

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 105 – January 11, 2008
NYSERDA Offices, Albany, NY

Members and Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Bruce B. Ellsworth	Unaffiliated Member
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Mark Cordeiro	Muni. & Elec. Cooperative Sector - Alternate
George E. Smith	Unaffiliated Member
A. Ralph Rufrano	New York Power Authority – Member
Thomas Duffy	Central Hudson Gas & Electric – Member - Phone
Mayer Sasson	Consolidated Edison Co. of NY, Inc. - Member
Joe Hipius	National Grid, USA - Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector)
Chris Wentlent	Wholesale Sales Sector – Alternate - Phone*

Others:

Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Steve Fanning	National Grid, USA – RCMS Chairman
Al Adamson	Treasurer & Consultant
John Adams	New York Independent System Operator (NYISO)
Rick Gonzales	New York Independent System Operator (NYISO)
Ken Davis, Esq.	New York Independent System Operator (NYISO) - Counsel
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric – Phone

Visitors – Open

Session:

Erin P. Hogan, PE	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC)

“*” – Denotes part time attendance at the meeting.

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – None was requested.

- II. **Open Session**
 - 1.0 **Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.105 to order at 9:30 A.M. on January 11, 2008.
 - 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance or on the phone.
 - 1.2 **Visitors** – See Attendee List, page 1.
 - 1.3 **Requests for Additional Agenda Items** – Dr. Sasson requested an Agenda Item be added regarding the IRM filing with FERC.
 - 1.4 **Executive Session Topics** – An Executive Session was not requested.

 - 2.0 **Meeting Minutes/Action Items**
 - 2.1 **Approval of Minutes for Meeting No. 104 (December 14, 2007)** – Mr. Raymond introduced the revised draft minutes. After discussion and receipt of several editorial comments, Mr. Clagett moved for acceptance of the minutes subject to inclusion of the comments received. Mr. Rufrano seconded the motion which was unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will issue the final minutes for Meeting No. 104 and post them on the NYSRC web site **AI - #105-1**.
 - 2.2 **Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete:

<u>Action Item #</u>	<u>Comment</u>
58-7	The gas/electric studies were completed in the fall of 2007.
73-9	Blackout reporting is addressed under the agenda item”NPCC Report”.
95-12	Mr. Gentile has been replaced by Mr. Rufrano.
98-7	NYISO operator “repeat back” training was completed in November 2007.
101-5	Mr. Patka reported that space could not be guaranteed and costs are comparable.
103-2	The PRR on the “Extreme Contingency Rule” was posted on December 27, 2007.

- 3.0 **Organizational Issues**
 - 3.1 **NYSRC Treasurer’s Report**
 - i. **Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements which showed a balance of \$158,600 in cash at the end of December 2007. Also, he noted that 2007 expenditures were \$54,000 below budget. Further, \$92,500 of the \$165,000 1st quarter 2008 Call-For-Funds has been received. A check for \$525 was received from the State of NY as reimbursement for the lunches of State employees. Mr. Loehr reminded the Committee that the 2008 mileage rate has increased to \$.505 per mile. The 1099 forms will be sent out during the week of January 13, 2008. The 2007 audit by Slocum & DeAngelus will begin shortly. The Auditor (Mike Ryan) will be sending a letter shortly requesting information on payments received from the NYSRC during 2007.
 - 3.2 **Other Organizational Issues**
 - i. **Selection of New Members** – Mr. Loehr read an email from Mr. Gioia indicating that the NYSRC Executive Committee members representing the Wholesale Sellers (1) and Municipals

and Cooperatives (1) have resigned. These vacancies must be filled pursuant to the procedures approved by the NYISO Board of Directors on August 21, 2001. Mr. Cordeiro expressed the view that in the case of the Municipals and Cooperatives this matter is not critical since an election was held in the spring of 2007 in accordance with the NYISO Board's procedure and he was duly selected to serve as the Alternate Member. During the December 14, 2007 meeting, Mr. Bush suggested that IPPNY would be holding an election, probably in February 2008. Mr. Raymond agreed to contact Mr. Gioia to clarify the procedural requirements – **AI #105-2**.

- ii. **Modified Roster Format** – Mr. Jeremko discussed the proposed new spreadsheet format for the roster. Mr. Adamson indicated that he is in the process of getting input from the Subcommittee Chairs and verifying that the spreadsheet can be posted on the NYSRC website in a “user friendly” way. The expectation is that at least for the first year, Mr. Jeremko would be responsible for providing the necessary updates to Ms. Lynch. Mr. Raymond will continue to update the current roster.

4.0 State/Federal Energy Activities –

4.1 Status of FERC NOPR on Reliability Standards – See Agenda Item 8.3ii.

4.2 NYSRC Filing Regarding ISO-NE Method of Determining ICR – Mr. Dahl indicated that FERC issued an order on December 10, 2007 regarding the New England (NE) capacity market. ISO-NE held a meeting on December 21, 2007 to discuss implementation of the order, in particular, the methodology for the tie benefits calculation. A number (5-6) of ICS members participated. It was agreed that ISO-NE would prepare a “strawman” indicating its approach, which would then be commented on by ICS. Meetings will be held twice a month until June 2008. The next meeting is January 18, 2008. ICS will be actively participating throughout.

4.3 DEC Meeting on Reliability Impacts of Proposed Envir. Regs - Status – Mr. Adams brought to the attention of the Executive Committee a Northeast RGGI Stakeholder Conference to be held on January 31, 2008 in Newark, New Jersey at the Newark Club. Also, Ms. Hogan again encouraged the Committee to meet directly with the DEC to address its concerns. She agreed to provide the appropriate contact and Mr. Loehr will set-up the meeting. The NYSRC participants will include Messrs. Loehr, Mager, Gioia, Clayton, Dahl and Adamson.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith noted that the NPCC TFSS -38 (SS-38) met on January 8, 2008 to discuss detailed results and plan further work. He gave the following summary of the work in progress regarding the UFLS studies:

- 1) For the most part, most of the islands studied perform less robustly using the updated governor response models.
- 2) If criteria level load shedding is performed, most islands will not demonstrate adequate recovery. However, some areas do employ additional load shedding beyond NPCC Criteria and may demonstrate more favorable recovery characteristics.
- 3) Generally, it appears that additional steps of load shedding may be required to decrease the "lumpiness" (improve the granularity) of the load shedding as is done in other regions (WEC). In view of this, SS-38 is requesting that representatives of the NPCC TFSP be added to the SS-38 group to provide additional system protection expertise.

Mr. Smith plans to schedule a meeting of the DSWG for February 6, 2008 to update the Working Group on the UFLS study results, discuss potential relay modifications, review the island formations, and begin thinking about transmission protection to accommodate island formation. Mr. Fedora cautioned that continuation of the SS-38 work is subject to periodic review by the NPCC-RCC.

- 5.2 NPCC Defensive Strategy Activities** – Nothing additional to report; see Agenda Item #5.1.
- 5.3 PSC Case to Establish Criteria for Interruptible Gas** – Nothing new to report.
- 6.0 Installed Capacity Subcommittee (ICS) Status Report/Issues**
- 6.1 ICS Status Report and Discussion Issues** – Mr. Dahl reported that ICS did not have a January 2008 meeting.
- 6.2 Mechanism to Accommodate Expanded GE-MARS Database Review** – Mr. Adams reported Hydro Quebec still has not signed the Confidentiality Agreement. Also, the TO sign-off remains a work in progress – **AI #105-3**.
- 6.3 2008 IRM Study** – Dr. Sasson and other members expressed concern that the title of the IRM press release was misleading. Mr. Raymond agreed to contact Mr. Gioia and discuss any necessary actions.
- 6.4 Forward Looking IRM** – Mr. Dahl noted that there is an Action Item to perform a forward looking IRM analysis. Furthermore, Mr. Gonzales indicated at the December 14, 2007 Executive Committee meeting, that the NYISO was contemplating a forward looking ICAP market, which would require a forward looking IRM. Dr. Sasson noted such markets are already in use in PJM and NE. It was agreed that the NYISO (Mr. Gonzales) and ICS (Mr. Dahl) would coordinate the process for obtaining the forward looking IRM.
- 6.5 IPPNY's Objection to the 2008 IRM** – Mr. Loehr expressed the view that differing opinions between members is not unusual. However, he did express concern that IPPNY issued a press release and that the language was both inflammatory and controversial. During a discussion of possible responses, Mr. Mager suggested that the Committee wait to decide on any firm actions until the comments to the NYSRC IRM filing with FERC are available on January 25, 2008. Dr. Sasson noted that ConEd has not yet decided whether to file comments. Messrs. Loehr, Mager, Gioia, Adamson, and Dahl will take the lead in developing a draft NYSRC response once comments, if any, are available – **AI #105-4**. A conference call will be initiated, if necessary.
- 6.6 IRM Filing With FERC** – Dr. Sasson pointed out that in his view, the 2008 IRM Filing contained statements that were not technically precise enough to avoid being potentially misleading. The Executive Committee acknowledged Dr. Sasson's concern and agreed that ICS will consider his concerns when preparing the 2009 IRM Report and transmittal letter to FERC – **AI #105-5**.
- 6.7 Other ICS Issues**
- i. NYISO/NE Mutual Emergency Assistance Study** – Nothing new to report.
- 7.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues**
- 7.1 RCMS Status Report and Discussion Issues** – Mr. Fanning indicated that RCMS met on January 10, 2008. The next RCMS meeting is February 7, 2008.
- 7.2 2007 NYRCP** – Mr. Fanning advised that the 2007 Compliance Report, which will contain the completed NYRCP for 2007, will be available for discussion at the February 8, 2008 Executive Committee meeting. RCMS has begun work on the 2008 Compliance Plan.
- 7.3 2008 NYRCP** – Mr. Fanning presented the Measurements recommended by RCMS for inclusion in the 2008 Reliability Compliance Program. He noted that RCMS would like to have Measurement C-M9, Procedure for Maintenance of Loadflow, Short-circuit and Stability Data, added to the list. Review dates will be added in February 2008 after consultation with the NYISO. After discussion, Mr. Ellsworth moved for approval of the Program's elements as modified by the addition of C-M9. The motion was seconded by Mr. Claggett and unanimously approved by the Executive Committee - (13 to 0).
- 7.4 Other RCMS Issues** – At the December 14, 2007 Executive Committee meeting, Mr. Dahl noted several instances in which Generators and Merchant Tie Line Owners have failed to inform him of significant system equipment changes in a timely manner. Further, it appears that this may be a systemic problem.

Mr. Adamson pointed out that in December 2005, the NYSRC approved a change to CM-9, the NYISO Shall Establish and Maintain Procedures for Maintenance of Loadflow, Short Circuit, and Stability Data. The Measurement states that the procedures shall include MP requirements for reporting critical changes to these data bases to the NYISO and TOs. Mr. Fanning indicated that RCMS expects to deliver a letter of non-compliance by the NYISO stemming from “holes” in technical Bulletin #160. Mr. Adams expressed the belief that the issue is one of the frequency of updates. Mr. Gonzales added that the NYISO is taking a serious look at Bulletin #160.

8.0 Reliability Rules Subcommittee Status Report/Issues

8.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that RRS met on January 3, 2008. PRRs #8, #52 and #84 are on hold pending completion of related pre-requirements. PRR #95, System Restoration Training, has been posted and comments are due on February 1, 2008.

8.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (PRR) Changes

b. Status of New/Modified Reliability Rules

1. PRRs for Final EC Approval – See Item 8.1.

2. PRRs for EC Approval to Post for Comments – None

3. PRRs for EC Discussion – None

8.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Status – Mr. Adamson introduced the NERC Reliability Standards Development Tracking Summary. The NPCC Regional Standards Committee is meeting during the week of January 13, 2008 to develop comments and voting recommendations. Mr. Adamson will review the results of the meeting with RRS.

ii. Status of NERC “Determine System Operating Limits” – Mr. Adamson reminded the Executive Committee that on November 6, 2006 the NERC Board of Trustees adopted the series of “System Operating Limits” Reliability Standards, FAC 010-1, 011-1 and 014-1 and forwarded a letter to FERC asking for approval for enforcement. FERC sent out a NOPR on August 13, 2007. In October 2007, the NYSRC filed its comments in opposition to FAC 011-1, the treatment of multi element level C contingencies. On December 27, 2007, FERC adopted the Standards without the requested changes to FAC 011-1. FERC did comment that if the NYSRC continued to have concerns, they should be addressed through the NERC Reliability Standards Development Process. At the recommendation of Mr. Gioia, the Committee agreed not to comment on the FERC Order. Mr. Clayton indicated that he had been contacted by NERC Staff to see whether the NYSRC would proceed with the development of a SAR. He responded to the affirmative in spite of the Staffer’s concerted effort to change his mind. After lengthy discussion, the Executive Committee agreed that work on the SAR should proceed. Further, Mr. Clayton was asked to contact Jim Robinson (PP&L) to discuss PP&L’s data on multi element contingencies – **AI #105-6**. The NYISO (Mr. Gonzales) will investigate whether there is NYISO data on multi element contingencies and, if not, what is the extent of the effort required to collect the data in the future – **AI #105-7**.

8.4 Other RRS Issues – Mr. Clayton reported that Mr. Carney (NYISO) attended the January 3, 2008 RRS Meeting to discuss the type of data that RRS like in order to help quantify the impact of proposed environmental regulation on the MOB rules. Mr. Carney indicated he has begun working on RGGI data to predict the amount of RGGI CO2 which would be generated by the MOB units in 2007. Preliminary results may be available for the February 8, 2008 Executive Committee meeting. He will follow the RGGI investigation with consideration of potential HEDD impacts. Mr. Wentlent advised that ultimately there may be need for a coordinated investigation with NE and PJM.

Also, Mr. Clayton noted that the NYISO has submitted a list of equipment to be included in NPCC A-10, Definition of Bulk Power System Elements. However, the NYISO definition of Bulk Power

System is incompatible with that of NPCC, resulting in a list that contains more elements. The difference is that the NYISO list includes all elements secured by the NYISO. Mr. Gonzales suggested that the incremental elements may be market vs. reliability oriented. Mr. Hipius cautioned that the TOs specifically removed some items from the A-10 list and would not want them to reappear on a new list. Mr. Clayton suggested that RRS may utilize A-10 and have a second definition for appropriate supplemental elements.

9.0 NYISO Status Report/Issues –

9.1 NYISO 2007 Comprehensive Reliability Planning Process (CRPP) – Nothing new to report.

9.2 Studies – Status

i. Electric Deliverability Study – Mr. Adams reported that the NYISO is working on documenting a compromise agreement reached with stakeholders for a deliverability test within each of three super zones: J, K, and ROR. There will be a second filing with FERC under Order 890, which will include the details of the test, at the end of the 1st quarter 2008. The NYISO will provide a presentation on the Study to the Executive Committee at that time – **AI #104-12.**

9.3 Other Studies/Activities –

i. NYCA Reactive Power Study – Mr. Adams noted that the Reactive Power Study was distributed to the Executive Committee members. Also, he mentioned that the NYISO issued the preliminary peak load estimate of 33,798Mw for ICAP calculations to the MPs. This is 1.0% above last year and 70Mw above the load level used in the 2007 IRM Study.

10.0 Other Items

10.1 ConEd Power Local Power Interruption on June 27, 2007 – Nothing new to report.

10.2 NYISO Operations Report (October 2007) – Mr. Raymond indicated that he would forward the December 2007 Operating Summary once it is received. Mr. Gonzales indicated that there were two events of note. There was one exceedence of a voltage/stability limit and one thermal limit violation. Both were of short duration. Also, Mr. Gonzales also noted that the NYISO received its first NERC Reliability Compliance Audit (held every three years) of eight Operating Standards and four Planning Standards. A report on the results will be available by the end of January 2008. The report will indicate that the NYISO was found to be in full compliance.

10.3 North American Energy Standards Board (NAESB) Report – Nothing new to report.

10.4 NPCC Report – Nothing new to report.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#106	Feb. 08, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#107	Mar. 14, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 105 was adjourned at 2:15 P.M.

