

3rd Draft Meeting Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Compliance Monitoring Subcommittee
Meeting No. 116 – September 10, 2009
NYSERDA Offices – Albany, NY

Members and Alternates:

Steve Fanning, Chairman	National Grid
Jeff May, Secretary	Central Hudson Gas & Electric
Leyvi Gelman	Consolidated Edison Co. of NY - phone
Jonathan Appelbaum	Long Island Power Authority
Anie Philip	Long Island Power Authority
Joharath Kutty	New York Power Authority - phone

Others:

Al Adamson	NYSRC/RCMS Consultant
Tony Elacqua	NYISO Representative

Guests:

Kathy Whitaker	NYISO Ancillary Market Operations
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1. Introduction

Mr. Fanning opened the meeting with introductions. Two members participated by phone. Anie Philip from LIPA will replace Jonathan Appelbaum as the Primary Member. Mr. Appelbaum will continue in the role of Alternate Member. Ms. Philip will also assume the role of Secretary from Mr. May starting at meeting # 117 in October. Mr. Adamson will update the RCMS Roster (*Action Item #116-11*).

2. Approval of Minutes for Meeting #115

The minutes (2nd draft) of RCMS Meeting #115 held on August 13, 2009 were approved as written. The approved minutes will be distributed to RCMS members and sent to Carol Lynch for posting on the NYSRC Web site, with a copy to Don Raymond.

3. Review of Action Items List

The following open action items were mentioned:

- Action Item #103-3: remains open; PRR not yet drafted
- Action Item #108-4: to be discussed in Agenda Items 7.1 & 7.2
- Action Item #111-7: to be discussed in Agenda Item #7.3
- Action Item #115-1: to be discussed in Agenda Item #5.2
- Action Item #115-2: remains open; to be discussed in Agenda Item #5.3

- Action Item #115-4: ICS presentation was completed on Tuesday 9/8/09; to be further discussed with RCMS as part of Agenda Item #7.2

4. NERC/NPCC/NYISO Activities

4.1 NYISO 2008/2009 NERC/NPCC Compliance Program Status

Mr. Elacqua reviewed the latest NPCC & NYSRC requirements for which the NYISO has submitted data and is in full compliance. He also noted the requirement (E-M8) that will be further discussed later in this meeting.

4.2 NERC Standards Development Update

Mr. Appelbaum addressed a few recent CIP standards developments, including recent interpretations of alternative means to the 6 wall borders, primary and backup control center electronic perimeter issue for CIP-005, and a white paper suggesting methods to identify critical assets. He noted that the drafting team's next step would be to review the negative comments and decide what further action(s) must be taken.

Other standards that are out for comment include NPCC guidelines for draft PRC-005-2 and the standard for backup control center requirements. Future control center requirements will include specifically documented conditions for which a company would evacuate their control center.

Mr. Elacqua added that comments for the second draft of FAC-008 (facilities rating) were due yesterday, and comments for FAC-016 (real-time operations) are due by 9/24/09.

4.3 NPCC Compliance Committee Report

Mr. Appelbaum indicated that there was nothing noteworthy to report for this month.

4.4 Other NERC, NPCC and NYISO Activities

The NYISO was audited for compliance with NERC standards from 8/18 to 8/20/09. NPCC performed the audit, while NERC representatives were present to oversee the NPCC auditor and FERC representatives were present to oversee NERC's involvement with the process. NPCC provided advanced audit notification to the NYISO for 13 CIP requirements. An additional 6 requirements were reviewed after the auditors arrived on-site. The NYISO received verbal notice that they passed the audit however, a detailed findings report is due to the NYISO sometime during the coming month. Mr. Elacqua generally discussed 3 known recommendations resulting from the audit, all of which were specific to proper documentation. He indicated that the auditors cited concerns with revision histories on policies & procedures, page labels in their Critical Energy Infrastructure Information (CEII) documentation, and mismatches in documentation vs. actual DNS host (server) names and SNMP (address) names.

Mr. Adamson asked the NYISO to provide the report to RCMS (*Action Item 116-1*).

Mr. Elacqua reminded RCMS about and upcoming BES report due to NPCC on 9/22/09. He also noted a system protection regional standard that is currently being developed by the drafting team and a recently issued disturbance-monitoring directory.

5. NYSRC 2009 Reliability Compliance Monitoring Program

5.1 2009 Compliance Monitoring Program Summary Update

No comments.

5.2 Operating Report for August 2009

The NYISO provided electronic and paper copies of the August 2009 Operating Report. Mr. Elacqua reviewed these reports with RCMS. Mr. Appelbaum inquired about the driving factors for TLR activations. Mr. Elacqua will research and provide an answer to RCMS in October (*Action Item 116-2*). RCMS asked Mr. Elacqua to verify and/or correct Inadvertent Accumulations quantities that appear to be incorrectly labeled as June 2008 (as opposed to June 2009) (*Action Item 116-3*), and to provide a histogram of wind data error for over/under generation by 10/8/09 (*Action Item 116-4*). In lieu of a finding of full compliance with Measurement K-M2d for August 2009, the RCMS started a 30-day clock pending completion of the correction identified in only Action Item 116-3 listed above.

5.3 Application of the Reliability Rules (E-M8)

Mr. Elacqua highlighted the changes that have been made to the Application Reliability Rules and stated that the changes are out for Market Participant comment. The changes from the last posting include rescinding of ARR-20, -47, -55, -57, & -58 in 2008, rescinding of ARR-61, -62, -63, -64 in 2009, and revision of ARR-69 & -70 in 2009. Mr. Adamson reminded the NYISO that they are required to review and approve the changes. Mr. Elacqua stated that the changes were discussed with SOAS in July. A revised Technical Bulletin #159 was distributed to Market Participants on 9/4/09 for comment. Comments are due by close of business on Friday 9/11/09. Revisions to the T&D manual are currently under review. Once completed, the T&D Manual will incorporate all of the current ARRs. Further, it is the NYISO's intention to eliminate Tech Bulletin #159, and include its requirements in the T&D Manual. RCMS requested the NYISO to include these identified changes in a revised compliance statement (*Action Item 116-5*). The RCMS found the NYISO to be in full compliance with Measurement E-M8 for 2009.

Mr. May identified typographical errors on pages 41, 44, & 45 of the January 9, 2009 (version 23) NYSRC Reliability Rules manual. Mr. May was asked provide Mr. Adamson with the list of specific errors for correction (*Action Item 116-6*).

5.4 Review of October Compliance Assessments (B-M4, E-M6b, & E-M7)

A brief discussion was held regarding the three assessments due for review at RCMS meeting #117 on October 8, 2009. In order to satisfy B-M4, the NYISO is required to submit their procedure for developing a list of NYS BPS facilities. Mr. Adamson asked Mr. Elacqua to

provide a copy of the BPS list, despite the fact that there is no NYSRC approved publication for the facilities list (*Action Item 116-7*).

Measure E-M6b is a continuation of the pre-seasonal fault duty assessments, whereby the NYISO develops a mutually agreeable mitigation plan with affected Market Participants. Mr. Elacqua stated that a revised fault duty study, which included revisions to selected operating protocols, was approved by SOAS. The final report (with the latest operating protocols) has been submitted to the Operating Committee for approval on Thursday 9/17/09.

Measure E-M7 must be completed prior to E-M6b. Market Participant owner(s) are required to assess the condition and report their findings to the NYISO.

Additional discussion ensued regarding selected November and December reporting requirements.

6. 2008 GADS Outage Data Misreporting Event

Prior to the August 2009 EC meeting, Mr. Adamson met w/ Mr. Raymond to discuss and provide information that was ultimately shared with the EC. Mr. Adamson conveyed RCMS's position that there was no C-M5 violation by either the NYISO or MP, since the data in question was not used in an IRM study. The EC accepted the RCMS recommendation without comment.

7. Reliability Compliance Review of 2004 GADS Outage Data Misreporting Event Report Recommendations Update

7.1 Implementation Status Updates of Recommendations #1 - #7

The following table provides recommendation and status excerpts from the RCMS C-M5 Report:

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.	Complete
2	The NYISO should include mitigation measures in future non-compliance letters to Market Participants.	Complete.
3.1	RRS interpretation of Measurement C-M5 meaning "accurate resource outage data"	Complete.
3.2	RRS determines if NYISO definition of measurement C-M5 is consistent with RRS definition	Complete.
3.3	RCMS recommendation to EC as to whether or not further compliance reviews of previous cases is warranted.	Complete.
3.4	RRS to prepare a PRR to modify	RRS completed its development of PRR 101

	Measurement C-M5	to modify C-R2, C-M4, C-M5, & C-M6. The EC approved the posting of PRR 101 for comment at its August 14 meeting.
4	Improving the outage screening process	Ms. Kathy Whitaker made presentations at the 9/8/09 ICS and 9/10/09 RCMS meetings on the status of the screening process development; See discussion in Agenda Item 7.2 below. The NYISO continues to meet weekly or semi-weekly to develop the process. A. Elacqua will provide monthly status updates. (<i>Action Item #108-4</i>)
5	NYISO conducting in-house NERC-GADS workshop	Complete.
6	MMU to notify Resource Planning during its investigation	Complete.
7	Joint NYISO/ICS EFOR trend analysis	Complete.

7.2 Presentation on Status of NYISO Data Screening Process Development

The NYISO is in the process of defining the functional requirements for changes to the GADS NxL software.

Ms. Whitaker presented the GADS screening process to RCMS. The NYISO has developed a report in conjunction with its vendor for the GADS NxL software that compares each generator's current year EFORd values to that its historical 5-year average. The NYISO GADS screening project team analyzed several historical statistics to determine best comparison yardstick, and determined that the 5-year average will be the best indicator. The first official use of the report is scheduled for February or early March 2010. The annual report will display generators in order of their respective percentages (+/-) away from its own historical outage rates. Mr. Adamson inquired about continuity of screening tools between AMO and MMU. Ms. Whitaker indicated that this tool is separate from, and in addition to, other processes that MMU is using. The software is not intended to replace the current MMU tool or methodologies. She further stated that MMU statisticians agreed that the 5-year average reference indicator is the best measure to use. Mr. Adamson expressed concern with the difference between the MMU tool and AMOs tool (i.e. NERC class average vs. individual generator 5-year historical average). Ms. Whitaker stated that the intention is to improve data being used in the IRM study, not to replace current MMU tool(s).

The NYISO's initial focus will be on generators who have understated their EFORd. An annual review will take place in March of each year. AMO will start with units that have the largest discrepancy between the current and historical EFORd. System Resource Planning will continue the process of discussing suspect data w/ ICS and obtain their approval to substitute proxy data prior to the start of the SRP study process. AMO intends to send an e-mail to the top 15 generators (highest deviation on the low side; 15 is an arbitrary quantity). AMO expects the e-mail to give generator owners an opportunity to review their outage data prior to the data being used in the IRM study. Mr. Adamson expressed concern about generators with higher than

average EFORd rates, as well, which could result in too high IRMs and result in unnecessary market expenditures for ICAP. Ms. Whitaker stated that the NYISO is not ignoring generators at the high end. The NYISO recognizes NYSRC's focus on reliability and this is the first step in this new screening process. She further noted that the generators have a strong financial incentive to be more correct in this direction (i.e. limit over-stating outage data). Mr. Adamson indicated a desire to work with ICS to develop future & on-going enhancements to the screening process. He asked RCMS to provide him with a list of recommendations for future uses (applications) of the model data (*Action Item 116-8*) by 9/18/09. Mr. Adamson will develop the aggregate list and distribute to RCMS for their review (*Action Item 116-9*).

Mr. Adamson inquired about how new units would be handled. Ms. Whitaker indicated that the software report displays how many years of data were available, providing a possible reason for their ranking in the report. Additionally, AMO will provide model results to MMU.

Further discussion ensued regarding AMOs e-mail to generators (to the 15 units with the lowest EFORd) vs. System Resource Planning's targeted list of recommendations to ICS for use of proxy data. Based on RCMS comments, Ms. Whitaker identified 4 items for further discussion with the NYISO's software implementation team:

1. Consider notifying generators that their data will be replaced in the IRM (after step 6) At what point should generators be notified that specific unit data is being replaced with proxy data; should the e-mail notification take place after step 6?
2. Provide all generators with a description of the test that will be applied Additional implementation and use of output report (Action Item #s 116-8 & 116-9)
3. Consider submitting e-mail notification to all generator owners identifying their units' deviation from its' 5-year average ranking in the report
4. Discuss ideas to formalize the use of 'high-side' EFORd values (higher forced outage rate than average)

Mr. Appelbaum suggested that there should be minimal concern for item #3 because Micro-GADS is a database driven software where the generator owner that provides the same information can create user reports.

Ms. Whitaker discussed the NYISO's interest in getting all of the various NYISO data systems talking together as a future step.

RCMS was appreciative of the comprehensive work to-date and detailed presentation and question answers provided by Ms. Whitaker.

7.3 Final Report to the EC – Review of Draft

Mr. Fanning recognized Mr. Adamson for drafting the "Implementation of Recommendations in the Report, Reliability Compliance Review of 2004 Outage Data Misreporting Event" that RCMS intends to submit to the EC. RCMS members provided minor comments. Mr. Elacqua suggested a few changes. Most of his changes were accepted, however a long discussion ensued regarding MMU's cooperation regarding notification of suspect data flagged by MMU (Recommendation #6). RCMS's position, for benefit of validity of IRM study, will remain that MMU should immediately notify System Resource Planning of identified suspect data that is

under review. RCMS intends to leave the paragraph as written, but with a minor clarification that the resolution discussions will continue between the NYISO and NYSRC Executive Committee. Mr. Adamson will incorporate all of the mutually agreeable changes and provide a 2nd draft to RCMS for review during the next week (*Action Item 116-10*). Subsequent to that review, the report will be submitted to the EC at their October 2009 meeting.

8. Review of August 14, 2009 Executive Committee Meeting

RCMS had no representation at the last EC meeting, however Mr. Adamson noted that EC was provided the RCMS report on 2008 GADS misreporting in advance of their meeting. The EC accepted the report without comment. No further items to report.

9. Other Business

No report.

10. Next RCMS Meeting

The next monthly RCMS Meeting is scheduled for Thursday October 8, 2009. The meeting will be held in the NYC conference room in the basement of the NYSERDA offices at 17 Columbia Circle starting at 09:30.

Jeff May prepared the minutes of meeting #116.