

**Draft Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 202 – February 11, 2016**  
**Conference Call**

**Members and Alternates**

**in Attendance:**

Curt Dahl, P.E.	PSEGLI – Member – Chair
Peter Altenburger	National Grid, USA – Vice Chair
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E	Municipal & Electric Cooperative Sector – Member
David Johnson	Independent Power Producers of NY. – Member
Frank Pace	Central Hudson Gas & Electric – Alternate Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc.- Member New York
Bob Loughney	Couch White (Large Customer Sector) - Alternate
Sunil Palla	NYPA - Member

**Other**

Paul Gioia, Esq.	Counsel
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
Rana Mukerji	New York Independent System Operator (NYISO)
Henry Chao	New York Independent System Operator (NYISO)
Leka Gjonaj	NYS Department of Public Service
Don Raymond	Executive Secretary
Al Adamson	Treasurer, Consultant
Bob Boyle	ICS Chair

**Visitors- (Open Session)**

Philip Fedora	Northeast Power Coordinating Council (NPCC)
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“\*” Denotes part-time

- 1.0 Introduction** – Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No. 202 (Conference Call) to order at 9:30 a.m. on February 11, 2016.
- 1.1 Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance with the exception of Messrs. G. Smith and R. Kinney.
- 1.2 Visitors** – See Attendee List, page 1.
- 1.3 Requests for Additional Agenda Items** – None
- 1.4 Declarations of “Conflict of Interest”** – None
- 1.5 Executive Session Topic** - None
- 2.0 Meeting Minutes/Action Items**
- 2.1 Approval of Minutes for Meeting No. 201 (January 8, 2016)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. An additional clarifying comment was provided by Mr. Gioia. Mr. Bolbrock moved for approval of the draft minutes with the clarifying comment. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee members in attendance – (11 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #202-1.**
- 2.2 Action Items List** – The Executive Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
186-3	At the February 11, 2016 Executive Committee meeting, Mr. Boyle reported that the Supreme Court had upheld the FERC Order regarding DR plans.
201-7	Mr. Clayton circulated the letter regarding the Indian Pt. investigation in February 2016.

- 3.0 Organizational Issues**
- 3.1 NYSRC Treasurer’s Report**
- i. Summary of Receipts & Disbursements** - Mr. Adamson introduced the Summary of Receipts and Disbursements which showed a surplus of \$197,000 at the end of January 2016. The 1<sup>st</sup> Quarter 2016 Call-For-Funds is complete with the receipt of \$80,000 in December 2015, \$50,000 in January 2016 and an additional \$35,000 in early February 2016. Mr. Adamson added that the auditor, Slocum, DeAngelus & Assoc, P.C. sent letters to the Members requesting a record of their payments for 2015. Also, letters were sent to Mr. Gioia and the Bank for additional information. Ms. Campoli and Mr. Adamson have sent their records to the auditor. No questions have arisen to-date. A quick response by Mr. Gioia and the Members was requested in order for the Audit Report to be available by the March 11, 2016 Executive Committee meeting.
- 3.2 Other Organizational Issues** - None
- i. PSC IRM Proceeding** – Mr. Gioia reported that the NYSRC comments were filed with the PSC. Also, he noted that FERC has scheduled a Technical Conference on Bulk Power System reliability for June 1, 2016. He agreed to report back on the location and agenda – **AI #202-2.**
- 4.0 Capacity Subcommittee (ICS) Status Report/Issue**
- 4.1 ICS Chair Report** – Mr. Boyle reported that the ICS met on February 3, 2016. The focus was on the scope of the White Papers and other studies requested by the Executive Committee with a June 1, 2016 cut-off date. He indicated that the tasks were prioritized and written scopes are due by the March 2, 2016 ICS meeting. The White Papers and other studies are summarized below:

- (1) Acceptable Level of Emergency Assistance – The NYISO will perform the analysis aiming for a Report in May 2016.
- (2) Acceptable LOLE for PJM – Messrs. Younger, Adams, and Adamson will review the methodology used to derive the current value of LOLE = .14 days/year.
- (3) External Area Modeling – Incorporate an approach suggested by Mr. Younger using data from Operations. A report is due in May 2016.
- (4) Bubble Modeling – GE suggested doing all external control areas as individual bubbles and control the interfaces with nomograms.
- (5) Multiple Year Wind Shape – The NYISO is testing the wind shape option within the latest version of MARS.
- (6) SCR Modeling – The NYISO is scheduled to present its assumptions at the March 2, 2016 ICS meeting.
- (7) Load Shape Selection – The NYISO will present its analysis at the May 4, 2016 ICS meeting.
- (8) Retirements – Mr. Walters will present his thoughts on how units that are forced off-line, do not have an adequate repair plan, and are, therefore, removed from the Capacity Market, should be handled in IRM studies. The presentation is scheduled for the March 29, 2016 ICS meeting.

In response to a question from Mr. Bolbrock, Mr. Boyle indicated that as soon as the scopes for the White Papers and other studies are prepared, they will be made available to the Executive Committee – **AI #202-3**. Also, Mr. Boyle indicated that ICS is planning to present a new Special Sensitivity Process at the Executive Committee’s March 11, 2016 meeting. The proposal will be ready for inclusion in Policy 5, if approved. In addition, GE will be presenting new environmental features for MARS at the GE Users Group meeting in September, 2016.

## **5.0 Reliability Rules Subcommittee Status Report/Issues**

**5.1 RRS Status Report & Discussion Issues** – Mr. Adamson reported that a joint RRS/RCMS meeting was held on February 4, 2016. Two separate meetings were held, each with its own agenda and minutes. He summarized RRS’s current activities which are included in Sections 5.2 – 5.5 below.

### **5.2 Status of New/Revised Reliability Rules**

#### **i. Proposed NYSRC Reliability Rules Revision**

- a. List of Potential Reliability Rules (“PRR”) Changes** – Mr. Adamson introduced the List of Potential Reliability Rule Changes. He noted PRRs #120, through #122, Revision to Tables B-1, B-2 and C-1, were reviewed and approved by the Executive Committee to be “Posted for Comment” on the NYSRC website. Comments are due by February 28, 2016. RRS is likely to request final approval of the Executive Committee at its March 11, 2016 meeting.
- PRR # 128, Definition of Bulk Power System. Mr. Adamson reminded the Executive Committee that PRR 128 is tabled pending a NPCC A-10 review.
- PRR #129, Include TO and MP Requirements in B.1 (R1-R4), was a proposal to include TO and MP requirements such that the Transmission Planning Criteria could be utilized in B.1. RRS has decided the PRR #129 is unnecessary to ensure the MPs meet the Transmission Planning Criteria.
- PRR #130, ETC Application, the NYISO has drafted a PRR which is under review at RRS.
- PRR #131, Dual Fuel Testing Requirements. Mr. Adamson noted that PRR #131 will require dual fuel testing of all dual fuel units in New York State. This PRR is the consequence of data showing a high failure rate during dual fuel switching.
- PRR #132, I.4(R3) Transmission Data, is under consideration to clarify the definition of “erroneous data” used in determining potential Non-Compliance with the Reliability Rules.

### **5.3 Proposed NYSRC Reliability Rule Revisions**

#### **a. Status of New/Modified Reliability Rules**

1. PRRs for EC Final Approval – None
2. PRRs for EC Approval to Post – See Section 5.2
3. PRRs for EC Discussion – None

#### 5.4 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Mr. Adamson introduced the “NERC Reliability Standard Development Tracking Summary”. The NYSRC voted “Yes” on TOP -012-2, Phase 3 of System Protection Coordination based on input from NGrid and NPCC.

#### 5.5 Other RRS Issues –

- i. **Reforming the Electric Vision (REV)** – Mr. Adamson noted that RRS received a presentation by the DPS on the REV issue. RRS is now developing reliability based questions.
- ii. **Exception to the Reliability Rules** – Mr. Adamson indicated that NGrid has requested removal of Exception #4, Transformer Monitoring. The NYISO is currently reviewing the request.

#### 6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

**6.1 RCMS Status Report & Discussion Issues** – Mr. Adamson reported that RCMS met on February 4, 2016 following the RRS meeting.

**6.2 2016 New York Reliability Compliance Program (NYRCP)** – Mr. Adamson introduced the 2016 NYRCP and noted that there are 64 Requirements included out of a total of 98. Some Requirements are reviewed every year and others every three years. This is the first of a RCMS approved three year Plan. The due dates have the concurrence of the NYISO. Attached to the Plan are various documents that RCMS expects to receive from the NYISO staff.

Following further discussion, Mr. Loehr moved for approval of the NYRCP. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee members in attendance – (11 to 0).

**6.3 2015 Reliability Compliance Highlights Report** – Mr. Adamson presented the annual Reliability Compliance Report for Executive Committee acceptance. The Report provides the Executive Committee and others with the highlights of the 2015 NYRCP. Included is discussion of: (a) the use of the newly reformatted Reliability Rules in the review of 40 Requirements, (b) the identification of eligible black start resources, (c) the identification of the ETC issues, (d) the Transmission Adequacy Assessments, and (e) the monitoring of compliance by the NYISO to the NPCC and NERC Requirements. Mr. Adamson commended Mr. Grant (NYISO) for his valuable assistance throughout 2015.

The Executive Committee decided to delay formal acceptance of the Report until its March 11, 2016 meeting. Comments on the Report should be sent to Mr. Adamson by February 25, 2016.

#### 7.0 Reliability Initiatives

**7.1 Defensive Strategies** – Mr. Loehr reported that at the January 2016 DSWG meeting, EnerNex reported the first results of the Kalman filter/predictor algorithm for one extreme contingency. The results did not compare well with the results from a detailed model. Mr. Smith and EnerNex are working together to resolve the differences.

#### 8.0 State/NPCC/Federal Energy Activities

**8.1 NPCC Board of Directors (BODs)** – Mr. Forte provided a summary of FERC Order No. 822 on the Revised Critical Infrastructure Protection (CIP) Reliability Standards issued on January 21, 2016. The FERC approved seven CIP Reliability Standards and six new or modified definitions. In addition, FERC directed NERC to develop certain modifications to improve the CIP Reliability Standards. Comments and/or questions should be directed to Dr. Sasson or Mr. Forte (ConEd).

**8.2 State Resource Planning Initiative** – Mr. Gjonaj (DPS) discussed a summary report titled “New York State Resource Planning Analysis”. The State Resource Planning Study was initiated as a consequence of the EPA’s draft Clean Power Plant (CPP) rules and N.Y. State Energy Plan to examine their effects on the State’s bulk power system (BPS). The goals are to: (a) determine what mix of resources, including

generation, transmission and DER is required by 2030 to meet the public policies and regulations in a reliable and cost effective manner, and (b) identify the reliability boundaries of the BPS and the gas and electric upgrades that would be required while maintaining the reliability of the BPS. Among the participants are the NYDPS, NYSEDA, NYDEC, NYISO, TOs and two consultants, GE and ICF. Three scenarios will be studied each with various sensitivity cases: (a) Base Cases for 2024 and 2030, (b) CPP Cases, and (c) SEP/REV Implementation Cases. The methodology will be implemented in two steps for each scenario. In step 1 ICF will develop resource mixes, and perform power flow transfer and resource adequacy analyses. Then ICF will use the results to produce system production costs and emissions data. In step 2 GE will identify the infrastructure (gas pipelines and electric transmission) required to support each resource mix.

Assumptions for the study will included: (a) all nuclear units remain in service until license expiration, (b) Solar, wind and EE will grow at existing rates, (c) RGGI cap for CO<sub>2</sub> emission to be extended at the 2020 level, and (d) External systems will be modeled to preserve reserve margins. The next stakeholder progress meeting is February 25, 2016 when the results of the base case will be presented and discussed. Mr. Gjonaj agreed to keep the Executive Committee up-to-date on the study – **AI #202-4**.

**8.3 EPA Clean Power Plant (CPP)** – Mr. Gioia reported that the Federal Supreme Court has “stayed” the implementation of the EPA’s CPP. A great deal of effort has already gone into complying with stringent requirements both on the wholesale level through the NYISO and the State level via REV and the SEP. Mr. Fedora added that there are a series of meetings at NARUC next week where the “stay” will be discussed further. The “stay” erases the September 1, 2016 date for submittal of the State’s Implementation Plan (SIP). However, RGGI will not be affected. Furthermore, the issue is not likely to be resolved until the new Administration is in place.

**8.4 NPCC Report** – Mr. Fedora reported that he will distribute the June 1, 2016 FERC Reliability Technical Conference notice. The agenda is not yet available. Also, recently the NERC Board of Directors approved the NPCC 2016 Corporate Goals which are posted on the NPCC website. There are several projects mentioned including Reliability Services, impact of the CPP, dispersed generation, and relay misoperation.

## **9.0 NYISO Status Report/Issues**

**9.1 Reliability Planning Process** - The 2014 CRP determined that the NY BPS will meet all applicable reliability criteria over the 2015 through 2024 study period, and confirmed that the initially identified Reliability Needs in the 2014 RNA are resolved. The final report was approved by the Board of Directors in July 2015.

Entergy Nuclear Power Marketing LLC notified the PSC and the NYISO on Nov. 13, 2015 of its intent to retire the James A. FitzPatrick Nuclear Generating Facility at the end of its current fuel cycle, which is projected to be approximately 4<sup>th</sup> Quarter 2016 – 1<sup>st</sup> Quarter 2017. In accordance with the new RMR process, the NYISO is performing a Generator Deactivation Assessment that will be completed by February 11, 2016.

**9.2 CARIS** – The NYISO has begun the process to extend and update the CARIS 1 database for potential specific project submittals.

No specific 2016 CARIS 2 project proposals were submitted as of January 29, 2016. NYPA has requested an additional CARIS study be performed to assess the economic impact of various infrastructure upgrades in the NYCA transmission system. The NYISO staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

**9.3 Public Policy Transmission Planning Process** – In July 2015, the PSC declared a Public Policy Transmission Need (PPTN) in Western New York. The solicitation for solutions was issued on November 1, 2016 and solutions were due on December 31, 2015. The NYISO is reviewing 15 proposals received from eight developers and commencing the viability and sufficiency assessment. On December 17, 2015, the NYPSC issued an order finding that there is a transmission need driven by

Public Policy Requirements for new 345 kV major electric transmission facilities to cross the Central East and UPNY/SENY interfaces to provide additional transmission capacity to move power from upstate to downstate. The NYISO will issue a solicitation for solutions by the end of February 2016.

#### 9.4 **Interregional Transmission Studies**

- i. **EIPC Study** – EIPC members have created roll-up integration for summer and winter peak power flow cases of the Eastern Interconnection representing the year 2025. Gap analysis and linear transfer analysis were performed and compiled in a draft Roll-up Model Report in December 2015. The NYISO held an IPTF meeting on November 10, 2015 and EIPC held a webinar on November 17, 2015 to present the results and seek stakeholder feedback on potential scenarios of interest for analysis in 2016. Stakeholder written input on the draft roll-up report and possible scenarios was due January 29, 2016. The next EIPC webinar is scheduled for February 26, 2016.
- ii. **IPSAC** – The NYISO, PJM, and ISO-NE will be taking steps necessary to comply with Order 1000 and the protocol. An IPSAC meeting was held on December 14, 2015 to discuss: (a) Regional Planning Needs for each ISO/RTO, (b) Interregional Planning timelines in the context of Order 1000, and (c) Projects potentially affecting Neighboring Systems.

#### 9.5 **Other Studies/Activities** – None

#### 10.0 **Market Initiatives Impacting Reliability** – Mr. Mukerji (NYISO) discussed updates to market initiatives felt to have significance from a reliability perspective.

The Behind the Meter: Net Generation Model will clearly define rules to allow incremental generation behind the meter to participate in the NY Wholesale Electricity market. The NYISO received stakeholders Management Committee approval of the market design in December 2015 and will file the relevant tariff with FERC after Board approval in January 2016. The NYISO will also engage with stakeholders on further enhancements to integrate distributed resources into wholesale markets.

The Comprehensive Shortage tariff changes were implemented in November 2015. The NYISO has engaged stakeholders in a review of market design improvements to enhance the Scarcity Pricing mechanisms. The NYISO received stakeholder approval of the changes in October 2015 and is targeting implementation of the new practice in the 2<sup>nd</sup> Quarter of 2016.

The NYISO is actively participating in the PSC's proceeding, Reforming the Electric Vision, directly supporting market working groups formed under Track One to facilitate conceptual discussions of REV design, system architecture, and potential interactions between retail activities and the wholesale markets. The NYISO is also looking to partner in various REV demonstration projects to evaluate the potential for operational and market impacts from DER participation.

FERC directed the NYISO to develop and file a set of rules to designate resources for Reliability Must Run (RMR) service to ensure the continued reliable and efficient operation of the power system and the NYISO Markets. The structure and administration will require: (a) specifying the retirement notification obligations, (b) a process for evaluating alternative solutions, (c) definition of compensation and cost allocation provisions, and (d) expectations for participation in the capacity and energy markets. In addition, the NYISO is exploring enhancements to its long-term planning process to support identification and development of solutions for potential generator retirements. The NYISO has developed and filed with FERC a proposed solution framework.

The NYISO has initiated stakeholder discussion on evaluating alternate Methodologies for Setting Locational Capacity Requirements (LCRs). There are multiple possible approaches to determine the LCR requirement for a Capacity Zone after the IRM has been set under NYSRC's Policy 5. The NYISO is facilitating a discussion in an ICAP Working Group Task Force to identify appropriate methodologies. The NYISO will work with stakeholders to develop enhancements to the current methodology for setting LCRs for 2016. Mr. Patton (NYISO Market Monitoring Unit) has suggested that LCRs be set based on the economics of procuring needed amounts of capacity to maintain NYCA-

wide reliability. The NYISO will brief the ICS on these discussions.

The Analysis Group is leading the Demand Curve reset evaluation and has had several discussions with stakeholders on the framework of the current DCR process and an evaluation of the periodicity of the DCR. Any tariff revisions for a change in the periodicity of the DCR process will be filed with FERC in March 2016. The DCR process will continue through 2016 with a filing of the revised parameters in November 2016.

## 11.0 Other Items

**11.1 NYISO Operations Report** - Mr. Yeomans reported that the monthly peak load occurred on Tuesday, January 19, 2016 at 23,317Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 25,282Mws. Very low gas prices have caused low marginal costs throughout the month.

There were no Major Emergencies. Alert states were declared on 15 occasions – 5 times for declared emergency transfers. There were no TLR Level 3s declared during the month. Reserve activations occurred 9 times. No emergency actions were taken.

A NERC/NPCC Reportable DCS Event occurred at 22:43 on January 23, 2016. A RPU and SAR were initiated for loss of Fitzpatrick loaded at 530Mws. Ace crossed zero, and the RPU was terminated at 22:50. The SAR was terminated at 23:12.

Mr. Yeomans indicated that on February 3, 2016, the NYISO experienced two Major Emergencies. At 10:47 there was a forced out of the 345kV Gilboa-Fraser circuit which coupled with the outage of the 345kV Fraser-Coopers Corners for re-conductoring, resulted in exceeding the 105% Central-East stability limit. The Major Emergency was terminated in 9 minutes. Later that day, the Gilboa-Fraser and Gilboa-Leads 345kV circuits tripped. Again the Central-East limit was exceeded by more than 105%.

The operators curtailed transactions to New England, re-dispatched generation, switched capacitors back-in and adjusted the PARs.

**11.2 North American Energy Standards Board (NAESB)** – Mr. Ellsworth reported that the NAESB Advisory Council will meet in Washington, DC on February 13, 2016 in conjunction with the Winter Meetings of the National Association of Regulatory Utility Commissioners. Also, the NAESB Quarterly should be available shortly.

**13.0 Visitors' Comments** – None

## 14.0 Meeting Schedule

<u>Mtg.</u>			
<u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
203	Mar. 11, 2016	Albany Country Club, Guilderland, NY.	9:30 A.M.
204	Apr. 8, 2016	Albany Country Club, Guilderland, NY.	9:30 A.M.

The Executive Committee Meeting #202 adjourned at 12:00 A.M.