

**Joint Meeting of the
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Rules Subcommittee (RRS) /
Reliability Compliance Monitoring Subcommittee (RCMS)
Thursday, September 1, 2016**

Minutes of RRS Meeting No. 205

RRS Members and Alternates:

Roger Clayton, Electric Power Resources (Chairman)
Martin Paszek, Con Edison (Secretary)
Zoraini Rodriguez, PSEG_LI/LIPA (Phone)
Roy Pfleiderer, National Grid (Phone)
Erin Doane, Central Hudson (Phone)

Non-Voting Participants:

Al Adamson, Consultant
Jim Grant, NYISO

Guests:

Brian Shanahan, National Grid
Mark Capano, NYISO
Paul Gioia, Counsel
Matt Schwall, IPPNY
Dan Head, Con Edison (Phone)
Matilda Duli, Con Edison (Phone)
Kevin Johns, NYISO (Phone)
Kelly Joseph, NRG (Phone)
Sal Spagnolo, NYPA (Phone)

RRS Meeting # 205 was called to order by Mr. Clayton at 9:30 am.

1. Introduction

1.1 Executive Session

None requested.

1.2 Requests for additional Agenda Items

None requested. Mr. Clayton stated that today's meeting Agenda has an on-going Additional Agenda Item: Agenda Item 6.1 *REV Potential Impact on NYS BPS Reliability*.

2. Approval of Minutes / Action Items

2.1 Approval of RRS Minutes #204

RRS reviewed the Minutes from the last RRS meeting.

Mr. Hochberg's written comments toward RRS Minutes #204 were discussed and per Mr. Spagnolo's recommendation (where Mr. Hochberg's goal is to continue having an on-going discussion toward PRR 131C), these comments were punted to Agenda Item 3.1.1 *PRR 131C I.6, Modeling & Data (Dual fuel testing requirements)*.

Minor comments were provided to the Minutes and with these changes, Minutes are considered as final.

2.2 RRS 203 Status Report to EC

Mr. Clayton presented to the RRS a copy of the 'RRS 204 Status Report to EC', which he develops for the purpose of summarizing at the next NYSRC Executive Committee meeting what RRS has done at its prior meeting.

2.3 RRS Action Items List

Action Item 204-5: On agenda today and status is changed to 'Completed'.

Action Item 204-4: On agenda today and status is changed to 'Completed'.

Action Item 204-3: On agenda today and status is changed to 'Completed'.

Action Item 204-2:

On-going. Mr. Paszek informed RRS on the Con Edison progress of its meetings with Black Start providers (within Zone J); no meeting occurred to date.

Action Item 204-1: On agenda today and status is changed to 'Completed'.

Action Item 197-8: On-going.

Action Item 191-2: To be removed per prior RRS recommendation.

Action Item 141-1:

Mr. Paszek asked about the genesis of Action Item 141-1: *Monitor the NERC frequency response studies and regulations*. Mr. Paszek also stated that Action Item 139-1 *Monitor FERC and NERC Governor Response Activity* appears to touch upon the same subject as Action Item 141-1. Mr. Clayton provided a short historical summary toward these Action Items. Mr. Grant stated that the latest revisions of the NERC BAL Standards may address these subjects. Mr. Clayton asked Mr. Grant to review the NERC BAL Standards to see if RRS concerns (i.e. Action Items 139-1 and 141-1) have been addressed by NERC. On-going.

Action Item 205-1: Review NERC BAL Standards to ascertain if Action Items 139-1 and 141-1 can be closed.

Action Item 139-1: See discussion under Action Item 141-1. On-going.

Action Item 87-5: On-going.

Action Item 83-8: On-going.

3. NYSRC Reliability Rules Development

3.1 Outstanding PRR List

Mr. Clayton corrected the description of PRR 131 from “PRR 131 I.6, Modeling & Data (Dual fuel generator unit testing)” to “PRR 131C G.2, Loss of Gas Supply – New York City”.

3.1.1 PRR 131C I.6 Loss of Gas Supply – New York City

Mr. Clayton provided a short summary on this subject where, upon last meeting’s discussion, Con Edison was requested (per Action Item 204-1) to modify PRR 131C per comments received.

Mr. Clayton stated that RRS should recognize Mr. Hochberg’s / Mr. Spagnolo’s request to table the discussion toward PRR 131C. Mr. Paszek objected due to the fact that RRS has spent months developing this PRR and due to the fact that RRS has addressed Mr. Hochberg’s issues at prior RRS meetings. In addition, Mr. Paszek stated that at this point RRS would be sending PRR 131C to the NYSRC Executive Committee with a recommendation to post; and that RRS will have another chance to look at this. Mr. Clayton asked if there is any adverse impact to reliability if RRS would table PRR 131C. Mr. Paszek stated that there are no other NERC or NPCC requirements that would address dual fuel testing. Mr. Paszek also stated that NYPA can raise their issues/objections at the NYSRC Executive Committee. Mr. Clayton seconded this understanding.

RRS reviewed PRR 131C. Mr. Gioia asked if the language in the PRR 131C correctly identifies the technical issues, meaning: “[...] *to automatically swap from natural gas to a liquid fuel source in the event of the sudden interruption of gas fuel supply or, loss of gas pressure or unavailability of gas supply to the generator, [...]*” is the phrase correct; should this address pre-contingency swap at certain load level? Mr. Paszek stated that Con Edison, through the Application of NYSRC Reliability Rules (ARR 69), requires, at different load levels, a “minimum oil burn” (pre-contingency) on the steam electric units and an “activation of automatic fuel swapping” (for post-contingency) for combined cycle units. Per ARR 69, Con Edison does not request pre-contingency fuel swap on the combined cycle units. The testing envisioned in PRR 131C would provide assurance that when an event happens on the gas system the ‘activated’ combined cycle units would perform fuel swap as intended (i.e. swap from gas to oil).

Mr. Shanahan provided few comments/questions toward PRR 131C. An editorial comment under R4, a removal of a plural s, has been accepted. A suggestion to remove the word ‘appropriate’ from R5 (and associated Measurement) has been accepted. A suggestion to delete ‘take steps to’ in R6.1 was not accepted, however R6.1 (and the associated Measurement) was adjusted by replacing the word “address” with “resolve”.

Action Item 205-2: Modify PRR 131C per comments received.

Mr. Clayton asked if there are any objections for RRS to make a recommendation to the NYSRC Executive Committee to post PRR 131C for comments. No objections were recorded. Mr. Clayton asked that the RRS Meeting Minutes recognize Mr. Hochberg’s concerns and that there would be an opportunity for NYPA to make further comments at the upcoming NYSRC Executive Committee.

3.1.2 PRR 132 I.4, Transmission Data (Clarification of Material Error)

Mr. Clayton provided a short summary on this subject. PRR 132 was posted for comments and no comments were received.

Mr. Shanahan asked if RRS has the common understanding of the following language under R1.7 “[...] *the NYISO assessment identifies a reliability violation* [...]” as it relates to the definition of adverse material impact – is that a real time reliability violation? The answer provided was yes, and the discussion pointed to the 2nd part of the sentence under R1.7 where the adverse material impact definition includes changes to the conclusions of a NYISO planning or operating study.

Mr. Clayton asked if RRS would recommend PRR 132 to the NYSRC Executive Committee for a final approval. No objections were received.

Mr. Adamson asked (and recommended) if the NYSRC RR&CM should be updated with the adaption of PRR 132. Mr. Paszek seconded Mr. Adamson’s recommendation.

3.1.3 PRR 133 F System Restoration (F.1 revision / F.2 retirement)

Mr. Clayton provided a short summary on this subject where, upon last meeting’s discussion, Mr. Paszek and Mr. Adamson (per Action Item 204-3) modified PRR 133 per comments received (Mr. Paszek) and added Compliance Measurements / Non-Compliance Levels (Mr. Adamson) to PRR 133.

Mr. Adamson requested to add page numbers to PRR 133; RRS agreed. An editorial comment under R1.5.4, a removal of an extra r, has been accepted.

Mr. Adamson asked if NPCC Directory 8, currently under revision, would impact PRR 133. Mr. Paszek stated no, and in addition Mr. Paszek stated that the revisions to NPCC Directory 8 are not yet finalized and may not be for some considerable amount of time.

Mr. Clayton requested an addition of F.2 Requirements, Measurements and Levels of Non-Compliance so they are shown in PRR 133 stricken out (as these will be retired as part of PRR 133); RRS agreed.

Mr. Clayton asked the NYISO if the Implementation Plan as written is PRR 133 is acceptable to the NYISO. Mr. Grant stated that the NYISO will meet on this PRR 133 after this RRS but prior to next week's NYSRC Executive Committee meeting, and at that meeting (i.e. NYSRC Executive Committee) the NYISO may raise concerns, if necessary.

Mr. Gioia raised a concern that PRR 133 eliminates testing requirements for the steam electric units and that it is important to know what effect that action will have on the participation of steam electric units in the Con Edison System Restoration Plan. Mr. Gioia stated that steam electric units currently meet the definition of a Black Start resource and in the future they may not. Mr. Paszek stated that Con Edison is not trying to remove steam electric units from the Black Start program. The new requirements, which are more stringent and specific, would be applicable to all type of units (gas turbines, hydro, steam electric, etc.). Con Edison is looking to have Black Start resources that can perform their intended function post a blackout; i.e. start on its own, energize a dead bus and idle (no matter the unit type). Mr. Gioia asked, with the assumption that the steam electric units would be out of the Con Edison System Restoration Plan, would that be a concern; that RRS should explain to the NYSRC Executive Committee what would be the impact of such an outcome. Mr. Paszek stated that the Con Edison System Restoration Plan has enough flexibility to withstand the loss of steam electric units. Mr. Gioia stated that this should be presented to the NYSRC Executive Committee in a form of a written letter from Con Edison. Mr. Clayton stated that both he and Mr. Adamson reviewed Con Edison System Restoration Plans and that it was certified that Con Edison, through the NYISO, met the appropriate requirements. Mr. Gioia restated that the NYSRC Executive Committee needs be aware of the impact of removal of steam electric units from the Con Edison System Restoration Plan; that there is no adverse impact on reliability. Mr. Paszek stated that PRR 133 does not remove testing requirements for the steam electric units; PRR 133 is making them more stringent and specific (in order to align the NYSRC Reliability Rules with NERC's EOP-005 and NPCC's Directory 8). Mr. Gioia stated that it is understood, but there is a good possibility that the steam electric units may fail the new testing requirements. Mr. Paszek reminded the group that both TC Ravenswood (Ravenswood steam electric units) and EasternGen (Astoria steam electric units) stated, at this venue, that it can be done. Mr. Clayton stated that PRR 133 does not remove requirements, it makes them more stringent, and a possible outcome could be a loss of steam electric units from the Con Edison System Restoration Plans. Mr. Paszek suggested that Con Edison could present at the upcoming NYSRC Executive Committee (during an Executive Session) a presentation, in lieu of a letter, that would address Mr. Gioia's issue.

Mr. Gioia also stated that the NYSRC can expand on NERC and NPCC requirements and if the steam electric units 'fail' NERC definition, the NYSRC can bring the steam electric units into the fold. Mr. Paszek asked why; what would be the reason for doing so. Mr. Gioia stated that Con Edison should provide the reasoning. Mr. Paszek stated that Con Edison is not advocating the above cause of action.

Mr. Gioia stated that Con Edison has identified (in the past) the steam electric units as 'necessary' for its System Restoration Plan, and now Con Edison is claiming that they may not be necessary. Mr. Johns stated that nothing has changed as it relates to the characteristics of the units, what's changed is Con Edison's status as a registered TOP. Mr. Paszek stated that Con Edison will not remove a unit, whatever the type, from its Con Edison System Restoration Plan if it passes the NERC EOP-005 testing requirements.

Mr. Adamson stated that - assuming that the NERC requirements (which are more stringent and specific) did not exist - if a steam electric failed the Black Start test (as prescribed by the NYSRC Reliability Rules) Con Edison would have to adjust their System Restoration Plan to address the loss of that resource; through procuring a new Black Start resource or by adjusting their System Restoration Plan. Mr. Adamson stated that this scenario does not differ to the one described by Mr. Gioia.

Ms. Joseph asked if there is timing involved with the new requirements. Mr. Clayton stated that the new requirements require a unit to start on its own, energize a dead bus and idle (hold it) for 10 minutes.

Action Item 205-3: Prepare a confidential presentation on the subject of Con Edison System Restoration Plan to be presented at the NYSRC Executive Committee.

Action Item 205-4: Modify PRR 133 per comments received.

Mr. Clayton asked if there are any objections for RRS to make a recommendation to the NYSRC Executive Committee to post PRR 133 for comments. No objections were recorded.

3.1.4 PRR 134 I.5, Disturbance Recording (I.5 Retirement)

Mr. Clayton provided a short summary on this subject where the recommendation is to retire Reliability Rule I.5; due to more stringent and specific NERC and NPCC Standards and Criteria. Mr. Paszek requested that all information that is to be retired from the NYSRC RR&CM should be shown on the PRR (red lined / stricken out); RRS agreed. Mr. Adamson asked that, in section 4 of PRR 134, a reference to requirements should be added; RRS agreed.

Action Item 205-5: Modify PRR 134 per comments received.

Mr. Clayton asked if there are any objections for RRS to make a recommendation to the NYSRC Executive Committee to post PRR 134 for comments. No objections were recorded.

3.1.5 PRR135 G.4 (R2), System Restoration (G.4 (R2) clarification)

Mr. Clayton provided a short summary on this subject. Mr. Clayton stated that due to the fact that this is a new PRR the members should review this PRR for the next RRS meeting.

Action Item 205-6: RRS to review PRR 135.

3.2. Discussion Items

3.2.1 Policy 1 Revisions - Guidelines

Mr. Adamson provided a short introduction on the topic presenting a table (“Guidelines for Establishing NYSRC Rules – Policy 1”) that started the discussion. The table identified 4 categories which were explained by Mr. Adamson. Mr. Paszek raised issues under category 2 where, as it is written, the NYSRC would take no action with new NERC and NPCC requirements. What if the NYSRC chooses to adopt additional requirements beyond these new NERC and NPCC requirements? RRS agreed that his could be category 5. Mr. Grant stated that under category 3, Future NYSRC Rules the write up should state “*Maintain and/or modify all existing NYSRC req [...]*”; RRS agreed.

Action Item 205-7: Modify NYSRC Policy 1 per proposed Guidelines for Establishing NYSRC Rules.

3.2.2 2017 Meeting Schedule

Mr. Clayton presented, as an information item, a copy of the ‘2017 Meeting Schedule’. RRS moved the July 6th meeting to June 29th, 2017.

3.2.3 Bucket List

The Bucket list has only one outstanding item, and since there is a PRR associated with this item (PRR 128: Definition of the New York State Bulk Power System), the Bucket list has been retired.

4. NPCC Directories

Mr. Adamson informed RRS that revised NPCC Directory 8 was posted for comments.

5. NERC SARS/Organization Standards

5.1 NERC Standard Tracking

Mr. Adamson highlighted to the RRS Members the No votes as these were cast per recommendation from either Con Edison or National Grid (see posted 'NERC Standard Tracking' document). The following ballots were defeated: IRO-002-5, TOP-001-4 and EOP-005-3.

6. Additional Agenda Items

6.1 REV Potential Impact on NYS BPS Reliability

No new material or discussion occurred on this topic at the RRS Meeting #205. The Agenda Item is on-going.

7. Reports

7.1 NYSRC EC Meeting Report

Mr. Clayton informed RRS that the NYSRC Executive Committee requested (from him) a presentation on the subject of GMD. Mr. Clayton has done it, and will provide a copy of the GMD presentation to the RRS members.

Action Item 205-8: Distribute GMD Presentation.

Mr. Clayton informed RRS that Mr. Gjonaj (New York State DPS) informed the NYSRC Executive Committee that the PSC will adopt the NYSRC RR&CM once a year (on an annual basis).

7.2 NYSRC ICS Meeting Report

Mr. Adamson stated that ICS has developed preliminary IRM % for the purpose of developing sensitivities. The 2016 IRM (calculated) was 17.4%; the preliminary 2017 IRM is 18.3%. The final IRM will be issued in November 2016. The increase is due to updated outside models / emergency transfers (~0.5%), Forced Outage rates have increased (~0.4%), new wind capacity (~0.2%) and other changes (~-0.2%).

Meeting ended at 11:55 PM.

Next Meeting #206 - CONFERENCE CALL

Thursday, October 6, 2016; 9:30 am