

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 120 – April 17, 2009
Albany Country Club, Voorheesville, NY

Members and

Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Curt Dahl	LIPA - Member – ICS Chairman
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George E. Smith	Unaffiliated Member
Robert Loughney	Couch White, LLP (Large Customers’ Sector) - Alternate
Richard J. Bolbrock	Municipal & Electric Cooperative Sector – Member
Thomas Duffy	Central Hudson Gas & Electric – Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc. - Member
Michael Forte	Consolidated Edison Co. of NY, Inc. – Alternate Member
Joe Hipius	National Grid, USA - Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member - Phone
Tim Bush	Independent Power Producers of New York (IPPNY) – Member - Phone
G.D. Haake, Esq.	Dynegy - Alternate
Ralph Rufrano	New York Power Authority – Member

Others:

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Al Adamson	Treasurer & Consultant
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Henry Chao	New York Independent System Operator (NYISO)*
Carl Patka, Esq.	New York Independent System Operator (NYISO) - Counsel
Jim Castle	New York Independent System Operator (NYISO)
John Adams	New York Independent System Operator (NYISO)
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service

Visitors – Open

Session:

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

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

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was not requested.

II. Open Session

1.0 Introduction – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.120 to order at 9:30 A.M. on March 13, 2009.

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 – None

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. 119 (March 13, 2009) – Mr. Raymond introduced the revised draft minutes. Dr. Sasson suggested several additional changes. Following further discussion, Mr. Smith moved for approval of the draft minutes contingent upon inclusion of Dr. Sasson’s suggested changes. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee Members in attendance – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #120-1**.

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>Comments</u>
113-4	Replaced by Action Item #119-5.
115-3	Ms. Hogan provided Mr. Loehr’s written statement to NYSERDA February 2009.
116-2	Mr. Adamson presented the final 2009 Biennial Report at the April 17, 2009 Executive Committee meeting.
118-4	The draft SEP was issued on March 31, 2009.
118-5	Mr. Dahl presented the Assumptions Matrix for the Forward Looking IRM Study at the March 13, 2009 Executive Committee meeting.
118-6	Mr. Dahl presented the scope of the EFOR Trends Study at the March 13, 2009 Executive Committee meeting.

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 shows a balance of \$208,000 at the end of March 2009. Also, he noted that the 2nd Quarter Call-for-Funds is fully paid.

3.2 Other Organizational Issues

i. NYSRC Biennial Report – Mr. Adamson distributed the completed 2008/09 Biennial Report. The cost of printing the formal document was only \$900.00 for 300 copies, less than half the second bid. The Chairman described the Report as elegant and acknowledged the excellent work by Mr. Adamson, his wife Carol, Linda Raymond, and Carol Lynch (NYSRC Administrative Assistant). Copies will be provided to industry leaders including FERC, NERC, NPCC, NYISO, State Government and the NYSRC membership. The Report will be posted on the NYSRC web site.

ii. D & O Policy – Mr. Gioia noted that the renewed D & O Policy was bound. Mr. Adamson added that the payment to Wells Fargo of \$48,000 was made on April 13, 2009.

iii. General Liability Insurance – Mr. Gioia indicated that the Liability Insurance policy needs to be renewed by June 15, 2009. The Chairman will be signing the application today, April 17, 2009.

iv. Executive Committee – Selection of Members – Mr. Gioia reminded the Executive Committee that their two year terms expire July 31, 2009. The TOs designate their members (Member and Alternate) by letter signed by a company officer, the unaffiliated members are elected by the Executive Committee, and the representatives of the Wholesale Sellers, Large Customer, and Municipal and Electric Cooperative Representatives are selected in accordance with procedures adopted by the NYISO Board and available on the NYSRC website. The procedures require the NYSRC to post the availability of the positions on the NYSRC and NYISO websites for consideration by the Market Participants at least thirty days prior to the expiration date – **AI #120-2**. The Executive Committee’s Officers are elected for one year terms without limitation on the number of terms served. It has been practice for the Officers to serve two full and consecutive terms. Both Messrs. Loehr and Mager have expressed interest in serving a second term as Chairman and Vice Chairman, respectively. Mr. Gioia agreed to send a letter requesting any additional officer nominations prior to the May 8, 2009 Executive Committee meeting – **AI #120-3**.

4.0 State/Federal Energy Activities

4.1 SEP Update

i. Energy Planning Board (EPB) - Energy Coordinating Working Group (ECWG) – Mr. Gioia described the preliminary findings of the ECWG’s Interim SEP Report issued March 31, 2009 including consideration of NYS economic growth through investment in efficiency and renewable energy, climate control through actions to reduce CO2 emissions, new natural gas delivery infrastructure to support growth in demand, increased wind power and grid integration, increasing the penetration of electric vehicles, restructuring of the NYPA economic development programs, near term investment to support liquid fuels for heating and generation, increased downstate transmission to meet locational requirements and utilization of “Smart Grid” transmission technology. Comments are due by May 15, 2009. Some members expressed concern that the decision process that led to the specific findings was not discussed. It did not appear that any consideration had been given to the interrelationships between findings, accumulative effects, and potential unintended consequences on reliability and cost. Mr. Adamson noted that the federal “Cap and Trade” initiative was not mentioned, yet it could have overwhelming cost impacts. The Executive Committee was asked to provide comments to Messrs. Gioia and Adamson by April 25, 2009 – **AI #120-4**. Mr. Clayton will continue discussing key issues with the NYSERDA.

4.2 NYSERDA Update – Nothing new to report.

4.3 RGGI Update – Nothing new to report.

4.4 Pursuit of Stimulus – Mr. Fedora noted that NERC has not indicated how Stimulus money allotted to it would be used.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith provided the Executive Committee a technical update of the application of phasor technology to Coherent Generation Groups. He indicated that phasor measurements from separate locations can be sampled and processed at a rate of 60 samples per second. Swing detection schemes over wide areas are now available to extend from “operator awareness” to potential real time control applications. The protection schemes are easier to implement with fewer components and improved reliability. Mr. Smith showed plots of slip frequency versus acceleration which can display stable and unstable modes of operation. This forms the conceptual basis for implementing real time algorithms applicable to wide area protection schemes. Also, Mr. Smith summarized EPRI projects being performed for NYSERDA including real time applications of Phasor Measurement Units (PMU) and Fast Fault Screening (FFS). He also mentioned other EPRI work in the area of “Smart Separation and Restoration Strategies”. Next steps for DSWG will include

getting up-to-date on EPRI's related activities, surveying vendors and providing input to NPCC SS-38. Mr. Clayton suggested applying the phasor swing detection technology to the 2003 blackout data.

5.2 NPCC Defensive Strategy Activities – Nothing additional to report.

5.3 Interregional Studies of Proposed Transmission

i. NYISO – Mr. Chao reported that following the withdrawal of the NYISO and ISO-NE from the publication of the current Joint Coordinated System Plan (JCSP), seventeen Planning Authorities from the Eastern Interconnection have formed the Eastern Interconnection Planning Partnership (EIPP) and hired David Whitely from NERC to manage the Partnership. The EIPP will take a “bottoms-up” approach to multi-Regional transmission needs by rolling-up Regional plans, performing analysis of alternative transmission scenarios, coordinating with Canada, the Western Interconnection, and ERCOT, and receiving stakeholder input and holding public meetings. The analysis will be driven by national, regional and state energy/economic/environmental objectives.

ii. NPCC – At the request of the Chairman, Mr. Fedora agreed to provide a presentation of NPCC's interregional studies activities at the June 12, 2009 Executive Committee meeting – **AI #120-5**.

5.4 FERC Order 100kv “Bright Line” – Mr. Gioia reported that on March 27, 2009 he filed a NYSRC intervention in the NPCC proceeding at FERC concerning the definition of bulk electric system facilities. Also, the PSC has intervened indicating its belief that the NPCC response was adequate, but should FERC decide to consider imposing a 100kv “bright line” test on NPCC, it should permit interested partisan opportunity to submit further comments. NGrid has filed, but did not take a position for or against the “bright line”. Mr. Castle (NYISO) reported on a meeting in Washington, DC to discuss the NPCC response with FERC. In attendance were representatives from FERC, NERC, NPCC, NYISO, and ISO-NE. The extent of FERC questioning highlighted the lack of clarity regarding the use of the various facilities lists provided by NPCC. Mr. Gonzales (NYISO) presented the performance based Transfer Distribution Factors (TDF) approach, which was well received. Mr. Castle agreed to circulate a summary of the TDF approach which was presented to NPCC – **AI #120-6**. Currently, the NYISO is working with NPCC to assess the impact of a 100kv “bright line” and the results of the TDF approach. NPCC-TFCP has taken the lead in developing an upper bound comprised of the 100kv “bright line” less radial facilities. Mr. Fedora indicated that the NPCC RCC will request that its Board require its members to assess the impact of the TFCP list. Mr. Rufrano emphasized the importance of a single view emanating from NPCC in its September 20, 2009 report to FERC. He expressed concern that while New England does not oppose the TDF approach, it prefers its own topological approach which excludes stations with less than three lines. Mr. Hipius noted the NGrid is not ready to fully support the TDF approach. Mr. Clayton noted that Mr. Elacqua (NYISO) is providing RRS with the distribution factors for each NYCA non-radial facility above 100kv. Mr. Raymond suggested applying the New England approach to the same facilities.

5.5 LIPA/ConEd Offshore Wind Farm – Mr. Dahl described the offshore wind power joint venture between LIPA and ConEd. The facility is 13 miles off the shore of Rockaway, LI at 90ft. of water. The completed feasibility study calls for 700Mws by 2015 and potential expansion to 1400Mws by 2020. NYSERDA will be performing the wind monitoring assessment. A Request for Interest (RFI) by developers is planned for the summer of 2009. The business structure is open for negotiation.

5.6 TO's Strategic Transmission and Reliability Study (STARS) – Mr. Dahl reported that STARS is a long term study assessing transmission needs out 10-20 years and includes consideration of support for renewables (in and out of NYS). In addition, STARS will examine the possibility of advancing some solutions if it helps integrate renewables in a time frame shorter than 10 years. ABB was selected to perform the study as described in the TO's scope of work. Analytical results are expected this summer.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

6.1 ICS Status Report and Discussion Issues – Mr. Dahl distributed the ICS Chairman’s Report from the regular March 4, 2009 ICS meeting. He indicated that ICS discussed possible changes to CM-4 including a proposed requirement for the NYISO to provide more detailed GADS data reports to ICS and the possibility of requiring the NYISO to submit NY GADS data to NERC on an annual basis. Also, he noted that NERC Resource Issues Subcommittee is setting-up a LOLE Working Group. Mr. Dahl agreed to discuss attendance with NPCC and the NYISO. Mr. Haake again raised a concern regarding the interaction between “Deliverability” and the IRM calculation.

6.2 2009/10 IRM Filing – 2010-11 IRM Study Assumptions – Mr. Dahl reported that the NYISO and ICS discussed a GE recommendation to change the MARS “loop flow switch” setting which impacts inter-regional emergency assistance through NYCA. ICS is also considering a different, but offsetting, NYISO recommendation on the treatment of external ICAP. ICS has been asked to provide timely comments on the NYISO and GE recommendations such that work on the NYCA transmission model can proceed as schedule.

6.3 Mechanism to Accommodate Expanded MARS Database Review – Mr. Dahl indicated that in order to do the Trend Analysis, Frank Vitale signed a Master Consulting Agreement with the NYISO. Mr. Gioia has reviewed the Agreement and he sent an email to Mr. Patka suggesting that any work performed by Frank Vitale as an agent of the NYSRC should be subject to an agreement between the NYSRC and NYISO, rather than a consulting agreement directly with Frank Vitale. An agreement between the NYSRC and the NYISO would afford NYSRC consultants appropriate liability limitation and indemnification protection. Mr. Patka suggested an amendment to the NYISO Code of Conduct instead. After further discussion, it was agreed that Messrs. Gioia and Patka would work together to resolve the issue for use in the future – **AI #120-7**.

6.4 Other ICS Issues

- i. Analysis of EFORD Trends** – Mr. Dahl reminded the Executive Committee that the intent of the trend analysis is to compare EFORD trends and determine the major drivers of the trend toward increased zonal forced outage rates. The analysis focuses on grouping data by type of units, service hours, maintenance hours, EFORD, NERC trends etc. in an attempt to identify causes and possibly recommend improved modeling in IRM studies. The NYISO indicated the data necessary to perform this analysis will not be available for six (6) weeks due to resource limitations. This will impact its scheduled completion and consideration of the results in 2010-11 IRM study.
- ii. FCM IRM Study Scope & Assumptions** - Mr. Dahl indicated that the NYISO is in the process of inputting the assumptions approved by the Executive Committee at its March 2009 meeting. The LOLE impact of each change is being recorded to identify the major drivers of change to resource adequacy requirements. The study is on schedule for a June 2009 completion – **AI #120-8**.
- iii. ISO-NE vs. NYCA 2009 IRM** – Mr. Dahl noted that ICS discussed the March 5, 2009 ISO-NE report. ICS concluded that without deeper involvement in the ISO-NE process, it was difficult to comment on the reasons for the different resource adequacy requirements between NY (16.2%) and NE (9.8%). Several Market Participants have expressed concern that ISO-NE is leaning on the NYCA control area. Mr. Bolbrock was critical of many components of the report as were other Executive Committee members. It was agreed the Chairman of ICS would attend the May ISO-NE PSPC meeting to discuss how NY IRM studies are performed in an attempt to better understand the differences in NY and NE study methodologies – **AI #120-9**. Mr. Fedora indicated that ISO-NE, through NPCC, uses the MARS model to determine reliability compliance (as-is system) with reliability requirements, but uses its own models for assessing capacity requirements.

7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

7.1 RCMS Status Report & Discussion Issues – Mr. Adamson indicated that RCMS met for its regular monthly meeting on April 16, 2009.

7.2 2009 New York Reliability Compliance Program (NYRCP) – Mr. Adamson introduced the 2009 NYRCP and pointed out the RCMS actions on the Measurements below:

- (a) C-M9, Procedure for Maintenance of Load flow, short-circuit and stability Data, deferred until June 2009 to receive governor data from the Market Participants;
- (b) K-M2a, 2009 Transmission Assessment, approved contingent upon an addition to the report to address the NYSRC supplemental (to NPCC) reliability requirements;
- (c) K-M2c, Interregional Reliability Assessments, NYISO will be providing a status report at the May 2009 RCMS meeting.

7.4 RCMS Compliance Review of 2004 GADS Reporting Error(s) – The status recommendations from the approved RCMS Report, Reliability Compliance Review Of 2004 NERC-GADS Outage Data Misreporting Event are summarized below.

Rec. #	Recommendation Excerpt	Status Excerpt
1	The EC should find the NYISO to be non-compliant regarding C-M5, but not issue a letter of non-compliance.	The EC agreed that the NYISO took all reasonable action and that no letter of non-compliance is required. Complete
2	The NYISO should include mitigation measures in future non-compliance letters to Market Participants.	Carl Patka has agreed with this recommendation. Complete
3.1	RRS interpretation of Measurement C-M5 meaning “accurate resource outage data”	Approved by the EC at its January 9, 2008 Meeting. Complete
3.2	RRS determines if NYISO definition of measurement C-M5 matches their definition	RRS determined that the NYISO definition of C-M5 is not consistent with the RRS interpretation. Complete
3.3	RCMS recommendation to EC as to whether or not further compliance reviews of previous cases is warranted.	Pending – a report is expected from RCMS at the May 2009 RCMS meeting. Complete
3.4	RRS to prepare a PRR to modify Measurement C-M5	RRS is developing PRR #101 to revise C-R 2, and C-M 4, 5 and 6. RCMS is preparing the compliance elements which will go to RRS in two weeks.
4	Improving the outage screening process	A NYISO group continues to develop the process. Completion is expected in the 1 st quarter of 2010.
5	NYISO conducting in-house NERC-GADS workshop	NYISO Market Training personnel conducted a GADS workshop on April 2, 2009. There were 65 participants.
6	MMU to notify Resource Planning during its investigation	The NYISO has reconfirmed its previous position that the MMU is an independent arm of the NYISO, which is affirmed in NYISO tariffs and FERC orders, and therefore cannot be required by the NYISO to report the existence of an ongoing investigation of GADS data to Resource Planning. Complete

7	Joint NYISO/ICS EFOR trend analysis	See item 6.4i - ICS has scheduled completion for June 2009.
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7.5 Other RCMS Issues – Nothing additional to report.

8.0 Reliability Rules Subcommittee Status Report/Issues

8.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that RRS met on April 9, 2009. Referring to the List of Potential Reliability Rules Changes – Outstanding, he noted that PRRs #8 and 52 remain under development. Also, PRR #97, BPS Facilities, is under development (See Item #5.4). PRR #102, K-M2d; Reliability Assessment, is a new proposal designed to consolidate reporting requirements. PRR #103, C-R4; System Data Requirements, was proposed to clarify Rules and Measurements C-M9, C-M10 and C-11. Messrs. Clayton and Adamson met with the NYISO (Messrs. Cory, Smith and Adams) and found that the NYISO’s Transmission Manual, through its Procedures, requires “due diligence” by the NYISO in maintaining data bases. However, there are areas that could be improved. For example, regarding the SRIS data bases, it is not clear that the Market Participants realize their responsibility to check the accuracy of their data. It was agreed that the NYISO would present the current process and areas for improvement at the May 2009 RRS meeting.

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 EC Final Approval

2. PRRs for EC Approval to Post –

- PRR #99, System Restoration - Mr. Clayton introduced PRR #99, System Restoration, which is contingent upon NERC EOP-005 approval and changes being considered at NPCC. It is a major re-write of the Measurements but has been available for over two months. Mr. Adamson indicated that EOP-005 is being balloted and is expected to be approved shortly. Dr. Sasson offered several changes for clarification purposes. After further discussion, Dr. Sasson moved for approval to post for comment contingent on inclusion of Dr. Sasson clarifications. The motion was seconded by Mr. Loughney and unanimously approved by the Executive Committee members – (13 to 0).

3. PRRs for EC Discussion

- Dr. Sasson discussed the need for the NYSRC to consider a new reliability rule requiring dual fuel capability for new base load units in New York City at its May 8, 2009 meeting. The Executive Committee concurred.

8.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Status – Referring to the NERC Reliability Standards Development Tracking Summary, Mr. Adamson provided the status of selected proposed NERC Reliability Standards as summarized below:

- (a) FAC 011-1, Determine Operating Limits, - The SAR was withdrawn by the NERC Standards Committee due to lack of support. Mr. Clayton noted that British Columbia Transmission Corporation (BCTC) has introduced a SAR to relook at this issue and require planning and operating Standards to be the same;

- (b) EOP 005-2, System Restoration & Blackstart, - Balloting began on April 15, 2009. NPCC

and the NYSRC voted “yes”;

- (c) CIP 002-1 to 002-9, Cyber Security Standards, Balloting began on April 9, 2009. NPCC and the NYSRC voted “yes”. Mr. Fleury noted that a recirculation ballot notice was just issued.

The Chairman asked the NYISO to provide the Executive Committee with a presentation on Cyber Security at the May 8, 2009 Executive Committee meeting – **AI #120-10**.

- 8.4 Other RRS Issues**
 - i. BPS Issues** – See Item 5.4

- 9.0 NYISO Status Report/Issues** –
- 9.1 NYISO 2009 Comprehensive Reliability Planning Process (CRPP)** – Mr. Patka noted that the CRPP will come before the NYISO Board for approval in May 2009.
- 9.2 Other Studies/Activities** – Nothing new to report.
 - i. NYCA Reactive Power Study**
 - ii. Wind Integration Study/Activities**

- 10.0 Other Items**
- 10.1 NYISO Operations Report** – The Operating Report, provided by the NYISO, indicated that a major emergency occurred on March 20, 2009 due to Q11 Mott Haven-Rainey exceeding its LTE rating due to loss of Q12 Mott Haven-Rainey being forced out of service for a leaking pothead. The NYISO initiated generation shifts and curtailment of transactions to bring Q11 back within criteria.
- 10.2 North American Energy Standards Board (NAESB) Report** – Nothing new to report.
- 10.3 NPCC Report** – Mr. Fedora pointed out that beginning April 20, 2009, NPCC is moving to 1040 Avenue of the Americas (10th floor). Phone numbers and email addresses will remain the same.

- 11.0 Visitors’ Comments** – None

- 12.0 Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#121	May 8, 2009	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.
#122	June 12, 2009	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No.120 was adjourned at 3:30 P.M.