9/04	FC
I-M6	I-R3	LIPA procedures for Local Rule 3	O	12/01/04	12/9/04	12/9/04	FC

Note: Footnotes start on next page.



## **Footnotes:**

- <sup>1</sup> Compliance Documentation:
- A. NYISO Locational Capacity Requirement Report for the 2004 summer capability period. Documentation should include how the analysis covered in the report considered intra-zonal transmission capacities.
  - B. Documentation of the results of an NYISO assessment of the NYS BPS, for the 4-6 year planning period, for demonstrating compliance with fault duty criteria.
  - C. NYISO procedure for developing a list of NYS Bulk Power System facilities. If available, the facilities list should also be provided.
  - D. 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.
  - E. NYISO procedure for reporting generation availability data. This documentation should include: (1) the method the NYISO uses to ensure that ICAP Providers report accurate availability data, (2) the procedure for including transmission outages that impact generation availability, and (3) a report describing the results of generation availability audits for the period since January 2003.
  - F. Documentation showing that NYISO operating reserve procedures are in compliance with NYSRC Rule D-R4, Restoration of Ten Minute Reserves.
  - G. Documentation showing that NYISO procedures and systems comply with Reliability Rules E-R1-3 and 5-7.
  - H. Documentation of a pre-seasonal 2004 assessment evaluating fault duty at each NYS BPS station.
  - I. Documentation showing that NYISO procedures and systems comply with Reliability Rule F-R8, including a description of any NYISO reviews for evaluating whether revisions of these procedures are warranted in response to the August 14, 2003 Blackout.
  - J. Documentation showing that NYISO procedures comply with Reliability Rules G-R1&2. This should include any revisions that are warranted resulting from reviews of NYISO restoration procedures in response to the August 14, 2003 Blackout, as called for in the NYISO “Interim Report on the August 14, 2003 Blackout”, page 45.
  - K. Documentation showing that NYISO procedures comply with Reliability Rule G-R3.
  - L. Documentation showing that NYISO procedures and required data comply with Reliability Rule H-R2.
  - M. 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.
  - N. NYCA resource adequacy assessment for the 2006 to 2007 period.
  - O. A single letter from the NYISO certifying NYISO compliance review results for all nine Market Participation assessments.
- <sup>2</sup> FC – Full Compliance  
L1 - Non-Compliance Level 1  
L2 – Non-Compliance Level 2  
L3 – Non-Compliance Level 3  
L4 – Non-Compliance Level 4
- <sup>3</sup> As Required.
- <sup>4</sup> This information is for the December 2004 operating report. All previous monthly reports were found in full compliance.
- <sup>5</sup> Although RCMS concluded that the NYISO is in full compliance with this Measurement, it was noted that the NYISO did not include in its compliance documentation a required analysis showing how the 2004 NYISO Locational ICAP Requirement Study considered intra-zonal transmission capacities. In addition, ICS and RCMS members have questions about the methodology the NYISO uses to conduct these studies. As a result, a joint ICS/NYISO Staff study will be conducted to review these issues. The NYISO was requested to incorporate the above issues in compliance its documentation for the 2005 assessment of Measurement A-M2.

- <sup>6</sup> As part of the 2005 Compliance Program, there will be a NYISO requirement to provide a report describing in detail an NYISO plan to improve generating unit outage reporting procedures, including the status of the plan's implementation.
- <sup>7</sup> Progress on a NYCA fault duty mitigation plan associated with the 2004 NYISO pre-seasonal fault duty assessment was discussed by NYISO staff at a 2/10/05 RCMS meeting. The 2005 assessment of E-M6 will require that the NYISO present a final fault duty mitigation plan.
- <sup>8</sup> NYISO list of NYS Bulk Power System facilities is awaiting NPCC CP-11 action. An updated status of this requirement will be requested as part of the 2005 Compliance Program.
- <sup>9</sup> The NYISO is preparing a Tech Bulletin to fully comply with this requirement. The Bulletin is expected 2/1/05.
- <sup>10</sup> Test data was delayed from ICAP Providers because of a delay in receiving required information from the TOs. RCMS will continue to monitor this issue.
- <sup>11</sup> Test data from the ICAP Providers were received on time, but was in error in some cases partly because of a misunderstanding of NYISO reporting requirements. The NYISO plans to improve ICAP Provider reporting requirements in an updated ICAP manual. RCMS will monitor this issue as part of the 2005 Compliance Program. See footnote 6.
- <sup>12</sup> This requirement will be included in the 2005 NYCA Transmission Review report, required by Measurement K-M2a in the 2005 Compliance Program.