Second Draft Meeting Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Compliance Monitoring Subcommittee
Meeting No. 120 – January 7, 2010
NYSERDA Offices – Albany, NY

Voting Participants or Alternates:

Steve Fanning, Chairman	National Grid
Jeff May	Central Hudson Gas & Electric
Joharath Kutty	New York Power Authority
Jonathan Appelbaum	LIPA
Leyvi Gelman	Consolidated Edison Co. of NY

Non-Voting Participants:

Al Adamson	NYSRC RCMS Consultant
Greg Campoli	NYISO

Guests:

Clyde Custer	NYISO
Ken Layman	NYISO
Peter Carney	NYISO - phone
Thinh Nguyen	NYISO - phone
John Cordi	NYISO
Bill Lamana	NYISO

1. Introduction & Request for Additional Agenda Items

Mr. Fanning opened the meeting with introductions. Mr. Fanning asked Mr. May to write the Meeting Minutes in Ms. Phillip's absence. Mr. Adamson requested additional discussion topics regarding PRR-103 and RCMS' role.

2. Approval of Minutes for Meeting #119

The Minutes (3rd draft) of RCMS Meeting #119 held on December 3, 2009 were approved with two minor typographical changes. The approved minutes will be distributed to RCMS members and sent to Carol Lynch for posting on the NYSRC website, with a copy to P. Don Raymond.

3. Review of Action Items List

The following open action items were mentioned:

- Action Item #103-3: remains open; PRR (K-M2b) not yet drafted
- Action Item #108-4: remains open; monthly GADS screening process progress reports
- Action Item # 117-9: remains open; due in April 2010; reassigned to P. Kiernan
- Action Item # 119-1: complete; to be discussed during Agenda Item 5.1
- Action Item # 119-2: complete; to be discussed during Agenda Item 6.2

- Action Item # 119-3: complete; to be discussed during Agenda Item 5.3
- Action Item # 119-4: on-going; tentatively set for March 2010 timeframe
- Action Item # 119-5: on-going; modify the Action Item to include the Compliance Template Manual, as well; tentative completion by February 2010
- Action Item # 119-6: complete
- Action Item # 119-7: complete; to be discussed during Agenda Item 6.1

4. NERC/NPCC/NYISO Activities

4.1 NYISO 2009/2010 NERC/NPCC Compliance Program Status

Mr. Campoli reviewed the latest NPCC requirements for which the NYISO has submitted data in January 2010 and they are in full compliance. Mr. Adamson asked how NERC & NPCC handle documentation requirements for their standards. RCMS members shared their experiences and perspectives on that question.

4.2 NERC Standards Development Update

Mr. Adamson asked about the status of the fourth draft of TPL-001-1. He recalled that it was issued for comment in October. RCMS members believe that it remains in the revision loop with the standards drafting committee. Mr. Adamson commented that if the final product were more stringent than the NYSRC Rules, then NYSRC would be required to revise the Reliability Rules through the RRS.

RCMS discussed controversy regarding the latest version of standard EOP-005 and the history behind how it developed into what it is today. Much of the controversy surrounds the idea of applying the Bulk Power System restoration criteria to each individual transmission line.

Mr. Appelbaum discussed the pre-ballot review status of FAC-008, which has been modified to include the requirements of FAC-008 & -009 into 1 document. This consolidated standard did not pass balloting 1 year ago.

Mr. Appelbaum discussed the status of the interpretation of CIP–004, specifically the statement regarding unescorted physical access requiring training. The interpretation requested an interpretation if any person requesting authorized cyber access must have a personnel risk assessment completed and training completed; and does NERC recognize the concept of escorted cyber access. Mr. Campoli stated that the NYISO staff has taken exception to the requirements because tracking software is available that allows the owner to electronically “escort” unauthorized users remotely.

Mr. Appelbaum discussed Cyber Security Order 706, which is considering revisions to the CIP-002 standard. The draft standard has been posted for comments and its intent is to respond to critiques of the existing critical asset identification process.
Mr. Appelbaum indicated that there is a pending proposal to merge EOP-001, -002, & -003 into a single standard, but without any major wording changes.

Mr. Appelbaum noted that COM-001, -002, & -003 standards are being revised to require written communications protocol procedures, and other additional requirements, as well, as expanding the Entities that must comply.

In total, NERC Staff will be reviewing, revising, & writing 37 standards in 2010. They are working under a 3-year program to get through all standards in order to be in compliance with the FERC Order that directs these standards.

4.3 NPCC Compliance Committee Report

Mr. Appelbaum stated that there was nothing to report since the Committee's conference call will be held on 1/12/10.

4.4 Other NERC, NPCC and NYISO Activities

Mr. Campoli stated that the NYISO staff would be preparing throughout 2010 for a NERC audit that is scheduled for the week of December 7, 2010.

4.4.1 Review of Full NYISO Audit Report -Status

Mr. Campoli provided Mr. Adamson with a non-disclosure statement that has been prepared with NYISO signatures. The purpose of this statement is for Mr. Adamson to confidentially review the full NERC CIP audit report from 8/2009.

Mr. Fanning indicated that the discussion at the December EC meeting requesting the NYISO to allow all RCMS members to review the report was met with resistance by the NYISO legal counsel. Additionally, there was limited support by both the EC and the NYSRC legal counsel to allow this course of action. The NYISO IT and legal staff agreed to limit the review to 1 non-disclosure agreement and not allow RCMS members at large to view the full report. Their concern lies with market sensitive and confidential information that may be contained within the audit report. RCMS agreed to limit the review to Mr. Adamson with the understanding that he will report his findings to RCMS. The NYISO requested that Mr. Adamson's report be submitted to Mr. Campoli for NYISO review and approval prior to being shared with RCMS members. Mr. Fanning requested that the NYISO agree to explore options with RCMS to disclose areas of concern that the NYISO finds with Mr. Adamson's report. The primary purpose for the audit report review is to assure RCMS that there are no reliability related concerns.

5. NYSRC 2009 Reliability Compliance Monitoring Program

5.1 2009 Compliance Monitoring Program Summary

Mr. Adamson reviewed updates to the 2009 Compliance Monitoring Program summary. He revised Footnotes 8 (G-M1 & G-M4) and 9 to reflect the latest status. In December 2009, RCMS agreed to declare a full compliance levels for G-M2 and G-M3, but no

compliance levels for G-M1 and G-M4. Measure K-M2a has a new footnote and the compliance review has been moved into the 2010 compliance program. The 2009 Compliance Program is now complete.

5.2 Operating Reports for November and December 2009

Mr. Campoli reviewed the Operating Reports for both November and December 2009. *RCMS found the NYISO in full compliance for Measure K-M2d for both November and December 2009*.

Mr. Campoli notified RCMS of an EMS failure at ConEd on 12/9/09. The system and communication was restored within 26 minutes. Mr. Gelman described the incident with RCMS.

5.3 Follow-up on C-M4.3 Training Procedure Requirement (AI #119-3)

Mr. Campoli reviewed the ICAP Manual for training requirements. The NYISO revised their C-M4 Procedure to meet the requirement. Mr. Adamson will revise Footnote 9 to reflect this change and close this issue.

5.4 2009 Compliance Program Report Preparation - Topics

Mr. Adamson discussed the RCMS Annual Report to the Executive Committee, including the general topics that are typically covered. The custom is to draft the report for review by the February RCMS meeting and have the final report available for presentation to the EC at their March meeting. Mr. Adamson asked the committee for discussion topics. Mr. Adamson will draft the report and issue it to RCMS in advance of the February RCMS meeting ***(Action Item #120-1)***.

6. NYSRC 2010 Reliability Compliance Monitoring Program

6.1 Draft 2010 Compliance Program Summary – Partial Matrix

The draft 2010 Compliance Program has been sent to EC for their approval. RCMS typically requests EC approval of the measurements that will be reviewed in the upcoming calendar year. Due dates will be added collaboratively with the NYISO in a late January meeting.

6.2 Draft 2010 Compliance Program Documentation Requirements

Mr. Adamson discussed the 3 different forms (categories) of documentation that were highlighted in his December 19th e-mail message to RCMS members. He clarified that RCMS is looking for references to NYISO procedures or other actions required by measurements to be included in each of the NYISO self-certification forms provided to RCMS.

Mr. Appelbaum discussed his concern with the intent of proposed Compliance Documentation Requirement Note II. The committee discussed and agreed to suggested verbiage changes.

Mr. Adamson raised awareness of subtle changes in B-M4 (draft Footnote F) and C-M4 (draft Footnote J), E-M9 (draft Footnote V), G-M4 (draft Footnote CC). The final Requirements listing will be combined with the Scorecard. The EC must approve the Scorecard at their February Meeting therefore RCMS must review and approve the Scorecard by the end of January.

6.3 Meeting with NYISO Staff to Review Due Dates & Compliance Documentation

RCMS considered the dates of January 21st and 25th as two possibilities for the Compliance Documentation meeting. Mr. Campoli will notify RCMS of the date and location once he checks available conference rooms at the NYISO facilities. All of RCMS is invited to the meeting, which will start at 10:00am.

6.4 2009 Transmission Assessment Presentation (B-M1-M3, I-M4, K-M2a, & K-M3)

Mr. Layman reviewed the report highlights for RCMS. Mr. Adamson commented that he was looking for references to the NYSRC reliability rules and/or NPCC directories in the report. He was also looking for the conclusion(s) drawn from the physical system change by the addition of the O&R 3:1 transformer bank at Lovette. Mr. Layman indicated that while there was no impact to the Thunderstorm Alert, the NYISO deemed the physical system change significant enough to add a paragraph in the report to describe this change.

RCMS and the NYISO representatives discussed the decisions regarding the NYISO's approach to creating the report. RCMS would like to see a fully integrated report. Mr. Adamson was concerned with the fact that NYSRC Reliability Rule compliance reviews were discussed as part of the Appendix and not in the body of the report despite NYSRC being listed in the table of contents. Mr. Custer stated that the NYISO would reconstruct the report as a fully integrated report with NYSRC Reliability Rules addressed in the body. NYISO representatives did have some concern as to how this change would be received by NPCC TFSS, but they will discuss the change with them at the TFSS meeting next week. The NYISO will get back to RCMS regarding success of providing a fully integrated single report. Otherwise, the NYISO may have to break the information into two separate reports, one for NPCC TFSS and one of NYSRC RCMS.

Mr. Adamson also asked that the report include more background discussion that describes the NYSRC requirements for each supplemental analysis in addition to providing more conclusion information. The NYISO will modify report, re-submit it to RCMS, and re-post it for comments from TFSS before issuing it as final. Mr. Campoli noted that the revision process is in lockstep with NPCC and that there should be no need for 2 revision tracks.

Mr. Adamson was pleased that the additional analysis requested by RCMS had been included in the document. RCMS will delay compliance actions until March, which should be after the final report has been issued.

6.5 Review of February 2010 Compliance Assessments - TBD

Mr. Adamson indicated that the Locational Capacity Report authored by Mr. Drake would be reviewed and approved by the Operating Committee at their January meeting. Mr. Adamson suspects that the A-M2 report may be available for review at the February RCMS meeting. This will be determined at the joint RCMS/NYISO staff meeting later in January.

7. Review of December 4, 2009 Executive Committee Meeting

Aside from the RCMS request for support to view the August 2009 NERC CIP Audit report, the significant topic was the 18% IRM vote that received no opposition. The IRM will be filed with FERC. Hydro Quebec alleges that there is a modeling issue that needs to be corrected to assure that the IRM does not impact the way in which the interconnect tie line is operated.

Additionally, the EC approved PRR 102, which is the K-M2d consolidation of monthly Operating Report reporting requirements.

8. Other Business

Mr. Adamson discussed PRR-103, which includes the requirement for NYISO guidelines for checking the accuracy of system data from Market Participants and Developers to the NYISO. RRS looked at C-M4 that defines accuracy of generation outage data, and they decided that accuracy – by identifying Suspect Data – should also be considered for transmission line data provided by Market Participants and Developers.

RCMS will be asked to define full compliance and levels of non-compliance for this new Reliability Rule. Mr. Adamson will draft the elements of non-compliance for the February meeting ***(Action Item #120-2).*** RRS will be provided the elements of non-compliance for their review and debate at their March 2010 meeting.

9. Next RCMS Meeting

RCMS will meet with the NYISO on either January 21st or 25th, 2010 to finalize the 2010 Compliance Program documentation.

The next monthly RCMS Meeting is scheduled for Thursday February 11, 2010. The meeting may be held by conference call starting at 09:30. Mr. Fanning will make a final determination after reviewing the agenda. The phone number will be provided in advance of the meeting.

Jeff May prepared the minutes of meeting #120.