

Revised Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 121 – May 8, 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
Micheal Mager, Esq.	Couch White, LLP (Large Customers’ Sector) - Member
Richard J. Bolbrock	Municipal & Electric Cooperative Sector – Member
Thomas Duffy	Central Hudson Gas & Electric – Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc. - Member
Joe Hippius	National Grid, USA - Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member
Tim Bush	Independent Power Producers of New York (IPPNY) – Member - Phone
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
Steve Fanning	National Grid, USA – RCMS Chairman - Phone*
Henry Chao	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO) - Counsel
John Adams	New York Independent System Operator (NYISO)
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric – Phone*
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service

Visitors – Open

Session:

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.121 to order at 9:30 A.M. on May 8, 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. 120 (April 17, 2009) – Mr. Raymond introduced the revised draft minutes. Dr. Sasson and Messrs. Gioia and Smith suggested several changes. Following further discussion, Mr. Smith moved for approval of the draft minutes contingent upon inclusion of Dr. Sasson and Messrs. Gioia and Smith's suggested changes. The motion was seconded by Mr. Fleury 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 - #121-1**.

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>
74-15	Messrs. Gonzales (NYISO) and Mosier (NPCC) are monitoring frequency performance on a regular basis and reporting irregularities to the Executive Committee.
112-6	The NYISO has decided to maintain confidentiality of the information.
113-5	See Item 74-15 above.
120-2	The voting procedure was posted on April 22, 2009 by Mr. Gioia.
120-3	Mr. Gioia circulated the letter on April 28, 2009.
120-4	The Executive Committee provided comments on the SEP Interim Report by April 28, 2009.
120-6	Mr. Gonzales presented the TDF approach to NPCC on April 28, 2009.

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 \$175,000 at the end of April 2009.

3.2 Other Organizational Issues

- i. General Liability Insurance** – Mr. Gioia noted that the General Liability Insurance expires June 15, 2009 and an application for a new policy has been submitted. The cost is expected to be about \$8,000.
- ii. Executive Committee – Selection of Members** – Mr. Gioia reported that the notices for selection of representatives of the Wholesale Sellers, Large Customer, and Municipal and Electric Cooperative were posted on April 28, 2009 with responses requested by May 29, 2009. The TOs are required to send letters to the Executive Secretary designating their Representatives and Alternates. The Executive Committee will vote on the Unaffiliated Members at the June 12, 2009 meeting. Also, a letter was sent to the Executive Committee on April 28, 2009 indicating that the 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. The letter requested any additional officer nominations be sent to Mr. Gioia prior to

the May 8, 2009 Executive Committee meeting – **AI #120-3**. The Officers will be voted on at the June 12, 2009 Executive Committee meeting.

- iii. **Distribution of Biennial Report** – Mr. Adamson noted that Ms. Hogan and Dr. Sasson have provided names and addresses of individuals that should receive the Report. He requested similar information from the NYISO – **AI #121-2**.

4.0 State/Federal Energy Activities

4.1 Energy Planning Board (EPB) – SEP Update – Mr. Gioia indicated that on May 7, 2009 he circulated draft comments on the ECWG’s Interim SEP Report. The draft suggests to policy makers the need for careful consideration of reliability impacts and maintaining flexibility in decision making as a hedge against unanticipated events. ~~Mr. Bolbroek suggested that the elimination of Local Reliability Requirements (LRR) would be a positive goal for the Plan.~~ Executive Committee members felt the relationship between generation, import capability, and internal transmission in resolving LRRs should be discussed. Also, environmental restrictions should be identified as a major contributor to local reliability issues. Comments are due to the EPB by May 15, 2009. Mr. Gioia asked that further Executive Committee comments be provided by May 12, 2009 – **AI #121-3**.

4.2 NYSERDA Update – Nothing new to report.

4.3 FERC Proceeding on 100kv “Bright Line” – Mr. Gonzales indicated that the NYISO and certain TOs were successful in getting the Transmission Distribution Factor (TDF) approach to selecting BES elements to the NPCC Board level as an alternate to the 100kv “bright line”. The NPCC stakeholder process, shepherded by TFCP, did not come to a final consensus nor did the NPCC Board direct use of the alternate approach. Therefore, it appears that the 100kv “bright line” will need to be evaluated and TDF considered based on the preference of each TO. Messrs. Rufrano and Hipius noted that the plan for proceeding was not clear at the NPCC level resulting in a recent letter from Mr. Masti, Chair of the RCC, to the NPCC Membership addressing the responsibilities of the TOs and GOs. However, the timeframe (May 27, 2009) to respond is extremely tight. NPCC must provide FERC a status update on June 5, 2009 and meet with FERC on June 18, 2009. Dr. Sasson noted that the NYISO and NYSRC could go directly to NERC and/or FERC to promote the TDF approach. In response to a question from Mr. Hipius, the TOs gave brief status reports on its level of completion in evaluating the impact of a 100kv “bright line” less radials. The results varied from nearly complete to barely started. Mr. Hipius noted that the level of cost impact is greatly reduced if load shedding is allowed after the (n-1)-1 contingency. NGrid is performing its analysis allowing up to 100mw of load shedding. Mr. Clayton noted that RRS is considering using the TDF approach for application of the NYSRC more stringent reliability rules.

Mr. Fedora summarized the NPCC schedule leading to a September 2009 filing with FERC as follows:

- 1) NPCC Subcommittees to reach consensus on a definition for evaluation of BES elements – May 1, 2009. (ans. - 100kv “bright line” less radials)
- 2) TOs provide list of facilities for the 100kv “bright line” and other approaches and assumptions including TDF and use of load shedding – May 27, 2009.
- 3) TOs provide reliability and economic impacts – July 22, 2009.
- 4) NPCC will send a status report to the NPCC Board – July 29, 2009.
- 5) RCC will review the final report – September 10, 2009.
- 6) Final approval by the NPCC Board – September 17, 2009.

7) File with FERC – September 20, 2009.

Mr. Rufrano reminded the Executive Committee that FERC could specify a definition for BES elements at any time. Mr. Clagett feels this would most likely come in the form of a proposed order. Further, Mr. Rufrano emphasized the importance of indentifying whether the 100kv “bright line” definition will provide any incremental improvement in reliability – **AI #121-4**. If it does not show incremental improvement, the information will provide the basis for challenging unnecessary expenditures. Mr. Loehr thanked Mr. Gonzales for his efforts in bringing the TDF approach forward.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith indicated that he has been working with Siemans Energy Systems. They have a novel approach to detecting out-of-step conditions which may be applicable to defensive strategies. Mr. Smith is inviting Siemans to the July 2009 DSWG meeting to present its impedance detection technology. Siemans has completed simulations using the actual August 2003 Blackout data with encouraging results. Next, Mr. Smith presented information from the EPRI Project, “Interactive System Restoration & Adaptive Islanding” being managed by Dr. Kai Sun (EPRI). The final defense against blackouts is mitigating cascading failures by isolating the cascading into one island and/or surgically separating the out-of-step parts to form sustainable islands. The 2009 R&D focus is going to be on real time detection of out-of-step conditions and investigating the “Smart Grid” technologies. Then in 2010, the identification of separation conditions and preventative actions will be the focus. Mr. Smith hopes to initiate a working relationship with EPRI through a NYSEDA conference during the week of May 10, 2009 in which Dr. Lee (EPRI) will be giving a presentation.

5.2 NPCC Defensive Strategy Activities – Nothing additional to report until after the June 3, 2009 NPCC RCC meeting.

5.3 Interregional Studies of Proposed Transmission

- i. NYISO** – Mr. Adams indicated that IPSAC held a meeting on May 7, 2009 to receive a status report on the PJM and PV-20, NY-Vermont interconnection studies. Mr. Clayton acknowledged that he is assisting VELCO.
- ii. NPCC** – At the request of the Chairman, Mr. Fedora agreed to provide a presentation of NPCC’s interregional study activities at the June 12, 2009 Executive Committee meeting – **AI #120-5**.

5.4 NERC Direction – Mr. Loehr introduced the April 30, 2009 letter from Mr. Schwerdt to the NPCC membership requesting comments on the proposed expansion of NERC. Mr. Rufrano indicated that the NPCC Board provided NERC with a synopsis of its views, but given the political context it may not have been as direct as some would like. Therefore, Mr. Schwerdt’s letter was sent at the request of Mr. Rufrano. NERC is proposing to increase its budget by 41% and double its staffing to usurp the work currently delegated to the Regional Entities. The Executive Committee expressed grave concern that such an agenda would put the work in the less knowledgeable and prepared hands and, for all practical purposes, eliminate industry input. The requirement by NERC to use ANSI standards was stated as a major obstruction to timely input. NERC points at the industry for the failures of its processes, while in reality the industry is the only reason it has functioned at all. Comments are due to NERC by May 27, 2009. Mr. Rufrano agreed to provide input to Mr. Gioia in preparing comments – **AI -#121-5**.

5.5 TO’s Strategic Transmission and Reliability Study (STARS) – Mr. Dahl reported that STARS is moving forward with current focus on development of long term transfer limits and other assumptions for the base case. The study is about one week behind schedule.

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 April 29, 2009 ICS meeting.

- 6.2 2009/10 IRM Filing – 2010-11 IRM Study Assumptions** – Mr. Dahl indicated that NYSERDA has initiated an update to the wind project forecast for 2010 IRM Study. Work has begun on the transmission model, load shape, load forecast uncertainty, and updating of EFORD and DMNC information. ICS briefly reviewed MARS modeling runs combining the impact of a changed MARS “loop flow switch” with a new treatment of external ICAP. Also, ICS discussed the potential for NYISO deliverability filing commitments to impact IRM external capacity assumptions. Steve Jeremko and NYISO developed a scheduling tool to track week-by-week IRM study progress.
- 6.3 Mechanism to Accommodate Expanded MARS Database Review** – Mr. Gioia indicated that he sent Mr. Patka comments regarding the relationship between the NYSRC and the NYISO as it pertains to the availability of confidential data. Mr. Patka reported that he will send the Agreement to Messrs. Dahl and Dr. Sasson early in the week of May 10, 2009 – **AI 121-6**. Regarding Frank Vitale, Mr. Gioia noted that he may send a letter to Mr. Patka to confirm the understanding that Mr. Vitale is covered by the NYISO/NYSRC Agreement.
- 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 primarily on grouping data by type of units, service hours, maintenance EFORD, NERC trends, etc. in an attempt to identify causes and possibly recommend improved modeling in IRM studies. The NYISO provided ICS with annual 2003-08 EFORD information by unit type. Frank Vitale summarized this information generically and provided the results to ICS. NYISO raised a concern about sharing the nuclear data and is reviewing this matter internally with its Legal Department. ICS is also waiting for more specific information on plant outage and maintenance hours. The study is approximately two months behind schedule because of delays in obtaining the data. NYISO’s requirement for a Master Consulting Agreement remains under review.
 - 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 changes to ~~resource adequacy~~ **IRM** requirements. Preliminary results indicate increasing resource adequacy requirements from load growth is offset by the retirement of poor performing units. Updates to forced outage rates and the environmental model are underway. The Study remains on schedule for summer 2009 completion.
 - iii. ISO-NE vs. NYCA 2009 IRM** – the Chairman of ICS will attend the May 18, 2009 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**.
- 7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues**
- 7.1 RCMS Status Report & Discussion Issues** – Mr. Fanning indicated that RCMS held a phone conference on May 7, 2009.
- 7.2 2009 New York Reliability Compliance Program (NYRCP)** – Mr. Fanning introduced the 2009 NYRCP and reported that RCMS reviewed Measurement K-M2d, Monthly Operating Reports. The reports were found to be in full compliance.
- 7.3 RCMS Compliance Review of 2004 GADS Reporting Error(s)** – The status of 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.	The Task Report found no violations since the word “accurate” was a Rule modification subsequent to the event. Complete
3.4	RRS to prepare a PRR to modify Measurement C-M5	RRS presented PRR #101 to revise C-R 2, and C-M 4, 5 and 6 to the EC for posting on May 8, 2009. The EC delayed “posting for comment” until after its June 12, 2009 meeting. Pending
4	Improving the outage screening process	A NYISO group continues to develop the process. Completion is expected in the 1 st quarter of 2010. Pending
5	NYISO conducting in-house NERC-GADS workshop	NYISO Market Training personnel conducted a GADS workshop on April 2, 2009. There were 65 participants. Complete
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. Pending

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 May 1, 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 #4.3). The NYISO is providing the TDFs for the various facilities lists – **AI #121-7**. PRR #102, K-M2d; Reliability Assessment, a new proposal designed to consolidate reporting requirements, is expected to be approved by RRS at its June 2009 meeting. 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. It was agreed that the NYISO would present the current review process and areas for improvement at the June 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 - PRR #99, System Restoration, was posted on April 20, 2009. Dr. Sasson noted that Con Ed will be providing comments.
- PRR #101, Modifications to Resource Adequacy, addresses “due diligence” for the NYISO regarding generator outage data. RRS has added clarification and more stringent reporting and review of data to the NYSRC, including forced, partial and maintenance outage. The Executive Committee agreed, at the request of the NYISO, to delay approval until June 12, 2009.

3. PRRs for EC Discussion

- Dr. Sasson reminded the Executive Committee that at the May 8, 2009 meeting he had discussed the need to consider a new reliability rule requiring dual fuel capability for new base load units in New York City. Dual fuel capability was included in the Two Party Agreements prior to deregulation. The issue has been recognized by the NYS Planning Board in the SEP Interim Report. Mr. Schrom emphasized the importance of the loss of gas supply. Mr. Dahl noted that the reliability issue can be dealt with via transmission upgrades and/or improvements to the gas delivery system. Furthermore, the SRIS process requires consideration of the loss of gas supply. Mr. Clayton added that emergency contingencies require mitigation of the consequences of a loss of gas supply. Mr. Rufrano expressed the view that a solution will require sharing of responsibility by the gas and electric industries. Mr. Gioia expressed concern about a NYSRC mandate, when multiple solutions to the reliability issue exist. After further discussion, the Executive Committee agreed to address the issue without specifying a particular solution and to make its voice heard through comments on the SEP – AI #121-8.

8.3 NPCC/NERC Standard Tracking

- NERC Standards Development** - Mr. Adamson reported that proposed Standard EOP, System Restoration, passed with a favorable weighted average vote of 85%. The NYSRC had voted “yes” on April 20, 2009.
- Status of NERC “Determine System Operating Limits”** – Mr. Clayton indicated that the British Columbia Transmission Corporation is no longer proceeding with a new SAR to re-address the method for determining operating limits.

8.4 Other RRS Issues

- Cyber Security Presentation** – Deferred to the June 12, 2009 meeting.

9.0 NYISO Status Report/Issues –

9.1 NYISO 2009 Comprehensive Reliability Planning Process (CRPP) – Mr. Chao noted that the CRPP will come before the NYISO Board for approval on May 19, 2009.

9.2 Other Studies/Activities

- NYCA Reactive Power Study** – Nothing new to report.

- Wind Integration Study/Activities** – Mr. Adams noted that the analytical work is nearly complete.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Adams reported that a major emergency occurred on April 13, 2009 due to 91 Athens-Pleasant Valley 345kv line exceeding its LTE rating due to loss of 92 Leeds-Pleasant

Valley line. The emergency was terminated in six minutes.

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

10.3 NPCC Report – Mr. Fedora pointed out that NERC will hold its media release of the 2009 Summer Assessment on May 19, 2009.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	Date	Location	Time
#122	June 12, 2009	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.
#123	July 10, 2009	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No. 121 was adjourned at 3:30 P.M.