

Revised Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 129 – January 8, 2010
GE Global Research, Niskayuna, NY

Members and Alternates:

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

Others:

Al Adamson	Consultant - Treasurer
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Steven Fanning	National Grid, USA – RCMS Chairman
Wes Yeomans	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO) – Counsel
Henry Chao	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)
Erin Hogan, PE	NYSERDA
Scott Leuthauser	Consultant to HQUS
Harjeet Johal	GE Global Research*
John Kern	GE Global Research*
Kannan Tinnium	GE Global Research*
Balki Iyer	GE Global Research*

“*” – 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.129 to order at 9:30 A.M. on January 8, 2010 at the GE Global Research Center.
 - 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance.
 - 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. 128 (December 4, 2009)** – Mr. Raymond introduced the revised draft minutes which included all comments received by email. Mr. Gioia provided additional comments. Following further discussion, Mr. Ellsworth moved for approval of the revised draft minutes including the comments of Mr. Gioia. The motion was seconded by Mr. Mager and unanimously approved by the Executive Committee Members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #129-1**.
 - 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>
114-4	Mr. Fedora distributed the Overall NPCC Transmission Assessment at the January 8, 2010 Executive Committee meeting.
117-3	Mr. Clayton held a meeting with the DEC on December 3, 2009 and updated the Executive Committee on December 4, 2009.
128-4	“BART” comments dated December 23, 2009 were filed by Mr. Gioia.
128-5	Mr. Loehr circulated a draft letter at the January 8, 2010 Executive Committee meeting.
128-8	Messrs. Gioia and Adamson completed the 2010 IRM Resolution, letter to the NYISO and press release on January 4, 2010.

- 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 \$157,000 at the end of December 2009. This balance includes payments of \$55,000 that were received in December 2009 toward the \$165,000 1st Quarter Call-for-Funds. 2009 expenses were about \$99,000 less than budget. ~~Payments of \$55,000 have been received toward the 1st Quarter Call-For-Funds.~~
The auditor, Slocum DeAngelus Associates, has begun the 2009 audit. A letter to Members requesting payments during 2009 can be expected in about two weeks. Mr. Adamson has received a letter from the auditor confirming the audit scope. A copy will be provided to the Executive Secretary.
 - 3.2 **Other Organizational Issues** – Nothing additional to report.

4.0 State/Federal Energy Activities

4.1 Energy Planning Board (EPB) – SEP Update – Ms. Hogan noted that the SEP was issued at the end of December 2009 and is posted on the SEP web site. The Executive Committee requested that ICS review the Plan and report back its findings regarding items affecting the NYSRC – **AI #129-2**.

4.2 NPCC Report – Mr. Loehr noted that Mr. A. Ralph Rufrano has joined NPCC as Manager of Compliance Violations.

4.3 FERC Proceeding on 100kv “Bright Line” – Nothing new to report.

4.4 Petition to Amend the NYSRC Agreement – Mr. Gioia reported that the amended NYSRC Agreement was filed on December 14, 2009 with the concurrence of the NYISO. Approval, which allows NYSRC Members to be members of NYISO committees, was received from FERC on December 29, 2009.

4.5 NYSRC “BART” Comments – Mr. Gioia noted that the NYISO has filed comments with the DEC on its Best Available Retrofit Technology (BART) proposed rule and that the NYSRC has filed in support of the NYISO. The NYSRC comments emphasize the importance of the NYISO having an opportunity to determine the impact of the proposed rule on reliability before the rule is adopted by the DEC. Mr. Clayton added that he is setting up another meeting with the DEC for January 21, 2010. Mr. Chao reported that the DEC's proposed NOx RACT regulations were issued on December 23, 2009. The public hearings will take place on February 8-9, 2010 and written comments are due by February 17, 2010. The objective of the proposed regulations is to set presumptive limits for the emission of NOx from effected units. The NYISO has hired GE to perform an impact study and will work cooperatively with the NYSDEC, NYSPSC, and NYSERDA staff on the NOx RACT modeling. The model will form the basis for possible comments on the NOx RACT proposal. The study will examine the economics of various retrofit technologies and estimate the emission reductions that may be achievable along with the cost of attaining these reductions. The study will also estimate the outage durations required and the overall time required to undertake the retrofits in a coordinated manner that is constrained by system reliability considerations. The NOx RACT study is expected to be completed in early February 2010.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith indicated that the Defensive Strategies Working Group’s (DSWG) next meeting will be in the February 2010 time frame. He would like to have Schweitzer Associates present its PMU System, which has been installed in the Western Interconnection, to the DSWG.

5.2 Stimulus Funding for Smart Grid – Mr. Chao indicated that the NYISO has put out an RPF for Project Management assistance. Nine entities responded. Those responses are currently being evaluated.

Mr. Patka indicated that the NYISO has received a Smart Grid Grant of \$37.4 million on behalf of itself and the New York Transmission Owners to install phasor measurement units and capacitors on the bulk power system. The NYISO is negotiating three agreements related to that grant; a contract with the DOE for the grant as the principal awardee; a sub-award agreement with the New York TOs, and a vendor agreement with a vendor to be selected to administer the Smart Grid Grant project for the NYISO. Finally, the NYISO and 23 other Planning Authorities have received a \$16 million grant to conduct interconnection-wide bulk power transmission system planning for the Eastern Interconnection.

5.3 NPCC Defensive Strategy Activities - Mr. Fedora reported that the NPCC SS-38 Working Group on Inter-Area Dynamic Analysis completed the 2009 NPCC Overall Transmission Assessment (OTA) report and received NPCC Reliability Coordinating Committee (RCC) approval by email ballot at the end of December 2009. In accordance with the NPCC Reliability Assessment Program, the Task Force on System Studies (TFSS) is mandated to review the need for an Overall Transmission Assessment. The overall study builds upon and supplements the Transmission Reviews conducted annually by each of the NPCC Areas by examining the system from a broader regional and inter-regional perspective.

The last Overall Transmission Assessment was conducted in 2004 by the SS-37 Working Group under the direction of TFSS. That assessment evaluated the dynamic performance of the NPCC system for various design and extreme contingencies under conditions projected for 2009.

The current assessment was conducted under the system conditions projected for 2013 and includes major facilities in the Reliability First Corporation (RFC) Region that are expected to be in service by 2013-2014. The analysis performed for the 2009 OTA showed that:

- i. The NPCC system projected for 2013 remained stable with no inter-Area and interregional impacts for all tested design contingencies originating within and outside the NPCC region.
- ii. The NPCC system projected for 2013 remained stable with no inter-Area and interregional impacts for all but one of the tested extreme contingencies originating within and outside the NPCC region. Inter-Area undamped oscillations were observed for the no-fault loss of the Suroweic 345 kV Substation in New England. These oscillations are a result of Orrington South flows that were set beyond those typically associated with extreme contingency testing. A damped response was observed when the Orrington South flows were reduced to approximately 300 MW in the North to South direction.
- iii. The NPCC system projected for 2013 exhibited an acceptably stable and damped dynamic response for all beyond criteria contingencies that were simulated.
- iv. The proposed large future system developments in the adjacent RFC region did not negatively impact the dynamic performance of the NPCC system projected for 2013 for all tested contingencies originating within and outside the NPCC region.
- v. In general the results are consistent with past OTAs and demonstrate the robustness of the NPCC system.

Mr. Fedora also reported that the SS-38 Working Group has not completed the sensitivity analysis to examine the impact of variable generation on the dynamic performance of the system due to issues encountered with wind turbine generator models. These issues have been documented in Chapter 3 of the OTA report. As agreed by the RCC, the SS-38 Working Group will address these issues in order to complete the sensitivity analysis within the next three months. The findings from these analyses are planned to be reported at the March 10, 2010 RCC meeting.

5.4 Interregional Studies of Proposed Transmission

- i. **NYISO – EIPC Study** – Mr. Chao reported that the EIPC is in a contract meeting with DOE to finalize the scope and dollar amount.
- ii. **NPCC** – See Agenda Item 5.3.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

6.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS met on Monday January 4, 2010 to kick-off discussions on major initiatives for the 2010 work plan including:

- a) **Unified Method Improvements** – ICS discussed specifics of the zonal capacity shift methodology to achieve $LOLE=0.1$ and consistency of Tangent 45 degree calculations for LI and In-City zones. It was agreed Con Edison would work with other ICS members and present suggested improvements at the February ICS meeting.
- b) **Horizon Year IRM Study** – Discussed need to complete outstanding analysis and update to reflect latest IRM modeling assumptions
- c) **Policy 5 Revision** – Discussed policy updates to reflect issues identified in 2010-11 IRM study cycle.
- d) **Emergency Operating Procedures** – ICS discussed an investigation into the high reliance on EOPs in the IRM base case to determine if any modeling changes are required.
- e) **Environmental** – ICS discussed the need to continue to increase understanding of the impact and timing of proposed Environmental regulations. ICS discussed a presentation for the January DEC meeting and requested the NYISO provide a summary presentation of pending environmental regulations for discussion at the February ICS meeting.

f) Other Issues – ICS discussed a proposal by NYSEG to provide additional detail on UCAP translation. NYSEG agreed to circulate a proposal at the February 2010 meeting of ICS.

Sub-teams were assigned and agreed to have updates for discussion at the February ICS meeting. Also, the NYISO discussed GE MARS program modifications necessary to mask confidential contractual information. It was reported these modifications would be part of GE work commissioned by NYISO for 2010.

6.2 Other ICS Issues

- i. **PSC Request to Explain Choice of 18% IRM for 2010** – Mr. Gioia reported that on December 23, 2009, the PSC initiated its own proceeding to determine whether it should adopt the 18% IRM determined by the NYSRC. Mr. Gioia submitted comments for the NYSRC on January 7, 2010 with the assistance of Dr. Sasson and Messrs. Dahl and Adamson. Mr. Patka added that regarding the IRM, the NYISO intends to continue taking its direction from the NYSRC.
- ii. **FERC Approval of 18% IRM for 2010** – Comments were due to FERC on January 4, 2010. The only comments were from HQUS. HQUS did not question the NYSRC’s determination of the 18% IRM, but instead focused on the subsequent NYISO determination of import rights. After consultation with the Executive Committee, it was agreed that the HQUS comments were not relevant to the NYSRC. Therefore, no NYSRC comments were warranted.

7.0 Reliability Rules Subcommittee Status Report/Issues

7.1 **RRS Status Report & Discussion Issues** – Mr. Clayton reported that RRS met on January 6, 2010. Referring to the List of Potential Reliability Rules Changes – Outstanding, he noted that PRRs #8 and #52 are waiting for completion of the Reactive Power Study and NPCC investigation of governor response and the UFLS program, respectively. PRR #103, C-R4; System Data Requirements, is nearly complete and presentation to the Executive Committee is expected in February or March 2010. PRR #104, Verification Testing of Resource Capacity, and PRR #105, Rescission of Exception to NYSRC Reliability Rules, are under development in conjunction with the NYISO and other interested parties.

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 EC Final Approval**
 - None
 2. **PRRs for EC Approval to Post**
 - None
 3. **PRRs for EC Discussion**
 - None

7.3 NPCC/NERC Standard Tracking

i. **NERC Standards Development** – Mr. Adamson noted that the Drafting Team is still reviewing comments on TPL-001-1, Transmission Planning Performance Criteria, which were submitted on October 16, 2009 (version 4). It is unclear whether an additional draft for comments or ballot will be forthcoming. Mr. Adamson expects the new standards to be more stringent than some of NERC’s existing Rules, thereby requiring a review of NPCC and NYSRC Rules.

Also, Mr. Adamson reported that there has been considerable discussion within NPCC on EOP-005-001, Interpretation. NERC will be recommending a position shortly balloting this Standard soon. With the position of NPCC Members and RRS in hand, a recommended NYSRC voting position from the RRS and Executive Committee will be requested by Mr. Adamson. ~~will be forwarded to the Executive Committee for its approval.~~

Mr. Fedora noted that the Resource Adequacy Assessment’s original SAR has been given to the Transmission and Generation Reliability Planning Models Task Force, and further that FERC is investigating the development of a list of performance metrics to compare Regions.

7.4 Other RRS Issues

- i. **Modification to Exceptions – Policy 1** – Mr. Clayton reminded the Executive Committee that a letter from Mr. Gonzales, re: Request for NYSRC Modifications to Exceptions to Reliability Rules, was remanded to RRS for review at the November 13, 2009 Executive Committee meeting. RRS has reviewed the request and asked the NYISO for additional justification and a statement certifying that the modifications will not jeopardize system reliability. Mr. Patka noted that the level of information requested by RRS will require input from SOAS and the OC. Mr. Adams indicated that at its last meeting the OC concurred with providing the information. Therefore, the NYISO will resubmit the letter request to RRS - **AI #129-3**. When received, RRS will complete both a new revised Policy 1 and the associated PRR 105 - **AI #129-4**. Mr. Gioia reported that version 26 of the Reliability Rules was forwarded to the PSC.
- ii. **100kv “Bright Line”** – Mr. Clayton noted that work is progressing on the definition of a NYSRC “bright line”. One TO has yet to provide the requested information. Testing against various TDF levels is the next step toward a defined set of facilities that must abide by the NYSRC Reliability Rules. Also, the RRS and NYISO are jointly investigating the use of the A10 List plus the NYISO secured facilities.

8.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

8.1 RCMS Status Report & Discussion Issues – Mr. Fanning indicated that RCMS met for its regular meeting on January 7, 2010. All members were in attendance.

8.2 2009 New York Reliability Compliance Program (NYRCP) – Mr. Fanning reported that RCMS has completed the 2009 NYRCP and will have a final report ready for Executive Committee consideration in March 2010 – **AI #129-5**. Mr. Fanning further indicated that the following Measurements were reviewed for compliance:

- a) K-M2d, Monthly Operation Reports, – Full Compliance, and
- b) C-M4, Procedure for Reporting Resource Availability Data, - follow-up information was provided by the NYISO.

Also, the NYISO gave a presentation on the draft Annual Transmission Report.

8.3 2010 New York Reliability Compliance Program (NYRCP) – Mr. Fanning presented the list of Measures that RCMS will be reviewing in 2010. RCMS guidelines for choosing the appropriate measurements for inclusion in the 2010 NYSRC Compliance Program were discussed by Mr. Fanning. ~~The list for 2010 is based on a summary of potential Measures and the reviews done by RCMS between 2006 and 2009.~~ Dr. Sasson moved for acceptance of the RCMS list of Measurements for 2010 with the understanding that adjustments may be made after discussion with the NYISO. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0). Next, RCMS will meet with the NYISO staff in late January 2010 to agree on compliance document requirements and due dates for these measurements. In February 2010, the Executive Committee will be requested to approve the final 2010 “Scorecard” with these items included.

8.4 Other RCMS Issues – Mr. Fanning noted that Mr. Adamson has signed a non disclosure agreement which will allow him to review the confidential version of the NYISO Audit Report. Mr. Gioia added that if Mr. Adamson determines that his report to RCMS must address confidential data, further negotiations with the NYISO would be necessary.

9.0 NYISO Status Report/Issues

9.1 NYISO 2009 Comprehensive Reliability Planning Process – Mr. Chao reported that the NYISO is working on the load forecast and load flows for the next RNA. A draft report is expected in the June/July 2010 time frame.

9.2 Economic Study of Transmission Congestion – Mr. Patka reported that the NYISO’S Congestion Study (a.k.a. CARIS) will go to the Management Committee and NYISO Board in January 2010.

9.3 Other Status Reports/Issues

- i. **NYCA Reactive Power Study** – Nothing new to report.
- ii. **Wind Integration Study/Activities** – Mr. Adams indicated that there will be a Wind Integration Study workshop on January 19, 2010. He volunteered to provide a presentation on the study at the February 12, 2010 Executive Committee meeting – **AI #129-6**.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans indicated that the peak load for December 2009 was 24,072Mws which occurred on December 17, 2009 beginning at 17:00 hours. There were no major emergencies declared throughout the month.

10.2 North American Energy Standards Board – Mr. Ellsworth agreed to provide a presentation on NAESB at the February 12, 2010 meeting – **AI #129-7**.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule -

<u>Mtg. No.</u>	<i>Date</i>	<i>Location</i>	<i>Time</i>
#130	Feb 12, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.
#131	Mar 11, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No.129 was adjourned at 12:00 P.M. GE provided a tour of its Smart Grid Laboratory in the afternoon.