

FINAL

New York State Reliability Council, L.L.C. (NYSRC) Reliability Rules Subcommittee (RRS) Minutes of Meeting #32

***RRS Meeting @ NPCC Offices
1515 Broadway, New York, NY***

Thursday, January 3, 2002

Attendance

John Muir	Con Edison	Member
Roger Clayton (Chairman)	PG&E National Energy Group	Member
Steve Corey	NYISO	Member
Larry Eng	Niagara Mohawk Power Corp.	Member
Larry Hochberg (Secretary)	New York Power Authority	Member
Joe Fleury	New York State Electric & Gas Corp.	Alternate Member
Ray Kinney	New York State Electric & Gas Corp.	Member
Pat Callahan	Rochester Gas & Electric	Member
Alan Adamson		Consultant

Guests

Liam Baker	Orion Power New York	Participant
John Eff	Calpine Energy	Participant
Glenn Haake	Independent Power Producers of NY, Inc.	Participant
Jim King	Couch White, LLP	Participant

Agenda Items

1.0 Introduction

The meeting was called to order at 10:10 AM. The conference call participant code number did not function properly. Mr. Clayton requested Mr. Corey to look into this problem and try to resolve for future meetings.

1.1 Executive Session

No Executive Session was requested.

1.2 Requests for Additional Agenda Items

There were no requests for additional agenda items.

2.0 Meeting Minutes/Action Items

2.1 Approval of RRS Minutes #31

The minutes of RRS Meeting #31 were unanimously approved with minor revisions. Mr. Hochberg will revise accordingly and issue the final minutes.

2.2 Action Item List

The Action Item list was reviewed. An updated action item list is attached.

Regarding AI 28-8 (impact of VR on reliability), Mr. Muir reported that he reviewed this item with Mr. Sasson and no further action is required. This AI will be closed out.

Regarding AI 31-4 (Revise Δ RR46 template to include NPCC A-6 revisions to regulating reserve, restoration of 10 min. and 30 min. reserve), this item is to be discussed today.

Regarding AI 31-6 (Review issue of jurisdiction over definition of system states with respect to reliability), this item is to be discussed today.

3.0 NYSRC RR Development

3.1 List of Potential RR Changes

RRS reviewed the list of potential rule changes and added Δ RR47 (see discussion below).

Discussion of DRR45 and DRR45A

Mr. Clayton reviewed developments since that last RRS meeting regarding Δ RRs 45 and 45A. Recall that these potential rule changes are as follows:

- Δ RR45 (Open Process Log No. RR01-17) - Local RR#5 Revision (Loss of Generator Gas Supply-Long Island).
- Δ RR45A (Open Process Log No. RR01-18) - Local RR#3 Revision (Gas Burning Procedure-New York City).

He reported that the EC at its meeting on 12/14/01 had remanded to RRS these Δ RRs for further consideration of outstanding NYSEG and IPPNY concerns and EC comments. Mr. Clayton also

reported that the EC had formally responded to IPPNY's letter on this topic (e-mail dated 12/23/01). He noted that the EC had approved with modifications the measurements associated with LRRs 3 and 5--ΔRR43 (Open Process Log No. RR01-15) and he reviewed the changes. He noted that these measurements were approved by the EC for inclusion in Rev. 2. Mr. Clayton summarized outstanding issues regarding ΔRRs 45 and 45A as follows:

- Specificity is being moved to the process.
- Should be required to demonstrate the need for change.
- Lack of a specific reliability criterion.
- Relevance of the NYSERDA gas study.

Mr. Clayton reported that a new write-up to address these concerns was developed as a result of discussions between Messrs. Gioia, Adamson and himself. He e-mailed the write-up (which was not in template format) to RRS on 12/28/01 for review prior to this meeting. The new write-up combines ΔRRs 45 and 45A into a single generic gas supply rule for NYC and LI and incorporates the specific gas operating procedures from the original LRRs 3 & 5 for NYC and LI as applications of this generic rule. RRS reviewed the write-up and the guests were permitted to participate freely in the discussions. The write-up was modified to incorporate the comments made during these discussions. RRS agreed that the new write-up was structured such that any future changes to the specific gas operating procedures would be handled under the auspices of the NYISO as changes to the applications of the generic rule and such applications shall be included in the NYISO T&D Operations Manual along with all other applications of NYSRC rules. Mr. Adamson was requested to put the revised write-up into template format and issue it to RRS and Mr. Fleury for distribution to the EC (AI 32-1). Due to the substantial changes made to ΔRRs 45 and 45A, RRS agreed to assign a new number to the template (ΔRR47) and to recommend to the EC that it be posted again on the NYSRC website for comments.

Mr. Clayton indicated that he believed that the revised write-up addresses the concerns noted in the above bullets except for the NYSERDA gas study issue. RRS discussed the gas study issue and concluded that there is no need to wait for the conclusion of the gas study since the new rule is generic and would not be affected by the gas study results.

Discussion of Priority 2 Potential Rules

- ΔRR46 - (Restoration of 30 Minute Reserve) - This new potential rule request was submitted by Mr. Muir to ensure compliance with NPCC requirements as set forth in NPCC Document A-6. Mr. Muir reported that he had revised the draft template to include the recent changes to A-6 regarding requirements for replenishment of 30 minute reserves and regulating reserves and had sent it to Mr. Davis for comments. Mr. Muir stated that a revised draft template would be sent to RRS prior to the next RRS meeting (continuation of AI 31-4).

NERC/NPCC Rules Updates

Mr. Clayton reported that Mr. Fleury had sent to the EC an announcement that the NERC Phase IIA planning standards had been adopted. Mr. Clayton will send the announcement to RRS (AI 32-2). RRS agreed to include a review of current NERC and NPCC activity as a regular agenda item to assure that NYSRC is consistent with the evolving NERC and NPCC rules.

Exceptions

Recall that this issue surfaced when it was noticed that the NYISO SOAS committee was considering changing the wording of an operating exception. Mr. Clayton reported that he had sent Mr. Hogan, Chairman of the NYISO System Operations Advisory Subcommittee, a list of references that document the NYSRC's jurisdiction over exceptions to NYSRC rules as per AI 31-5. He also reported that the EC had inquired whether an NYSRC policy for handling exceptions is needed. RRS concluded that NYSRC Policy 1 is the appropriate vehicle for handling exceptions. However, because of recent events, RRS agreed to propose sending a letter to the NYISO reminding them of NYSRC's jurisdiction over operating exceptions and the procedure outlined in Policy 1. Mr. Clayton will draft a letter for EC consideration at its next meeting (AI 32-4).

3.2 RR Revision 2 Update

Mr. Adamson reported that Mr. Gioia had prepared Rev. 2 editorial changes for the last EC meeting and that he had met with Messrs. Gioia and Clayton to review the changes. Mr. Adamson sent RRS another redline version of Rev. 2 with changes based on the discussions. The redline contained the original versions of LRRs 3 & 5 based on the EC decision not to hold up the Rev. 2 schedule because of delays in getting Δ RRs 45 and 45A approved. RRS reviewed that latest redline and made a few more editorial changes. These included correcting the ICAP formula in the Introduction to the Resource Adequacy section and adding a lead-in sentence to the Exceptions section (paragraph nine of the Introduction to the Rules).

Definition of Operating States

Mr. Adamson reported that he had updated the operating states table (Table V in Rev. 2) to conform to the changes made to the tables in the NYISO manuals. He noted that the changes were only editorial. RRS agreed that changes to the operating states table could impact on reliability and also concluded that the NYSRC has jurisdiction over this table since it is incorporated in the Rules manual. RRS also concluded that the operating states table in the NYSRC Rules manual should be considered to be the primary source for the definitions of operating states and that the NYISO should reference the Rules manual. Mr. Clayton will add a synopsis of these discussions to the letter he is drafting to the NYISO (see AI 32-4 above).

Mr. Adamson will revise Rev. 2 and forward it to RRS and Mr. Fleury for distribution to the EC (AI 32-5). RRS agreed to recommend that the EC approve the latest version of Rev. 2 at the next EC meeting.

4.0 Additional Agenda Items

There were no additional agenda items.

5.0 Reports

5.1 NYSRC EC Meeting #32

Mr. Clayton reported on RRS matters discussed at the last EC meeting. Minutes of NYSRC EC meetings are available at <http://www.nysrc.org>.

5.2 NYSRC ICAP WG

Mr. Adamson reported that the 2002/03 IRM study was accepted by the EC and posted on the NYSRC website. He noted that the deliverability study is to be initiated in the 1st quarter of 2002. Mr. Adamson will prepare a list of ICAP WG assignments for review at the next RRS meeting (AI 32-6). Mr. Adamson also reported that Mr. Bolbrock was interested in finding out the impact on the statewide IRM of tightening the reliability criteria to 1 day in 15 with no voltage reductions permitted. Mr. Adamson noted that the ICAP WG had previously done such a sensitivity and it resulted in a 2.7% increase in the IRM requirement. He will review these results at the next EC meeting. ICAP WG minutes are available at <http://www.nysrc.org>.

5.3 NYSRC RCMS

Mr. Adamson reported that RCMS is working on new compliance templates based on the measurements contained in Rev. 2. He noted that the RCMS is developing the criteria that will be used to determine levels of non-compliance and is considering using a notification letter as the initial means for enforcement.

RCMS minutes are available at <http://www.nysrc.org>.

6.0 Next Meeting

NYISO Offices at Washington Avenue Extension on Thursday, 1/31/02 at 10:00 AM

The meeting was adjourned at 1:45 PM.

Final Minutes of Meeting #32. Submitted to RRS by Larry Hochberg on February 1, 2002.