

NEW YORK STATE RELIABILITY COUNCIL

2008 Reliability Compliance Program

*Prepared by the
Reliability Compliance
Monitoring Subcommittee*

February 16, 2009



Introduction

The New York State Reliability Council (NYSRC) Reliability Compliance Program is designed to measure and ensure compliance with 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 the NYISO is in compliance with all NYSRC Reliability Rules, even those identified in the Rules as requiring actions by Market Participants. The NYISO has the responsibility of ensuring Market Participant compliance through its procedures and Market Services Tariff. 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. This report presents the highlights of results of the NYSRC 2008 Reliability Compliance Program.

Compliance with the NYSRC Reliability Rules is reviewed and evaluated in accordance with NYSRC Policy 4-4, *Procedure for Monitoring Compliance with the NYSRC Reliability Rules*.

Another major reference document for the reliability compliance monitoring process is the NYSRC Compliance Template Manual. 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 non-compliance. The Compliance Template Manual also describes the types of non-compliance notification letters that must be issued for various levels of non-compliance. The Compliance Template Manual was updated once during 2008 (Version 16) reflecting adoption of two modified measurements.

In 2008, there were a total of 61 NYSRC measurements. Each year's Reliability Compliance Program includes compliance reviews of a portion of these measurements. Factors used for selecting the group of measurements to be reviewed each year include: (1) Measurements that require annual or monthly review, (2) Measurements in which compliance have not been reviewed in the past three years, (3) Measurements that have been adopted or modified over the previous year, and (4) Measurements that were found in non-compliance during the previous year or if other issues associated with NYISO compliance that require a follow-up review. The annual Reliability Compliance Program is approved by the NYSRC Executive Committee every February.

In addition to the annual Reliability Compliance Program, the NYSRC may trigger special compliance reviews as determined by the NYSRC. This report describes one such special compliance review that was conducted by RCMS in 2008.

2008 Reliability Compliance Program Measurements

As shown in Table 1, the 2008 Reliability Compliance Program included 25 NYSRC measurements having NYISO reporting responsibility, and eight measurements having Market Participant reporting responsibility. This number of measurements, for which NYISO and Market Participant compliance was assessed, represents 54 % of total NYSRC measurements. The Appendix shows an overview of the NYSRC 2008 Reliability Compliance Program, including the measurements assessed, milestone dates, and compliance results.

Table 1 – NYSRC 2008 Reliability Compliance Program Summary

	Measurements Requiring Actions by the NYISO	Measurements Requiring Actions by Market Participants	Total Measurements
Total NYSRC Measurements	49	12	61
Total Measurements in 2008 NYSRC Compliance Program	25	8	33
2008 Program Measurements in Full Compliance	25	8	33
2008 Program Measurements in Non-Compliance	0	0	0

Table 1 shows that the NYISO and market participants were in full compliance with all measurements that were assessed as part of the 2008 Reliability Compliance Program. One measurement in the original 2008 Reliability Compliance Program, C-M5, not included in the above table, was rescheduled to 2009 because of an interpretation of C-M5 that was determined to be needed – see discussion below.

Highlights of the NYSRC 2008 Reliability Compliance Program

1. Special Compliance Review: Market Participant Non-Compliance with C-M5, Outage Date Reporting Requirements

The NYISO is required to report any violation of NYSRC Reliability Rules by market participants to the NYSRC. In August 2008 the NYISO reported to RCMS that its Market Monitoring Unit had identified a NERC-GADS outage data misreporting violation by a market participant in 2004, resulting in Level 2 non-compliance finding. Following a detailed investigation, RCMS prepared a report to the Executive Committee on its compliance findings and recommendations. This report can be found on the NYSRC Web site, www.nysrc.org, under Documents/Reports. These recommendations included areas in which the NYISO could improve the accuracy of the outage data it receives from market participants. In January 2009, RRS developed an interpretation of C-M5 because of issues raised in the report about the intent of the meaning of the term “accurate outage data” within the measurement’s requirements. A planned compliance

review of C-M5 for 2008 was delayed to 2009 because of the perceived need for this interpretation.

2. NYCA Transmission and Resource Adequacy Assessments

The NYSRC Reliability Rules require that the NYISO provide NYCA transmission and resource adequacy assessments to demonstrate that the NYISO complies with NYSRC Reliability Rules. The timing of annual transmission assessments to the NYSRC is coordinated with that of similar submissions required by NPCC.

To demonstrate compliance with NYSRC transmission design criteria, a transmission assessment were submitted in 2008: a *2007 Interim NYCA Transmission Review Through 2012*. This study concluded that the NYS Bulk Power System, as planned through the year 2012, is in conformance with NYSRC Reliability Rules. RCMS accepted this report and concluded that the NYISO was in full compliance with NYSRC transmission design and reliability assessment requirements.

The NYSRC also requires that the NYISO provide an addendum to its transmission assessment reports that includes: (1) (N-1)-1 assessments; (2) identification of the impacts of the planned transmission system on the NYCA System Restoration Plan in accordance with B-M3; (3) an assessment showing local rules have been considered in accordance with I-M4; (4) an extreme contingency assessment for the loss of gas delivery system; and (5) an extreme contingency condition assessment assuming generating unit loss of gas supply. The latter two supplemental assessments are appropriate in light of recent environmental regulations. This addendum was delayed and did not provide sufficient detail in some areas. RCMS is working with the NYISO to improve the supplemental assessments required in the addendum.

To demonstrate compliance with NYSRC resource adequacy assessment requirements, the NYISO prepared the report *Annual Assessment of Resource Adequacy covering the NYCA for 2008-2011*. The study concluded that an NYCA IRM requirement of 15.0 % could be met throughout the 2008-2011 study period, assuming all planned resources were completed on schedule. RCMS accepted the report and concluded that the NYISO was in full compliance with NYSRC resource adequacy assessment requirements.

3. Modification of NYSRC Reliability Rules

One of RCMS' responsibilities is to recommend, if appropriate, new rules or modifications of existing rules. In 2008, RCMS determined that NYSRC measurements that define NYISO requirements to provide reliability assessments (measurement K-M2a) needed clarification. Accordingly, PRR 98 was prepared and adopted by the Executive Committee to modify requirements for NYCA

transmission assessments. RCMS is in the process of preparing PRRs to also modify NYISO requirements for preparing monthly operating reports (K-M2d) and resource adequacy assessments (K-Mb).

2008 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. NPCC has the responsibility and authority to implement a compliance monitoring and enforcement program for NERC and Regional Standards, as well as monitoring compliance with NPCC-specific reliability criteria. During 2008, NPCC reviewed NYISO compliance relative to 7 NPCC and 23 NERC standards and criteria that were included in the 2008 NPCC and NERC Reliability Compliance Programs. It should be noted that during 2008, compliance with NERC standards became mandatory. NPCC has concluded that the NYISO was in full compliance with all 30 NPCC and NERC standards and criteria included in these reliability programs.

Conclusions

The following conclusions were reached by RCMS based on its experience with the 2008 Reliability Compliance Program:

1. As in past years, the NYISO staff provided valued assistance during the RCMS compliance review process.
2. RCMS is pleased that for the fifth year in a row, the NYISO and market participants were found to be in full compliance with all NYSRC measurements that were assessed as part of the annual NYSRC Compliance Program. In addition, NPCC found the NYISO in full compliance for all NPCC standards and criteria and NERC standards that were assessed in 2008. As reported in this report – not part of the NYSRC 2008 Reliability Compliance Program – one market participant was found by the NYISO to be in violation with one measurement during 2004.
3. The receipt of complete compliance documentation was delayed past due dates for several reliability assessments in 2008, although the NYISO has made some progress in this area compared to similar concerns in previous years. RCMS will continue to work with NYISO to avoid future compliance documentation delays.

**APPENDIX
2008 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
Resource Adequacy							
A-M1	A-R1	Establishing NYCA IRM requirements	A	3/1/08	3/6/08	3/13/08	FC
A-M2	A-R2,3	Establishing LSE ICAP/LCR requirements	B	3/1/08	3/6/08	3/13/08	FC
A-M3	A-R2,3	Certifying LSE ICAP obligations are met*	C	11/1/08	11/13/08	11/13/08	FC
Transmission Capability – Planning							
B-M3	B-R5	Demonstration that system is planned considering ease of restoration	D	4/1/08	4/10/08 6/12/08	4/10/08 3 6/12/08	FC
B-M4	B-R6	List of NYS Bulk Power System Facilities	E	9/1/08	9/11/08	9/11/08	FC
Resource, System & Demand Data Requirements							
C-M2 4	C-R1	Reporting resource DMNC test results to the NYISO*	F	2/1/09			
C-M3 4	C-R1	Reporting generator reactive power capacity test results to the NYISO*	G	2/1/09			
C-M5	C-R2	Reporting of resource outage data to the NYISO*	H	12/1/08	12/1/08	12/3/08 10	10
C-M6	C-R2	Resource outage statistics	I	8/1/08	8/7/08	8/7/08	FC
C-M8	C-R4	NYCA load forecasts	J	8/1/08	4/1/08	4/10/08	FC
C-M9	C-R4	Procedure for maintenance of load flow, short-circuit and stability data	K	4/1/08	4/1/08	4/10/08	FC
C-M10	C-R4	Update load flow, short-circuit, and stability data bases	L	4/1/08	4/1/08	4/10/08	FC
C-M11	C-R4	Reporting of load flow, short-circuit and stability data to the NYISO*	M	4/1/08	4/1/08	4/10/08	FC

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED 1	DUE NYSRC	DATE RECV'D	DATE OF RCMS REVIEW	COMP. LEVEL 2
C-M13	C-R5	Certification that disturbance recording devices have been installed and data reported as required*	N	12/1/08	12/1/08	12/3/08	FC
Operating Reserves							
D-M1	D-R1 to D-R3	Reporting statistics on forecasted and actual reserves	O	12/1/08	12/1/08	12/3/08	FC
Transmission Capability – Operating							
E-M6	E-R8	Pre-seasonal fault duty assessments	P	[A] – 6/1/08 [B] – 10/1/08	6/4/08 [A] 9/24/08 [B]	6/12/08 [A] 10/7/08 [B]	FC
E-M7	E-R8	MP evaluation of NYISO fault duty assessments*	Q	10/1/08	9/24/08	10/7/08	FC
E-M9	E-R10	NYISO annual review of exceptions	R	12/1/08	12/1/08	12/3/08	FC
Operation During Major Emergencies							
F-M1	F-R1 to F-R7	Maintain procedures for frequency, reserve, and transfer limit violations	S	7/1/08	6/4/08	7/10/08	FC
F-M4	F-R8	TO load shedding capability*	T	12/1/08	12/1/08	12/3/08	FC
F-M6	F-R5	Voltage reduction testing	U	9/1/08	9/11/08	9/11/08	FC
System Restoration							
G-M1	G-R1,2	Procedure for maintaining a NYCA System Restoration Plan	V	7/1/08	6/4/08 9/11/08	7/10/08 8/7/08 9/11/08 ⁸	FC
G-M2	G-R1,2	Transmission Owner Restoration Plan requirements*	W	12/1/08	12/1/08	12/3/08	FC
G-M3	G-R2	Blackstart Provider requirements*	X	12/1/08	12/1/08	12/3/08	FC
G-M4	G-R3	System restoration training requirements	Y	12/1/08	12/1/08	12/3/08	FC

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	COMPLIANCE DOC. REQUIRED 1	DUE NYSRC	DATE RECV'D	DATE OF RCMS REVIEW	COMP. LEVEL 2
Local Reliability Rules							
I-M1	I-R1, I-R3, I-R4	NYISO requirements for Con Ed to have procedures in accordance with I-R1, I-R3, and I-R4	Z	10/1/08	9/24/08 11/13/08 11/19/08	10/7/08 6 11/13/08 6 12/3/08 6	FC
I-M2	I-R5	NYISO requirements for LIPA to have procedures in accordance with I-R3	AA	10/1/08	9/24/08 11/19/08 11/19/08	10/7/08 6 11/13/08 6 12/3/08	FC
I-M3	I-R2	Procedures to ensure sufficient 10-min reserve in NYC	BB	10/1/08	9/24/08	10/7/08 6 11/13/08	FC
I-M4	I-R1 to I-R5	Consideration of local rules in transmission planning and establishment of operating limits	CC	[A] 4/1/08 [B] 6/1/08	[A] 4/1/08, 6/12/08 [B] 6/4/08	4/10/08, 3 6/12/08 6/12/08	FC
I-M5	I-R1, I-R3, I-R4	Con Ed procedures for Local Rules I-R1, R2, and R4*	DD	12/1/08	12/1/08	12/3/08	FC
I-M6	I-R5	LIPA procedures for Local Rule I-R3*	EE	12/1/08	12/1/08	12/3/08	FC
Reliability Assessment							
K-M2a, K-M3	K-R2	2007 transmission assessment & extreme system condition assessment	FF	4/1/08	4/1/08 6/12/08	4/10/08 3 6/12/08	FC 7
K-M2b	K-R2	Annual resource adequacy assessment	GG	6/1/08	6/12/08	6/12/08 7/10/08 8/7/08 8	FC
K-M2d	K-R2	Monthly operating report		Monthly	1/8/09 5	1/8/09 5	FC 5

* Market Participant requirements.

Footnotes

1. NYISO Compliance Documentation Requirements:

- A. Installed Capacity Subcommittee shall submit to RCMS the NYCA 2008 IRM report to RCMS and certify that the calculated 2008 base case IRM is in full compliance with Reliability Rule A-R1 and other NYSRC Rules, and that the study followed all NYSRC policies and procedures.

- B. The NYISO Locational Capacity Requirement Report for the 2008-09 capability period. In addition, provide either in the LCR report, or in a separate report, the required 2007 LSE capacity and IRM requirements for meeting the 2008 NYCA IRM requirement of 15.0%.; and whether any intra-zonal transmission constraints indicating “bottled” generation have been identified by the NYISO. (A-M2)
- C. Certification that each LSE has demonstrated that it has procured sufficient capacity for the November 2007 to October 2008 period to meet its ICAP requirement in accordance with NYISO procedures and A-M3.
- D. As required by B-M3, modified on 4/13/07 (PRR 88):
 - (1) Provide either the required procedures, or reference to the required procedures, for assessing the impact of the system expansion plan on the NYCA Restoration Plan;
 - (2) This assessment should be included in the annual transmission assessment required by K-M2a (B-M3)
- E. (1) NYISO procedure for developing the list of NYS Bulk Power System facilities, (2) BPS Facilities List. (B-M4)
- F. Certification that all applicable generation owners responsible for providing ICAP verified the net dependable capacity of their equipment and reported these results to the NYISO for the previous testing period, in accordance with NYISO procedures. (C-M2)
- G. Certification that all applicable generation owners performed tests to verify the reactive power capacity for their generators, and reported these test results to the NYISO for the previous testing period, in accordance with NYISO procedures. (C-M3)
- H. Certification that ICAP providers submitted outage data to the NYISO during the May to April 2008 period as required by NYISO procedures. In addition, submit a report on the status of a NYISO mitigation plan for the GOs that under-reported forced outages during 2007.(C-M5)
- I. Certification that the NYISO has provided ICS with resource outage statistics and trends for use in the 2009 IRM study.
- J. Certification that the NYISO has provided ICS with NYCA and zonal load forecasts for use in the 2009 IRM study.
- K. Submit to RCMS NYISO procedures that are in place for the development of load flow, short-circuit, and stability data bases in accordance with C-M9, including a new NYISO procedure or tech bulletin for ensuring that MPs report to the NYISO and TOs changes to equipment parameters, including time requirements, in accordance with C-M9.
- L. Self-Certification that load flow, short circuit and stability data bases have be updated over the previous 12 months, as specified in accordance with NYISO procedures. (C-M10)
- M. Certification that market participants have provided load flow, short-circuit, and stability data bases to the NYISO in accordance with C-M11. In addition, provide to RCMS documentation over the previous 12 months showing that MPs have reported verified changes to equipment parameters that affect these data bases.
- N. Certification that Market Participants have installed disturbance recording devices and reported data in accordance with NYISO procedures. (C-M13)
- O. (1) NYISO operating reserve procedure changes for meeting all D-M1 (see PRR 93) requirements; and (2) Submit a report providing details of its experience utilizing interruptible load as operating reserve. This report shall include similar information requested by NPCC, supplemented by additional data specified by RCMS.

- P. [A] A report covering an annual pre-seasonal 2008 assessment evaluating fault duty at each BPS station.
[B] If the above report shows fault duty levels exceed equipment ratings, provide mitigation plans jointly approved by the NYISO and equipment owners. (E-M6)
- Q. Certification that applicable equipment owners have evaluated NYISO fault duty assessments in accordance with E-M7.
- R. Results of NYISO's annual exception review in accordance with the new E-M9 (PRR 94, adopted 12/14/07).
- S. Self-Certification that the NYISO maintains procedures in accordance with F-M1 to ensure that all MPs will respond correctly when frequency, reserves and thermal, voltage and/or stability limits are violated.
- T. Certification that TOs have reported to the NYISO load shedding documentation in accordance with NYISO procedures and F-M4.
- U. A report of the results of statewide voltage reduction tests for the 2008 summer period, in accordance with F-M6. The results of these tests shall be available in time for use in the NYSRC 2009 IRM Study.
- V. Applicable documentation and references showing that the NYISO has developed system restoration procedures addressing all of the requirements specified in G-M1 (modified on 7/13/07, PRR 92).
- W. Certification that all TOs have established restoration plans and if required, blackstart capability plans, in accordance with NYISO procedures and G-M2 requirements (modified on 2/8/08, PRR 95).
- X. Certification that blackstart providers are in compliance with NYISO procedures and G-M3 requirements.
- Y. Self-Certification that the NYISO maintains restoration training programs in accordance with G-M4 requirements (modified on 2/8/08, PRR 95).
- Z. NYISO procedures requiring Con Edison to develop procedures for operating in accordance with NYSRC Rules I-R1, I-R3 and I-R4, and certification that the NYISO has approved these procedures, in accordance with I-M1 requirements.
- AA. NYISO procedures requiring LIPA to develop procedures for operating in accordance with new NYSRC Rule I-R5 (adopted 7/13/07, PRR 88), and certification that the NYISO has approved these procedures, in accordance with I-M2 requirements.
- BB. NYISO procedures to ensure that sufficient ten-minute reserves are maintained in the NYC zone in accordance with NYSRC Rule I-R2.
- CC. [A] Self-Assessment that I-M4 requirements have been met for transmission planning, including application examples.
[B] Self-Assessment that I-M4 requirements have been met for operating limits, including application examples.
- DD. Specific references showing that Con Edison has provided documentation to the NYISO during the previous 12 month period, in accordance with I-M5 requirements.
- EE. Specific references showing that LIPA has provided documentation to the NYISO during the previous 12 month period, in accordance with I-M6 requirements.
- FF. Annual NYCA Transmission Assessment Report, including (1) (N-1) -1 assessments; (2) identification of the impacts of the planned transmission system on the NYCA System Restoration Plan (B-M3); (3) an assessment showing that local rules have been considered (I-M4); (4) an extreme

contingency assessment for the loss of gas delivery system (K-M3); and (5) an extreme contingency condition assessment assuming generating unit loss of gas supply (K-M3). (K-M2a)

GG. NYCA Resource Adequacy Report for the 2008-2011 period. (K-M2b)

2. Levels of Non-Compliance

L1 – Non-Compliance Level 1

L2 – Non-Compliance Level 2

L3 – Non-Compliance Level 3

L4 – Non-Compliance Level 4

3. Several supplemental assessments included in the 2007 NYCA Transmission Review were intended to respond to B-M3, I-M4, K-M2a, K-M3, and previous RCMS requests. After RCMS review on April 10, the supplemental assessments provided in the Review were considered to be inadequate by RCMS for fully meeting NYSRC requirements. The NYISO was given a two-month grace period to June 1, without non-compliance action, to provide the additional information as required by the above measurements and as requested by RCMS.
4. This assessment will be included in the 2009 Compliance Monitoring Program.
5. This information is for the December 2008 operating report. All previous 2008 monthly reports were in Full Compliance.
6. RCMS needed additional time to review NYISO compliance documentation for I-M1 to I-M3 and delayed further compliance review until 11/13/08. The NYISO revised I-M1 and I-M2 compliance documentation for the 11/13/08 meeting, but both were incomplete. The NYISO was given 30 days to provide the completed documentation to avoid a non-compliance letter.
7. This Full Compliance designation is applicable to both K-M2a and K-M3.
8. References to NYISO procedures documenting NYISO compliance with five G-M1 requirements were missing from the NYISO compliance documentation provided to RCMS on July 10, 2008. RCMS granted the NYISO 30 additional days (to the August 7 RCMS meeting) to provide these references without non-compliance action. However, on August 7 the required compliance documentation remained incomplete and was therefore overdue. In accordance with the NYSRC Compliance Template Manual (Table 2), as of August 7 the NYISO had an additional 30 days to provide the required documentation to avoid a Level 1 non-compliance action. This final documentation was received on September 11 and found in Full Compliance. A final G-M1 documentation reference matrix, requested on Sept. 11, was received and accepted on December 3. (Refer to July 10, August 7, and September 11, 2008 RCMS minutes for details.)
9. On August 7, 2008 RCMS reviewed a supplement to the NYISO's 2008-2011 Resource Adequacy Assessment. This supplement was accepted by RCMS, but did not affect RCMS's full compliance finding on July 10 for K-M2b.

10. On December 3, 2008 compliance review of C-M5 was rescheduled to the 2009 Compliance Program because of the need to interpret the requirements of this measurement and the possibility that C-M5 may be modified in 2009. Refer to the RCMS report, *Compliance Review of 2004 NERC-GADS Data Misreporting Event*, dated November 26, 2008, and the report's Recommendation #3.