

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Rules Subcommittee (RRS)
Minutes of Meeting #67

RRS Meeting @ NYISO Offices
Washington Ave. Extension, Albany, NY

Thursday, January 6, 2005

Attendance

| | | |
|--------------------------|----------------------|------------|
| Roger Clayton (Chairman) | | Member |
| Steve Corey | NYISO | Member |
| Larry Hochberg | NYPA | Member |
| Alan Adamson | | Consultant |
| Ray Kinney | NYSEG | Member |
| Larry Eng | National Grid | Member |
| Jack Alvarez | Con Edison | Member |
| Ted Pappas (Secretary) | LIPA | Member |
| Hebert Joseph | PSC | Member |
| Greg Campoli | NYISO | Guest |
| Bob Waldele | NYISO | Guest |
| Liam Baker | Reliant | Guest |
| Howard Fromer | PSEG | Guest |
| Mark Younger | Slater Consulting | Guest |
| Doreen Saia | Couch White (Mirant) | Guest |
| Tim Bush | Navigant (Munis) | Guest |
| Glenn Haake | IPPNY | Guest |

Agenda Items

1.0 Introduction

The meeting was called to order at 0930.

1.1 Executive Session

No Executive Session was requested.

1.2 Requests for Additional Agenda Items

1.2.1 Review of proposed new PRR listing format (see 3.1)

1.2.2 ISO responsibility for market participant compliance with NYSRC rules (see 3.1, PRR 69)

1.2.3 Posting of minutes on NYSRC website (see 4.1)

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Minutes #66

The minutes of RRS Meeting #66 were approved as amended. Mr. Pappas will issue the final minutes.

2.2 Action Items List

The action items list was reviewed and updated.

AI 39-10, Send new draft SARs and OSs to RRS for consideration (Adamson)

Ongoing.

AI 43-1 (PRR 52), Monitor NYISO investigation of governor response (Corey)

Mr. Corey had nothing new to report.

AI 43-9, Monitor the potential need to revise the definition of the NYS Bulk Power System (RRS)

Mr. Corey had nothing new to report on this item.

AI 44-7, Monitor MAAC and ISO-NE rules for best practices (RRS)

Ongoing.

AI 48-4, Provide update on the NYISO/NYSERDA wind energy study (Corey)

The Phase II study is currently in draft form.

AI 52-1, (PRR 52) Determine the need for new rules regarding the definition of areas and tripping times on UFLS relays as a result of the blackout (Corey)

Mr. Corey had nothing new to report.

AI 60-15, Monitor EC/PSC/NYISO/NYSERDA meetings on fuel diversity/supply (Adams)

An update was not available on this item.

AI 61-1, Report on the NPCC Overall Transmission Reliability Study (Corey)

A draft report on under voltage load shedding is close to being issued. The full report should be available in June of 2005.

AI 64-2, Report on TPAS discussions on Reactive Load and Resource Requirements (Clayton)

Ongoing. See item 3.1, PRR8.

AI 64-3, Report on SOAS discussions on Reactive Load and Resource Requirements (Pappas)

Ongoing. See item 3.1, PRR 8.

AI 64-8, Revise PRR 74 based on RRS comments/discussion (Schrom)

Ongoing. See item 3.1, PRR 74.

AI 64-10, Determine if NYISO Restoration Working Group prepared a list of blackout related NYSRC rule changes (Schrom)

An update was not available for this item.

AI 64-12, Revise PRR 77 per RRS discussion (Schrom)

This item is complete. See 3.1.

AI 64-14, Monitor FERC/NYISO actions regarding long range planning (RRS)

Ongoing.

AI 65-2, Contact John Buechler and John Adams regarding FERC/NYISO long range planning time frames (Clayton)

This item is complete. A draft timeline for the process runs for 18 months. This draft is to be reviewed at the ESPWG meeting on January 10. A copy of the draft timeline is available on MDEX. Currently it does not appear that new rules will be required.

AI 65-4, Report on the November NERC meeting regarding reactive requirements (Eng)

This item is complete. See PRR 8 in section 3.1.

AI 66-1, Make additional updates to RRS roster and send to Mr. Raymond (Pappas)

This item is complete.

AI 66-2, Prepare modified format of PRR update for review at meeting 67 (Pappas)

This item is complete. See section 3.1.

AI 66-3, Send draft TFSS recommendations on extreme system condition assessment to RRS (PRR 72) (Corey)

The recommendations are still under review by TFSS. The next meeting is scheduled late January.

AI 66-4, Contact R. Kinney regarding deleted words from existing C-R1 not shown as deleted in PRR 73 template (Adamson)

This item is complete. The discussion was held at meeting 67 and is summarized in section 3.1.

AI 66-5, Hold conference call between RRS and NYISO to clarify items on PRR 73 template (Clayton)

This item is complete. The discussion was held at meeting 67 and is summarized in section 3.1.

AI 66-6, Review draft PRR 76 template provided by Al Adamson (RRS)

This item is complete. See section 3.1.

AI 66-7, Incorporate additional comments into PRR 77 template (Schrom)

This item is complete. See section 3.1.

AI 66-8, Submit revised PRR 77 template to Al Adamson for submittal to RCMS (Schrom)

This item is complete. See section 3.1.

AI 66-9, Follow up with NPCC regarding NERC version 0 standard position on planning for BPS outages (Adamson)

This item is complete. NPCC provided an acceptable response indicating that the outages are considered. See section 3.3.

3.0 NYSRC RR Development

3.1 List of Potential RR Changes

The proposed new format for the list of potential rule changes was submitted for review and approved with one modification. The heading “Assignee” was changed to “Sponsor”.

RRS reviewed the list of potential rule changes as follows:

PRR 8 - Reactive Load and Resource PF Requirements at BPS/LSE Boundaries

Mr. Eng attended a NERC meeting in Dallas. The Transmission Issues Subcommittee (TIS) reported that TIS found, as a general rule, existing NERC reactive and voltage control standards and regional practices and procedures, if followed, are adequate for voltage control and reactive planning. Nevertheless, TIS has developed specific recommendations that are designed to improve reactive and voltage control planning. These recommendations are listed below:

- A. Each transmission owner should have a documented process for determining applicable voltage ratings in its area in accordance with NERC standards. This process should be shared with the region for peer review and modified accordingly, if required as a result of peer review or changes to NERC standards (SAR 500, Assess Transmission Future Needs and Develop Transmission Plans, for example).
- B. Each NERC region should provide oversight of its members study documentation, study processes, data and model validation and implementation of study best practices.
- C. Each NERC region should coordinate a peer review process for significant member studies and study results
- D. The TO shall be responsible for establishing voltage limits in its area. The Regions should be responsible for facilitating the resolution of any potential conflicts in the limits established between adjacent TOs.
- E. TIS supports and recommends verification and benchmarking of data and models for voltage control and reactive planning. Verification should include real and reactive capability of generators, generator characteristics incorporated into models, generator step up transformer characteristics, load power factor, and load models. TIS will follow and comment on the development of any NERC Reliability Standards that are to replace the Phase III and Phase IV Planning Standards that relate to this recommendation. TIS will review previous work by the Interconnected Dynamics Working Group and other NERC committees as part of its effort to support development of Phase III and Phase IV replacement standards. TIS will also encourage its members to participate on the standard drafting teams.
- F. TIS offers the following comment to the standard drafting team for Standard 500, Assess Transmission Future Needs and Develop Transmission Plans. TIS believes that the requirements of NERC Planning Standard I.D, System Adequacy and Security and Voltage Support and Reactive Power, are adequately addressed in

other NERC Reliability Standards (Planning Standard I.A, System Adequacy and Security, Transmission Systems, and its equivalents in the NERC Version 0 Reliability Standards). Standard I.D is therefore redundant. A proper “balance” between static and dynamic characteristics is dependant on integrated design and practices of the distribution, transmission and generation systems. Thus the balance between static and dynamic characteristics can be different, but at the same time compliant with all NERC Standards (including Table I of Standard I.A).

- G. TIS believes that the guidelines that are currently part of Standard I.D are useful and important in the transmission planning process. These guidelines should be retained and incorporated in the NERC standards and considered as best practices.

PRR 52 - Generator Governor Response

Activities are ongoing.

PRR 67 NYISO Control Center Communications (Modifications to JR-2)

The EC approved the PRR on 12/10/04.

PRR 68 Verification Testing of Dual Fuel Generation Units

The EC remanded this back to RRS due to many comments by market participants. RRS and Market Participants (MPs) had a discussion of the proposed rule. Highlights of the discussion were:

- The intent of the rule was to give transmission operators confirmation of the ability of a generator to swap fuels and any inherent derates associated with the swap.
- A dual fuel unit enhances the reliability and flexibility of the New York system by not being dedicated to a single fuel source.
- Any dual fuel unit that is off the line due to fuel swapping is already being financially impacted and has very strong financial incentives to get back on line. New York did not have the problems with generators not being available that ISO-NE experienced during the cold periods of the winter of 2003-2004.
- In some cases the testing required by the proposed rule could force marginal machines to pull out of the market and others to stop being identified as dual fuel.
- With increasingly stringent environmental regulations testing with the alternative fuel may be an environmental issue.
- Since the NYISO does not have a requirement for dual fuel generators the testing in the proposed rule is unnecessary.
- In many cases the LDC can request verification by testing of a generator’s ability to stop using gas within a defined time frame.
- It is not clear what negative reliability impact would occur if a generator was not able to make a fuel swap.
- The testing could be very expensive.
- The NYISO should consider compensating units for dual fuel capability.

Mr. Clayton summarized the discussion as follows:

- Dual fuel testing could have a possible detrimental impact on reliability (use of environmental credits, etc.)
- Conducting the test could place the unit at risk of tripping off line
- The testing could be very costly.

A question was raised on PSC requirements, if any, for dual fuel units. Mr. Schrom will provide this information. **(AI 67-2)**

Mr. Clayton suggested that he present some of the economic issues to the MSWG.

PRR 69 Disturbance Monitoring (A2 related)

The EC returned this PRR to RRS for consideration of Mr. Gioia's suggested revisions making the NYISO accountable for MP compliance with Measurement C-M13 requirements. RRS accepted changes to Mr. Gioia's revisions prepared by Mr. Adamson. RRS will incorporate these changes, including related compliance element changes, and submit the PRR to the EC for approval to post. **(AI 67-6)**

PRR 70 Modification of Rule B-R3 (A2 related)

The EC approved the PRR on 12/10/04.

PRR 71 Modifications of Section B, Tables A and B (A2 related)

The EC approved the PRR on 12/10/04.

PRR 72 Extreme System Conditions Assessment (A2 related)

This is still on hold pending TFSS/NPCC actions on B4 in early 2005. Mr. Corey will send TFSS recommendations to RRS. **(AI 66-3)**

PRR 73 Modification of Rule C-R1

The template will be revised to show the deletion of any language in the existing rule.

A number of MPs claimed that the proposed changes add testing requirements that they will not be compensated for under existing NYISO rules and that the proposed changes are in conflict with the NYISO tariff. A question was also raised regarding the timing of providing the NYISO with the testing information. Mr. Waldele and Mr. Campoli of the NYISO will review the proposed changes and make recommendations to the RRS. **(AI 67-3)**

PRR 74 Modification of Rule C-R4

Mr. Schrom will modify the template to be a change to C-M9 and C-M11. **(AI64-8)**

PRR 75 Modification of Rule A-R1 (A2 related)

The EC approved the PRR on 12/10/04.

PRR 76 Modification of Rule G-R1, 2 and 3

A number of comments were made and Mr. Adamson will incorporate them into the PRR. (AI 67-4) Mr. Campoli will review the PRR with RWG and return any comments to RRS. (AI 67-5)

PRR 77 Voltage Sensitive Load Testing

Mr. Schrom incorporated additional comments and submitted the revised PRR to Mr. Adamson for submittal to RCMS. RCMS provided the compliance elements. RRS approved the PRR for submittal to the EC for approval to post. Mr. Adamson will send the PRR to the EC. (AI 67-7)

3.2 NPCC Rules Revisions Update

Mr. Adamson reviewed the NPCC Criteria Revision Tracking Summary table he had issued to RRS.

NPCC B7, Automatic Underfrequency Load Shedding Program Relaying Guideline

Comments were due 12/25. RRS did not submit comments. No NYSRC rule changes are required.

NPCC A3, Emergency Operations Criteria

Mr. Pappas reviewed and did not have any comments. Mr. Pappas will review for impact on NYSRC rules. (AI 67-8) Comments are due to NPCC on 1/28/05.

NPCC A8, Reliability Compliance and Enforcement Program

Comments are due 2/3/05.

3.3 NERC SARs/Organization Standards (OSs)

Mr. Adamson reviewed an updated NERC Organization Standards Tracking Summary. NERC revised their numbering system.

Standard 000, Reliability Version 0

On 12/11/04 the NYSRC voted in favor of approving the standards. The standards received a 94.4% weighted average in the affirmative from the ballot body. The

recirculation ballot is from 12/20/04 until 1/7/05. The NERC Board of Trustees is scheduled to adopt the Version 0 standards at their February meeting.

ORG 001-1 thru 008-1, Transmission Operator Certifications

Draft 1 standards were posted for comments on 1/3/05. Mr. Alvarez will be the lead for RRS. Comments are due to Mr. Alvarez by 1/31/05 for discussion at meeting 68. (AI 67-9)

FAC 003-1, 006-1 and 007-1, Transmission System Vegetation Management

Draft 1 standards were posted for comments on 1/3/05. Mr. Pappas will be the lead for RRS. Comments are due to Mr. Pappas by 1/31/05 for discussion at meeting 68. (AI 67-10)

System Personnel Training

Comments on the SAR were reviewed and approved. Mr. Pappas will submit the comments to NERC by 1/7/05. (AI 67-11)

Nuclear Offsite Electricity Supply Reliability

Comments are due 1/7/05. RRS will not submit any comments.

Blackstart Capability, Disturbance Monitoring and Reporting, Modeling, Protection and Control

Comments on these four SARS are due 1/7/05. Mr. Adamson noted that the measurements needed to be regrouped. Mr. Adamson will submit comments. (AI 67-12)

Frequency Response

SAR will be posted for comments on 1/17/05.

Resource Adequacy

SAR will be posted for comments on 1/17/05.

3.4 Blackout Recommendations

3.4.1 DOE Blackout Report Recommendations – Status of Actions

Mr. Adamson reviewed the status of the items.

4.0 Additional Agenda Items

4.1 RRS Minutes

Mr. Pappas commented that the RRS minutes were not posted on the NYSRC website since March of 2004. Mr. Pappas will contact Mr. Raymond of the EC on this matter. (AI 67-1)

4.2 Retirement of Mr. Eng

Mr. Larry Eng of National Grid announced his retirement. He will be replaced on the RRS by Mr. Roy Pfleiderer. RRS thanked Mr. Eng for his dedication and years of service.

5.0 Reports

5.1 Report on NYSRC EC Meeting #68

The items are covered above. Minutes of NYSRC EC meetings are available at <http://www.nysrc.org/documents.html>.

5.2 NYSRC ICS Report

A reserve margin of 18% was approved. Minutes of NYSRC ICS meetings are available at <http://www.nysrc.org/documents.html>.

5.3 NYSRC RCMS Report

RCMS is developing the 2005 compliance program. Minutes of NYSRC RCMS meetings are available at <http://www.nysrc.org/documents.html>.

6.0 Next Meeting

The meeting was adjourned at 1500. The next meeting is scheduled for 0930 on Thursday, February 3, 2005 at the NYISO offices located at Washington Avenue Extension, Albany, NY.

Final Minutes of Meeting No. 67 submitted, for approval, by Ted Pappas on February 3, 2005.