

NYSRC 2008 RELIABILITY COMPLIANCE PROGRAM

Introduction

The New York State Reliability Council (NYSRC) Reliability Compliance Program is designed to measure and ensure compliance with NYSRC Reliability Rules in order to provide for a reliable bulk electric supply and delivery system in New York State. The NYSRC Reliability Compliance Monitoring Subcommittee (RCMS) manages the compliance program, which includes conducting reviews to ensure that the NYISO is in compliance with all NYSRC Reliability Rules, even those identified in the Rules as requiring actions by Market Participants. The NYISO has the responsibility of ensuring Market Participant compliance through its procedures and Market Services Tariff. The objective of the compliance program is to encourage compliance to the NYSRC Reliability Rules necessary to preserve the reliability of the New York Control Area. This report presents the highlights of results of the NYSRC 2008 Reliability Compliance Program.

Compliance with the NYSRC Reliability Rules is reviewed and evaluated in accordance with NYSRC Policy 4-4, *Procedure for Monitoring Compliance with the NYSRC Reliability Rules*.

Another major reference document for the reliability compliance monitoring process is the NYSRC Compliance Template Manual. The Compliance Template Manual includes a compliance template for each measurement. These templates cover reporting and compliance monitoring responsibilities, reporting frequencies, and statements of requirements for full compliance and levels of non-compliance. The Compliance Template Manual also describes the types of non-compliance notification letters that must be issued for various levels of non-compliance. The Compliance Template Manual was updated once during 2008 (Version 16) reflecting adoption of two modified measurements.

In 2008, there were a total of 61 NYSRC measurements. Each year's Reliability Compliance Program includes compliance reviews of a portion of these measurements. Factors used for selecting the group of measurements to be reviewed each year include: (1) Measurements that require annual or monthly review, (2) Measurements in which compliance have not been reviewed in the past three years, (3) Measurements that have been adopted or modified over the previous year, and (4) Measurements that were found in non-compliance during the previous year or if other issues associated with NYISO compliance that require a follow-up review. The annual Reliability Compliance Program is approved by the NYSRC Executive Committee every February.

In addition to the annual Reliability Compliance Program, the NYSRC may trigger special compliance reviews as determined by the NYSRC. This report describes one such special compliance review that was conducted by RCMS in 2008

2008 Reliability Compliance Program Measurements

As shown in Table 1, the 2008 Reliability Compliance Program included 25 NYSRC measurements having NYISO reporting responsibility, and eight measurements having Market Participant reporting responsibility. This number of measurements, for which NYISO and Market Participant compliance was assessed, represents 54 % of total NYSRC measurements. Appendix A shows an overview of the NYSRC 2008 Reliability Compliance Program, including the measurements assessed, milestone dates, and compliance results.

Table 1 – NYSRC 2008 Reliability Compliance Program Summary

	Measurements Requiring Actions by the NYISO	Measurements Requiring Actions by Market Participants	Total Measurements
Total NYSRC Measurements	49	12	61
Total Measurements in 2008 NYSRC Compliance Program	25	8	33
2008 Program Measurements in Full Compliance	25	8	33
2008 Program Measurements in Non-Compliance	0	0	0

Table 1 shows that the NYISO and market participants were in full compliance with all measurements that were assessed as part of the 2008 Reliability Compliance Program. One measurement in the original 2008 Reliability Compliance Program, C-M5, not included in the above table, was rescheduled to 2009 because of an interpretation of C-M5 was determined to be needed – see discussion below.

Highlights of the NYSRC 2008 Reliability Compliance Program

1. Special Compliance Review: Market Participant Non-Compliance with C-M5, Outage Date Reporting Requirements

The NYISO is required to report any violation of NYSRC Reliability Rules by market participants to the NYSRC. In August 2008 the NYISO reported to RCMS that its Market Monitoring Unit had identified a NERC-GADS outage data misreporting violation by a market participant in 2004, resulting in Level 2 non-compliance finding. Following a detailed investigation, RCMS prepared a report to the Executive Committee on its compliance findings and recommendations. This report can be found on the NYSRC Web site, www.nysrc.org, under Documents/Reports. These recommendations included areas in which the NYISO could improve the accuracy of the outage data it receives from market participants. In January 2009, RRS developed an interpretation of C-M5 because of issues raised in the report about the intent of the meaning of the term “accurate outage data” within the measurement’s requirements. A planned compliance

review of C-M5 for 2008 was delayed to 2009 because of the perceived need for this interpretation.

2. NYCA Transmission and Resource Adequacy Assessments

The NYSRC Reliability Rules require that the NYISO provide NYCA transmission and resource adequacy assessments to demonstrate that the NYISO complies with NYSRC Reliability Rules. The timing of annual transmission assessments to the NYSRC is coordinated with that of similar submissions required by NPCC.

To demonstrate compliance with NYSRC transmission design criteria, in 2008 two transmission assessments were submitted: a *2007 Interim NYCA Transmission Review Through 2012*, and a *2008 Intermediate NYCA Transmission Review Through 2013*. Both studies concluded that the NYS Bulk Power System, as planned through the year 2012 and 2013, respectively, is in conformance with NYSRC Reliability Rules. RCMS accepted these reports and concluded that the NYISO was in full compliance with NYSRC transmission design and reliability assessment requirements.

The NYSRC also requires that the NYISO provide an addendum to its transmission assessment reports that includes: (1) (N-1) -1 assessments; (2) identification of the impacts of the planned transmission system on the NYCA System Restoration Plan in accordance with B-M3; (3) an assessment showing local rules have been considered in accordance with I-M4; (4) an extreme contingency assessment for the loss of gas delivery system; and (5) an extreme contingency condition assessment assuming generating unit loss of gas supply. The latter two assessments are appropriate in light of recent environmental regulations. Although this addendum was provided for both the 2007 and 2008 transmission assessments, they were delayed and did not provide sufficient detail in some areas. RCMS is working with the NYISO to improve these supplemental assessments.

To demonstrate compliance with NYSRC resource adequacy assessment requirements, the NYISO prepared the report *Annual Assessment of Resource Adequacy covering the NYCA for 2008-2011*. The study concluded that an NYCA IRM requirement of 15.0 % could be met throughout the 2008-2011 study period, assuming all planned resources were completed on schedule. RCMS accepted the report and concluded that the NYISO was in full compliance with NYSRC resource adequacy assessment requirements.

3. Modification of NYSRC Reliability Rules

One of RCMS' responsibilities is to recommend, if appropriate, new rules or modifications of existing rules. In 2008, RCMS determined that NYSRC measurements that define NYISO requirements to provide reliability assessments

(measurement K-M2a) needed clarification. Accordingly, PRR 98 was prepared and adopted by the Executive Committee to modify requirements for NYCA transmission assessments. RCMS is in the process of preparing PRRs to also modify NYISO requirements for preparing monthly operating reports (K-M2d) and resource adequacy assessments (K-Mb).

2008 NPCC and NERC Reliability Compliance Programs

In addition to complying with NYSRC Rules, the NYISO must also comply with all NPCC and NERC Standards. RCMS has oversight responsibility concerning NYISO compliance with these NPCC and NERC criteria. NPCC has the responsibility and authority to implement a compliance monitoring and enforcement program for NERC and Regional Standards, as well as monitoring compliance with NPCC-specific reliability criteria. During 2008, NPCC reviewed NYISO compliance relative to 7 NPCC and 23 NERC standards and criteria that were included in the 2008 NPCC and NERC Reliability Compliance Programs. It should be noted that during 2008, compliance with NERC standards became mandatory. NPCC has concluded that the NYISO was in full compliance with all 30 NPCC and NERC standards and criteria included in these reliability programs. Appendix B is a NYISO 2008 NERC/NPCC/NYSRC Compliance Program Schedule which provides a summary of these assessments.

Conclusions

The following conclusions were reached by RCMS based on its experience with the 2008 Reliability Compliance Program:

1. As in past years, the NYISO staff provided valued assistance during the RCMS compliance review process.
2. RCMS is pleased that for the fifth year in a row, the NYISO and market participants were found to be in full compliance with all NYSRC measurements that were assessed as part of the annual NYSRC Compliance Program. In addition, NPCC found the NYISO in full compliance for all NPCC standards and criteria and NERC standards that were assessed in 2008. As reported in this report – not part of the NYSRC 2008 Reliability Compliance Program – one market participant was found by the NYISO to be in violation with one measurement during 2004.
3. The receipt of compliance documentation was delayed past due dates for four reliability assessments in 2008, although the NYISO has made some progress in this area compared to similar concerns in previous years. RCMS will continue to work with NYISO to avoid future compliance documentation delays.