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Date: June 28, 2010 2:57:41 PM EDT
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Subject: RE: Proposed Reliability Rule 103 - implementation by NYISO

Joe,

Please see NYISO's responses in red below; it looks like we are pretty much on the same page. Let me know if you have any questions.

I have copied RRS as this is on the agenda for this Thursday's meeting; feel free to forward to the EC as well.

Thanks,
Zach

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From: Chao, Henry **Sent:** Thursday, June 17, 2010 10:44 AM **To:** Smith, Zach **Subject:** FW: Proposed Reliability Rule 103 - implementation by NYISO

From: Hippius, Joseph J. [mailto:Joseph.Hippius@us.ngrid.com] **Sent:** Thursday, June 17, 2010 10:40 AM **To:** Chao, Henry **Cc:** Alan Adamson; Glenn.Haake@Dynergy.com; Paul DeCotis; Chris LaRoe; Erin Hogan; Sedewitz, Carol A.; Steve DeCarlo; Tom Duffy; Mike Mager; Mike Forte; Mayer Sasson; Mark Cordeiro; John Hauber; Adams, John; Joe Fluery; George Smith; George Loehr; Ed Schrom; Dahl, Curt J.; Bruce Ellsworth; Bob Loughney; Patka, Carl; Paul Gioia; Don Raymond; Gonzales, Rick; Rich Bolbrock; Christopher Wentlent; Arnie Schuff; Bill Clagett; Fanning, Steven M.; Roger Clayton **Subject:** Proposed Reliability Rule 103 - implementation by NYISO

Henry, At the June NYSRC EC meeting, I indicated that PRR 103 (System Data Requirements) appeared acceptable as written, but that before the EC votes to approve it, it would be helpful to understand how the NYISO interprets the rule and the general direction that the NYISO would be taking in implementing it.

It is possible to read this rule in a way which could result in implementation requirements that the market participants in general, but more specifically the transmission owners, might find onerous. It is also possible to read and implement the rule in very reasonable ways that would not impose undue burdens. All I am looking for is some reassurance that if the rule is approved by the EC, the NYISO's vision for implementation is something we can live with.

I expect that the rule will ultimately be implemented by NYISO through a technical bulletin, and I am not looking for

draft language at this point. I know that the NYISO has a committee structure and procedures that are the appropriate forum for that. I am not trying to force the EC into those processes.

To make this simple, I've listed below the areas of concern that you and your staff can comment on prior to the next EC meeting. If we generally view the implementation in roughly the same way, I'll be happy to support an vote to approve PRR 103 at the July EC meeting. However, if there are areas where the NYISO's vision for implementation differs in major ways, I'll suggest that we need some further discussion.

Here are the areas of concern, for NYISO comment:

1. Data screening My understanding is that the NYISO will develop a tool to flag data that appear to be outside normally encountered ranges. The TOs will be asked to either confirm that the such data are actually correct, or to provide corrected data. This is reasonable to me and I don't think there's any disagreement on this point.

That is exactly correct. The NYISO will develop and document a procedure and guidelines, to be included in the System Analysis Data Manual, with the objective of identifying data that is not "reasonable" or typical. When the NYISO identifies such suspect data, we will ask the facility owner to either confirm or correct the data.

2. What data must be reviewed and certified? System configuration, impedances, and transformer tap data are reasonable items for review by the TOs. However, load data is so frequently adjusted and scaled to meet various different needs that it should not be the TOs responsibility to certify that data. Except for specific facilities that are identified as

limiting, the TOs should also not be expected to review the ratings for elements in the cases. (Operating and planning cases sometimes handle ratings differently.)

The purpose of the PRR is to ensure data is accurate to the extent possible or reasonable, with the focus being on equipment. Loads are not equipment per se, and this data contained in power flow cases is mostly reliant on load forecasts, therefore NYISO would not expect TOs to certify this outside of the FERC 715 filing.

Regarding the second point, facility ratings are inherently characteristics of equipment (transmission lines, transformers, etc.). While these ratings are dependent on a number of factors, they are nevertheless crucial to the quality of NYISO's studies. While facility owners will not be expected to do a comprehensive review outside of the FERC 715 filing, NYISO will expect them to review ratings that are impacted by changes to the case.

As an example, when a new generation project connects in the middle of an existing line, ratings must be applied to the two new transmission segments. If the existing ratings in the case are based on terminal equipment limitations rather than conductor, those ratings may not be valid for both segments. The facility owner would need to verify the data.

3. Frequency/depth of base case review Generally starting with the FERC 715 base cases, the NYISO makes changes and adjustments to create new cases for many different purposes during the course of the year. A few examples are: the CSPP process, RNA, and CARIS analyses; the feasibility and SRIS studies for individual proposed generators; the class year facilities studies; and seasonal operating studies. In order to fulfill its duties under

PRR 103, will the NYISO require the TOs to review and certify the accuracy of all of the data for their systems for every case sent out to them for review?

Given that these cases often come out in bunches (for generator interconnections) and that the review time is limited, I am concerned about the scope of the reviews the TOs will have to perform. My view is:

- The TOs should do a comprehensive review of the FERC 715 cases to be sure that they are correct.
- Having done so, they should not be required to certify a comprehensive review of cases derived from the FERC 715 cases.
- It will be reasonable for the TOs to certify that the model is correct in close electrical proximity to proposed generators when those types of cases are sent for review--but not the entire case.

Your description is almost exactly correct, just one clarification. Rather than judging what "close electrical proximity" is, NYISO will leverage the ability of PSS/E and ASPEN to report what data has changed in the case. This "DIFF" report will be provided along with the new case to the facility owner, and the facility owner will be required to verify the changes listed in the "DIFF" report. With respect to the interconnection process, the Connecting TO's current responsibilities of reviewing the interconnection of a new project should of course not change.

4. What will be required to demonstrate compliance?

Will some form of record-keeping be required by the NYISO, involving records of the TOs certifying the accuracy of their data? How will the NYISO demonstrate compliance to RCMS? What will the NYISO expect the TOs to do, if anything, to satisfy this need? My view is that, upon request, the TOs can send an email to the NYISO indicating that they

have completed the requested data review, and either find it accurate within the limited scope of the review, or in need of corrections that they will provide. My view is that the NYISO would do any record-keeping necessary (perhaps filing TO responses) to satisfy RCMS auditing needs, not the TOs.

That is exactly correct. NYISO will request certification of the data via email and keep those emails per our record keeping policy. It is expected that NYISO will annually certify compliance with C-M9 and C-M11 to RCMS, and provide any supporting evidence upon request.

Thanks for helping to clarify the NYISO's views on PRR 103.
Joe

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