

**Meeting of the
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Rules Subcommittee (RRS)**

**Final Minutes of Meeting #137
RRS Meeting at NYSERDA Offices
17 Columbia Circle, Albany, NY
Thursday, November 4, 2010**

In Attendance:

Al Adamson	Consultant	Member
Larry Hochberg	NYPA (Secretary)	Member
Roger Clayton	Chairman	Member
Brian Gordon	NYSE&G-phone	Member
Roy Pfleiderer	National Grid	Member
Paul Kiernan	NYISO	Member
Kathy Whitaker	NYISO (part time)	Guest
Mayer Sasson	Con Ed (part time-phone)	Guest
Henry Wysocki	Con Ed (phone)	Member
Liam Baker	US Power Gen. (part time-phone)	Guest
John Barnes	NYSDEC (part time)	Guest
Erin Hogan	NYSERDA (part time)	Guest
Patrick Hession	LIPA(part time-phone)	Member
Dean Ellis	Dynegy	Member
Jim Grant	NYISO	Member

Agenda Items

1.0 Introduction

Meeting 137 was called to order by Mr. Roger Clayton at 09:30.

AI 137-1: Mr. Hochberg agreed, as an Action Item, to update the roster with current information for LIPA.

1.1 Executive Session

No Executive Session was requested.

1.2 Requests for Additional Agenda Items

4.1 BES/BPS Impact On NYSRC RR

4.2 DEC Presentation on Emission Limits & Caps

4.3 Policy 1-6 Review

4.4 NYCA Transmission Review Procedure

4.5 NPCC Directory 12-NYPA Exemption Request

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Meeting #136 Minutes

The minutes of RRS Meeting #136 were approved with changes as final.

2.2 Action Items List

AI 136-1

Complete.

AI 136-2

Complete.

AI 136-3

Complete.

AI 136-4

Complete.

AI 136-5

Complete.

AI 136-6

Complete.

AI 136-7

Complete.-On Agenda

AI 136-8

Complete.

3.0 NYSRC Reliability Rules (RR) Development

3.1 List of Potential RR Changes

RRS reviewed the list of potential rule changes.

PRR 103

RRS agreed that PRR 103 can be removed from the list of outstanding PRRs.

PRR 104

Mr. Clayton brought RRS up to date on the latest discussions regarding PRR 104 (template dated 8/16/10). It was noted that Mr. Ellis' comments were discussed at the last RRS and EC meetings and the NYISO subsequently provided RRS comments in response.

Regarding Mr. Ellis' concern over inconsistency in the wording for lagging vs. leading testing, there was a full discussion over why the NYISO makes a distinction in the requirements and prefers to keep it that way. Ms. Whitaker explained that the language "maximum reactive power capacity offered" is appropriate for lagging testing because there is a financial incentive for generators to provide their maximum lagging VAR capability. She also noted that since both lagging and leading VARS are offered into the voltage support service program and that in the case of leading VARS there is no financial incentive, to verify the maximum leading capability, additional language was put into the certification requirements. To alleviate concerns about the impact of system conditions during the leading testing, wording to the effect "maximum possible based on system conditions" were added to the paragraph on certification. Ms. Whitaker also noted that the TOs do have input on the system conditions for these tests and that the NYISO, TOs and Generators try to schedule the most appropriate time for reactive testing. Mr. Ellis noted that, due to the onerous consequences of not being able to perform when requested, Dynegy provides a small cushion in their offered lagging maximum to make certain they can supply the stated lagging VARS when requested.

Regarding RRS' concern about annual compliance issues with certification only at the time of the test if leading testing is only done once every three years, it was the NYISO's position that certification only at the time of the test was the best approach. Ms. Whitaker stated that the NYISO would certify annually to the NYSRC that the generators meet the requirements based on the generator certifications to the NYISO. Mr. Adamson suggested that the words "shall certify to the NYISO at the time of data submission" be added to the measurement and that NYISO should let RCMS know when the certification letter is received. Mr. Adamson also suggested that the implementation plan be modified to show that C-M1 should be implemented by May 1 and implementation of C-M3 will follow. Also in support of this change, Mr. Clayton noted that C-M9 requires Market Participants to report changes to equipment that could affect NYISO data bases.

RRS discussed the issue of proposing a higher MW output for the leading capability test than the currently required minimum of 10% rated. Ms. Whitaker indicated that a wide MW range is needed to get the test done under various system conditions. She also noted that, in the event a system condition required more leading VARS, generators could be requested in real time to lower their MW output. RRS was satisfied with this response. Mr. Ellis pointed out that NERC is considering a four-point D-curve test requirement and he will supply more information on this to RRS.

RRS agreed to recommend PRR 104 be approved as final by the EC pending no additional changes by RCMS and agreement by all parties with the wording of the revisions to be made by Mr. Adamson.

AI 137-2: Mr. Clayton agreed, as an Action Item to send a Word version of PRR 104 to Mr. Adamson for revision.

AI 137-3: Mr. Adamson agreed, as an Action Item, to revise PRR 104 in accordance with the discussions and send it to RCMS, RRS and Mr. Raymond.

AI 137-4: Mr. Ellis agreed, as an Action Item, to send RRS information on the four-point D-curve test NERC is considering.

PRR 105

Mr. Clayton noted that PRR 105 was approved as final by the EC on October 8.

PRR 106

Mr. Adamson reviewed the latest changes to PRR 106 (revision dated 10/21/10) which was revised based on further discussion at the EC and RCMS as well as further discussions between Mr. Clayton, NYISO and Con Ed. He stated that the words “certify reliability is considered” were added to the last sentence of G-M1 paragraph 5. Mr. Kiernan requested clarification on what is the reliability issue. Messrs. Adamson and Sasson explained that if the testing is delayed until the weather gets hot, the capacity may be needed at the time of the test thereby impacting reliability. Mr. Clayton stated that this wording was already vetted at the NYISO so the language will be kept. Mr. Adamson also reported that G-M1 and G-M3 compliance elements were revised to be consistent with existing measurements as well as with measurement changes. Ms. Whitaker was concerned that part of the full compliance statement for G-M3, as drafted, requires that the NYISO certify that blackstart generators are in compliance with the measurement even though the basis for NYISO’s certification relies only on a self-certification from the blackstart generator. After further discussion Ms. Whitaker agreed to check with NYISO counsel on the language in G-M3 vs. 7b. RRS agreed that if NYISO and Mr. Clayton can agree on the appropriate language and RCMS agrees as well, then the PRR can be recommended to the EC for posting. It was agreed that item 11 should be changed to read “May 1, 2011 or 90 days following adoption, whichever is later”.

AI 137-5: Ms. Whitaker agreed, as an Action Item, to work with NYISO counsel and Mr. Clayton to revise G-M3 or 7b wording for consistency if necessary.

AI 137-6: Mr. Clayton agreed, as an Action Item, to issue PRR 106 to RRS and Mr. Raymond for posting for comments if agreement is reached on the language in G-M3 and 7b.

3.2 NPCC Rules Revisions Updates

NPCC Update

Nothing new to report.

3.3 NERC SARs/Organization Standards

NERC Standard Tracking

Nothing new to report.

4.0 Additional Agenda Items

4.1 BES/BPS

Nothing new to report.

4.2 DEC Presentation on Emission Limits & Caps

Mr. Clayton provided some background on this topic prior to the presentation by Mr. John Barnes from NYSDEC. The presentation was requested due to ongoing concerns at NYSRC about reliability due to changes in environmental laws. The NYSDEC issued a declaratory ruling in 2000 that permitted generators to not observe some emissions constraints if an emergency is declared by the NYISO. This could be needed to meet the LOG/MOB rule. Mr. Clayton noted that the EC has been discussing the possibility of requesting another ruling for LOG/MOB because at least one generator representative has indicated that he would shut down the unit rather than be in violation of an emissions limit. Mr. Barnes' presentation provided DEC's comments and options for generators on this issue as well as a look at coming new regulations. He noted that the declaratory ruling is specific to NOx RACT due to the short compliance period. He also stated that offsets may be purchased or caps may be modified in advance, if an exceedance can be predicted. Mr. Baker indicated that this was not practical. Also, Mr. Barnes noted that the declaratory ruling would not apply to the new clean air transport rule which is a federal EPA regulation. Mr. Clayton asked what the averaging period is for the new clean air rule. Mr. Barnes will check into it. Mr. Baker stated that LOG/MOB is not the only factor in the potential decision to take a generator off line due to emissions. Mr. Clayton requested Mr. Baker for a presentation on these factors at the next meeting of the NYSRC/DEC Ad Hoc Working Group on November 9.

AI 137-7: Mr. Barnes agreed, as an Action Item, to find out what the averaging period is for the new EPA clean air rule and report back to Mr. Clayton.

AI 137-8: Mr. Baker agreed, as an Action Item, to make a presentation to the NYSRC/DEC group on emissions issues on November 9.

4.3 Policy 1-6 Review

PRR 105 and Policy 1 revisions were approved at last EC meeting.

4.4 NYCA Transmission Review Procedure

Mr. Adamson reported that no comments were received. RRS agreed to recommend to the EC to include the procedure in the next revision of the Rules manual.

4.5 NPCC Directory 12-NYPA Exemption Request

Mr. Hochberg summarized NYPA's ongoing efforts to obtain an exemption from complying with NPCC's new under frequency load shedding requirements (NPCC Directory 12) and asked whether NYPA needed to obtain any approvals from the NYSRC. It was Mr. Clayton's position, and RRS concurred, that since the NYSRC Rules defer to NPCC for specific under frequency load shedding requirements, no approval is needed from the NYSRC for NYPA's exemption request. Mr. Clayton noted, however, the final decision on this position rests with the NYSRC Executive Committee. Mr. Clayton stated that he would bring this issue up at the next EC meeting. RRS requested NYPA to formally notify the NYSRC when the exemption is obtained from NPCC.

AI 137-9: Mr. Clayton agreed, as an Action Item, to bring up NYPA's NPCC under frequency load shedding exemption request at the next EC meeting to ascertain whether or not any approvals are needed from the NYSRC.

5.0 Committee Reports

5.1 NYSRC EC Meeting Report

EC items were covered above.

5.2 NYSRC ICS Report

Mr. Adamson reported that the ICS has developed a base case IRM requirement for 2011 and is preparing the IRM report. He reported that the base case IRM requirement changed from 17.9% in 2010 to 14.8% in 2011. He noted that ICS is reviewing the reasons for this reduction.

5.3 NYSRC RCMS Report

Nothing new to report.

6.0 Next Meeting

Meeting #137 was adjourned at 13:00.

The next meeting (#138) is scheduled for Tuesday, November 30, 2010 at 9:30 in the NYSERDA offices located at 17 Columbia Circle, Albany, NY.