

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 87 - July 14, 2006
Albany Country Club, Voorheesville, NY.

Members and Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Hank Masti	New York State Electric & Gas/Rochester Gas & Electric
Thomas J. Gentile	National Grid, USA – Vice Chairman – Phone*
Thomas C. Duffy	Central Hudson Gas & Electric
Rich J. Bolbrock	Long Island Power Authority (LIPA)
Curt Dahl	LIPA – Alternate Member – ICS Chairman
William H. Clagett	Unaffiliated Member
Timothy R. Bush	Muni. & Elec. Cooperative Sector – Alternate Member
George C. Loehr	Unaffiliated Member, RCMS Chairman
Glenn Haake, Esq.	IPPNY (Wholesale Seller Sector)
George E. Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
A. Ralph Rufrano	New York Power Authority

Others:

John Adams	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP - Council
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Steve T. Jeremko	New York State Electric & Gas
Raymond Kinney	New York State Electric & Gas – Phone*

Visitors – Open Session:

Erin Hogan, P.E.	NYSERDA
Brendan KirbyNational Lab - Phone*
Valerie Strauss	Young, Sommer,... LLC for Alliance for Clean Energy - Phone*

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

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Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was requested but then withdrawn later in the meeting.

II. Open Session

1.0 Introduction – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 87 to order at 9:30 A.M.

1.1 Meeting Attendees – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were present at the meeting or on the telephone with the exception of Mr. Mager, Esq.

1.2 Visitors – See Attendee List, page 1.

1.3 Requests for Additional Agenda Items – None

1.4 Executive Session Topics – The request for an Executive Session was withdrawn.

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 86 (June 14, 2006) – Mr. Raymond introduced the revised draft minutes including several updates. Additional corrections and/or clarifications were provided by Mr. Gioia. Mr. Clagett moved for approval of the revised minutes subject to the revisions offered at the meeting. The motion was seconded by Dr. Sasson and unanimously approved by the Committee Members in attendance or on the telephone (12-0). Mr. Raymond will post the approved minutes on the NYSRC web site - **AI #87-1**.

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>
55-6	The acceptability of NERC Standards has become a standard agenda item.
73-6	Mr. Gioia reported at the June 14, 2006 Committee meeting that liability insurance was not available for contractors.
85-3	Comments were sent to FERC on June 26, 2006.
85-4	The updated Addendum was posted on the NYSRC website on March 28, 2006.
86-1	The final minutes of Committee meeting #85 were posted on June 15, 2006.
86-2	The comments on FERC Staff's assessment were circulated on June 27, 2006.

3.0 Organizational Issues

3.1 NYSRC Treasurer's Report

i. Summary of Receipts & Disbursements - Mr. Raymond presented the Summary of Receipts and Disbursements which shows a balance of \$171,000 in cash at the end of June 2006. Also, he noted that the Summary contained a projected variance from budget for the first time in 2006. Including contingency, the projection is \$35,000 below budget although Meeting and Consulting Fees are expected to exceed budget by \$8,000 and \$10,000, respectively. Half of the approved 3rd Quarter Call-for-Funds of \$150,000 was received by the end of June 2006.

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3.2 Other Organizational Issues –

i. Election of Officers – Mr. Gioia sent an email to Committee Members on June 28, 2006 reminding the Committee that while Members are elected to two year terms, an officer’s term is one year with possibility of confirmation for a second year. The officers’ current terms are up on July 31, 2006. He also, reported that Mr. Ellsworth (Chairman) and Mr. Gentile (Vice Chairman and Secretary) had indicated their willingness to serve a second term. In addition, Members were asked to forward any additional nominations to Mr. Loughney. Since there were no additional nominations, Dr. Sasson moved for approval of second terms for Messrs. Ellsworth and Gentile. Mr. Bush seconded the motion which was approved by a vote of 11 in favor and 1 opposed.

4.0 Federal Energy Legislation –

4.1 NYSRC Comments on Staff Analysis of NERC Reliability Standards - Mr. Gioia reported that the NYSRC comments on the FERC Staff’s assessment of NERC’s Reliability Rules filing were prepared mostly by Mr. Adamson (and CP-9) and filed with FERC on June 26, 2006. The comments provided specific recommendations regarding whether each Standard should be approved, remanded or withdrawn. Based on the comments received, FERC will be issuing a NOPR which provides additional opportunity for comment. Mr. Rufrano noted that NERC has been taking a survey to determine if NPCC has voted “no” on an inordinate number of proposed Standards. He emphasized that in no instance, however, did NPCC offer anything but input designed to strengthen the Reliability Standards. Mr. Bolbrock expressed disappointment that NPCC’s formal comments were boiled down to a single page and commended NPCC CP-9 for providing a forum to develop the thorough comments of the NYSRC and NPCC members.

4.2 FERC Technical Conference on Staff Analysis of NERC Reliability Standards – Mr. Gioia reported that the technical conference was held on July 6, 2006. It was clear that FERC understands “one size fits all” is not in the best interest of national reliability. Regarding mandatory compliance, Mr. Gioia noted that the NYISO requested FERC to exempt the NYISO from monetary penalties because it is “not for profit”. The request was denied and is now under appeal in the DC Circuit.

5.0 Blackout Reporting

- 5.1 DOE Report – NYISO Follow-up List –** Nothing new to report.
- 5.2 NPCC Blackout Report Recommendations –** Nothing new to report.
- 5.3 PSC Blackout Report Recommendations**
 - i. RRS, RCMS Follow-up –** Nothing new to report.
 - ii. PSC/TO Follow-up –** Nothing new to report.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1 ICS Status Report and Discussion Issues – Mr. Dahl indicated that ICS met on July 7, 2006. A major item of discussion was the Assumptions Matrix which will be presented to the Executive Committee at its August 11, 2006 meeting. Mr. Dahl brought to the attention of the Executive Committee that ICS has been waiting since February 2006 for delivery from the NYISO of an updated Transmission Model. The Model is a key element in performing the IRM studies. Mr. Dahl emphasized that there is a severe resource shortage at the NYISO in the studies group which needs to be brought to the attention of the NYISO, once again. Committee members expressed a general dissatisfaction with the NYISO’s support because of insufficient manpower to fulfill its commitments to the NYSRC. After further discussion, the

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Committee agreed that Mr. Dahl would prepare a letter to Mr. Lynch under Mr. Ellsworth's signature which clearly states the items not provided – AI - #87-2.

- 6.2 **MARS Model Update Issues** – Mr. Dahl reminded the Committee that ICS was asked to determine the impact of a newer version of the MARS Model discussed by GE at the June 2006 ICS meeting. Use of the newer version suggests a downward movement in the LCR/IRM curve. However, the newer version has not been completely benchmarked nor has GE's explanation of the changes been received.
- 6.3 **Mechanism to Accommodate Expanded MARS Database Review** – Nothing new to report.
- 6.4 **RAITF Study – Status** – Mr. Dahl noted that the next meeting of the group is August 3, 2006.
- 6.5 **2007 IRM Study -**
 - i. **Tan 45 Position Paper** – Mr. Dahl reminded the Committee that the Tan 45 method for selection of a point on the LCR/IRM was approved for one year only. ICS has examined other methods for more than three months and has not been able to reach a consensus recommendation between the Tan 45 and Free Flow Equivalent (FFE) anchoring strategies. Consequently, position papers were developed for both alternatives. Mr. Dahl presented the Tan 45 paper with the understanding that questions should address matters of clarification. The Committee further agreed to submit technical and other questions to the presenters, who will in turn distribute the answers to all Executive Committee members. The debate regarding the two methods will take place during the August 11, 2006 Executive Committee meeting. Mr. Dahl focused his presentation on: (a) conformity with the Reliability Rules, (b) anchor point stability and (c) economics.
 - ii. **Free Flow Equivalent Position Paper** – Mr. Jeremko presented the position paper prepared by himself and Mr. Franey which described the FFE method. The paper concentrated on: (a) interpretation of the LCR/IRM curve, (b) implications of the location of capacity on reliability, and (c) implications of the “unified methodology”, among others. Also, Mr. Jeremko circulated without discussion a hybrid method, using both Tan 45 and FFE concepts, for consideration by the Executive Committee.
- 6.6 **Other ICS Issues**
 - i. **NYISO/NE Mutual Emergency Assistance Study** – Mr. Dahl indicated that on July 3, 2006 Peter Wong from ISONE-PSPC sent the draft presentation used to obtain approval for the tie benefits study. ICS will discuss the draft at its August 2006 meeting.
 - ii. **NERC Resource Adequacy Assessment Drafting Team** – Mr. Dahl reported that the proposed SAR has gone to SAC for determination of posting requirements.

7.0 **Reliability Rules Subcommittee Status Report/Issues**

7.1 **RRS Status Report & Discussion Issues** – Mr. Ellsworth noted that PRR#86 was tabled at the request of LIPA and Con Ed. PRR #86 is a potential modification to B-R2 & R3, Voltage and Stability Assessments, to bring them in line with the NPCC A-2 document. The NYISO is proposing changes to the NYSRC Transmission Planning Rules B-R2 and B-R3. RRS is currently waiting for a citation from the NYISO regarding the current approach to calculating voltage and transient stability Emergency Transfer Limits.

7.2 **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** – Nothing new to report.
 - 2. **PRRs for EC Approval to Post for Comments** – Nothing new to report.
 - 3. **PRRs for EC Discussion** – Nothing new to report.

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7.3 NPCC/NERC Standard Tracking -

- i. NERC Standards Development – Status** – Mr. Rufrano noted that NERC is investigating ways to prevent the issuance of messages to all members of the ballot body. Apparently NERC did not look favorably on the NYSRC use of its bulletin board to address the fact that exclusion of Category C contingencies in the Reliability Standards will diminish reliability.
- ii. NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – Nothing new to report.

7.4 Other RRS Issues –

- i. Reliability Rules Manual Update** – Mr. Gioia noted that the PSC has approved version 16 of the Reliability Rules Manual on June 25, 2006.
- ii. Limits for Reactive Supply** – Dr. Sasson discussed the need for a new Reliability Rule defining the limits for reactive supply from generators in planning and operating studies. It was agreed that Mr. Raymond would bring the matter to the attention of Mr. Clayton (RRS Chair) – **AI #87-3**.

8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

8.1 RCMS Status Report and Discussion Issues – Mr. Loehr reported that RCMS met on July 9, 2006. He reported that the Compliance Certification Committee of NERC is expanding its membership from 25 to 35 members in line with the NERC’s ERO filing. Also, the NERC Reliability Standards Process Manual is out for pre-ballot review. He added that circulating within some of the NERC committee structure is a view that Time Error Correction should be dropped. This is vehemently opposed by the NYISO. Further, Mr. Loehr reported that Mr. Kelleher emphasized at the FERC Technical Conference: (a) the need for enforceable Standards by the summer of 2007, (b) rejected the need for a phase-in period, (c) rejected “one size fits all” and (d) stated that FERC will not be involved in developing standards, e.g., it’s the ERO’s responsibility.

8.2 Status of 2006 NYRCP – Mr. Loehr indicated that the 2005 Comprehensive Transmission Review of the Bulk Power System was approved by RCMS. Also, C-M1, Procedure for Resource Testing Requirements and E-M6, Pre-season Voltage Assessment, were approved. Finally, the Measurement K-M2d, Annual Resource Assessment is under review. The TOs are carefully reviewing the resource schedule as had been requested by Mr. Bolbrock. Also, RCMS is waiting for feedback from the NYISO on the Compliance Template Manual before issuing a final update – **AI #87-4**.

8.3 Other RCMS Issues – Mr. Loehr indicated that RCMS reviewed the possibility of tracking “near misses” of violations on the bulk power system and concluded that such an effort is impractical. Regarding the refusal of a generation owner to comply with a NYISO order, Mr. Loehr noted that there is not a specific rule or measurements governing such an event. Dr. Sasson commented that the NYISO must assure that the Applications of the NYSRC Rules are followed. Mr. Haake noted that in some instances there are insufficient guidelines to clearly indicate the desired generator’s response, particularly in the real-time market. There is a clear need for more detailed guidance in the NYISO Procedures regarding how the Procedures should be applied. After lengthy discussion, the Committee decided to table the issue until the August 2006 meeting, thereby giving RCMS time to review the matter with RRS - **AI #87-5**.

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9.0 Key Reliability Issues

9.1 Defensive Strategies – Mr. Smith circulated the discussion topics for the July 13, 2006 Defensive Strategies Working Group (DSWG) meeting. The main purpose was to bring the multi-disciplinary (System Protection, Planning, System Dynamic, Transmission and Station Design) participants up to speed on the scope of the Working Group. The scope includes consideration of: (a) type of disturbances, (b) identification techniques, (c) the current UFLS system, (d) characteristics of surrounding systems, (e) internal and external ties, and (f) the NPCC (TFSS and SS-38) Task 5 Study scope. Further, Mr. Smith indicated that there is a NE Disturbance Monitoring Working Group which is concerned with all monitoring equipment. The DSWG will need to coordinate closely with this group as system improvements are uncovered. Dave Cirka (Nat'l Grid) is a member of both groups and will serve as the contact person. The ongoing discussions of the DSWG are preparing the participants to provide NYCA specific and meaningful input once NPCC SS-38 begins work on Task 5 (January 2007). Messrs. Rufrano and Smith will follow the NPCC work closely.

9.2 NPCC Defensive Strategy Activities – See Item #9.1.

9.3 Regional Greenhouse Gas Initiative –

- i. **RGGI – Status** – Ms. Hogan reported that comments were received in May 2006 on the draft Model Rule and are posted on the RGGI website. The Staff Working Group is currently reviewing the comments to determine what, if any, changes to the Rule will be made. The final Model Rule is now expected in July 2006. The States will then initiate their respective regulatory processes.

10.0 NYISO Status Report/Issues –

10.1 NYISO Planning Process – Mr. Adams indicated that the NYISO ESPWG is finalizing the Comprehensive Reliability Plan for the 2005-2015 time frame. Stakeholder meetings were held on July 10&13, 2006. A draft report should be available on July 17, 2006 for review – **AI #87-6**. The needs for the first five years are primarily met by transmission upgrades and generation additions. Poletti will continue operation until at least 2008. The transmission upgrades included Con Ed's N-29 project and upgrades on Long Island to integrate the Neptune Project into the system. Other additions are the Long Island wind projects, 300Mw of DSM in NYC, a number of cap banks, and the northern New Jersey upgrades (cap banks and dynamic devices). Most are expected in the 2009 timeframe. However, there are over 800Mws of additional load above the prior RNA. The next RNA analysis has begun and a draft report is scheduled for October 2006.

10.2 Studies – Status

- i. **Electric Deliverability Study** – Mr. Adams indicated that the next meeting on deliverability is July 28, 2006. The IITF sent two alternative supply methodologies, one each by the TOs and NYISO, to FERC. IITF is now waiting for the FERC response.
- ii. **NYSERDA/NYISO Gas Study** – Mr. Adams noted that the new capacity additions in the Comprehensive Reliability Plan are all gas fired – **AI #87-7**.

10.3 Other Studies/Activities –

- i. **NYCA Reactive Power Study** – Nothing new to report.
- ii. **NYSERDA Oil Infrastructure Study** – The final report is undergoing internal review.
- i. **Windpower Interconnection Study** – Mr. Adams noted that most issues have been resolved. The NYISO has developed a case-by-case reactive supply methodology which has stakeholder approval.

11.0 Other Items

11.1 NYISO Operations Report – Mr. Raymond indicated that the number of frequency excursions is

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beginning to show a noticeable decline after years of abnormally high levels. The other tracked parameters remained in the normal range. He also noted that a major emergency took place on June 28, 2006 due to the tripping of M51 Sprainbrook-West 49th Street 345kv causing 71 Dunwoodie – Rainey 345kv to exceed its LTE rating. The emergency terminated 5 minutes later.

- 11.2 **North American Energy Standards Board (NAESB) Report** – Nothing new to report.
- 11.3 **NPCC Report** – Nothing additional to Report.

12.0 **Visitors' Comments** – None

13.0 **Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#88	Aug 11, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#89	Sept 8, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 87 was adjourned at 2:50 P.M.

NYSRC Exec. Comm. Meeting No. 87
Initial Draft – July 28, 2006
Revised Draft – Aug 7, 2006
Final Minutes – Aug 15, 2006

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