

**NEW YORK STATE
RELIABILITY
COUNCIL**

*2002 Reliability
Compliance Program*

*Prepared by the
Reliability Compliance
Monitoring Subcommittee*

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NYSRC 2002 RELIABILITY COMPLIANCE PROGRAM

Introduction

The New York State Reliability Council (NYSRC) Reliability Compliance Program is designed to measure and ensure compliance with the NYSRC Reliability Rules in order to provide for a reliable bulk electric supply and delivery system in New York State. The NYSRC Reliability Monitoring Subcommittee (RCMS) manages the compliance program, which includes conducting reviews to ensure that all users of the New York State Bulk Power System, including the New York Independent System Operator (NYISO) and New York Market Participants, comply with the NYSRC Reliability Rules. The objective of the compliance program is to encourage compliance to the NYSRC Reliability Rules necessary to preserve the reliability of the New York Control Area.

This report presents the results from the third year of the NYSRC Reliability Compliance Program. During 2000 and 2001 Reliability Rules were in the process of being developed and modified, while new measurements were being developed. In addition, compliance templates (used by RCMS to establish levels of compliance and non-compliance) were in the process of being developed and tested. The primary purpose of the 2000 and 2001 Reliability Compliance Programs was to test the Program's effectiveness and make required improvements. Another purpose was to recommend how the NYISO could make the necessary updates in its processes and procedures so as to make it fully compliant, once the NYSRC Reliability Rules, measurements, and compliance templates were adopted and fully implemented.

Revision 2 of the NYSRC Reliability Rules Manual, which contains numerous Reliability Rule modifications and new Rules and measurements, was adopted and issued in February 2002. In July 2002 the Compliance Templates Manual was adopted and issued. With the adoption of these two manuals, in September 2002 the NYSRC Executive Committee authorized initiation of a formal Reliability Compliance Program.

2002 Compliance Program Measurements

The following table shows that in 2002, compliance was monitored by RCMS for 63% of the NYSRC measurements having NYISO reporting responsibility. All nine NYSRC measurements having Market Participant reporting responsibility were monitored, as required, by the NYISO. A summary table is attached showing an overview of the NYSRC 2002 Reliability Compliance Program, including the measurements assessed, milestone dates, and compliance results.

Compliance Responsibility	Total NYSRC Measurements	Measurements in 2002 Compliance Program	Measurements Fully Compliant in 2002 Compliance Program
NYISO	41	26	23
Market Participants	9	9	9
Total	50	35	32

2002 Reliability Compliance Program Results

The above table shows that compliance with NYSRC Reliability Rules by the NYISO and Market Participants in 2002 was the norm rather than the exception. Just three of the 26 measurements monitored by RCMS having NYISO responsibility were found to be non-compliant. The Market Participants were found by the NYISO to be in full compliance with all measurements having Market Participant responsibility.

A review of the three measurements that were found to be in non-compliance follows:

- On September 12 and 13, 2002 the NYISO made the NYSRC aware of potential non-compliance with NYSRC Reliability Rule A-R2, *Load Serving Entity Installed Capacity Requirements*, and related Measurement A-M2. Under this measurement, the NYISO must demonstrate that its analyses of LSE ICAP requirements meet the NYCA installed capacity requirements established by the NYSRC. An Installed Capacity Subcommittee review found that the method utilized by the NYISO to translate NYCA installed capacity requirements to LSE Unforced Capacity (UCAP) requirements for the 2002 summer capability period resulted in an LSE ICAP shortfall. In accordance with NYSRC procedures this failure to comply with Reliability Rule A-R2 resulted in a Level 3 non-compliance designation. The NYISO has since modified its UCAP/ICAP translation methodology so as to be in future compliance. In 2003 RCMS will again review compliance with this Rule.
- A compliance assessment of Measurements I-M1 & 2 found that required NYISO procedures as required by these measurements as they relate to Local Reliability Rules I-R1, I-R3, and I-R4 had not been completed. These two measurements are applicable to local rule requirements for the New York City and Long Island zones, respectively. The NYISO is now in the process of preparing these required procedures and will provide RCMS with status reports as the procedures are developed. In accordance with Compliance Templates I-M1 & 2, Level 4 non-compliance was designated.

NPCC and NERC 2002 Reliability Compliance Programs

The NYISO must also comply with certain NPCC and NERC Standards. RCMS has oversight responsibility concerning NYISO compliance with these NPCC and NERC criteria. During 2002 NPCC reviewed NYISO compliance with nine NPCC Standards and 16 NERC Standards. NPCC concluded that the NYISO is in full compliance with all 25 of these Standards.

Conclusions

The following is a listing of the conclusions reached by RCMS based on the experiences from the 2002 Reliability Compliance Program:

1. The NYISO Staff was very cooperative in quickly informing NYSRC of instances of non-compliance, and working with the NYSRC to ensure future compliance.
2. For many assessments NYISO compliance documentation was transmitted after the due date to RCMS. This delayed several RCMS compliance reviews.
3. After the adoption of some new Reliability Rules and measurements there was a delay of NYISO implementation of required procedures.
4. Since compliance with most measurements has now been monitored, there is no need to repeat many of these reviews in 2003. This will provide the RCMS with the opportunity to concentrate on reviewing compliance with those Reliability Rules that are most critical for maintaining NYCA reliability, as well as newly adopted Rules.
5. NYSRC Policy 4-1, *Procedure for Monitoring Compliance with the NYSRC Reliability Rules*, should be reviewed to make appropriate changes to reflect 2002 compliance process experience.

NYSRC 2002 RELIABILITY COMPLIANCE PROGRAM

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	REPORTING ENTITY	RELATED NPCC COMPLIANCE TEMPLATE	COMPLIANCE DOC. REQUIRED ²	DUE NYSRC	DATE RECV'D.	COMP. LEVEL ⁴
Resource Adequacy								
A-M2	A-R2,3	Establishing LSE ICAP requirements	NYISO		A,C,E	3/1/02	03/01/02	FC
A-M2 ⁷	A-R2	Establishing LSE ICAP requirements	NYISO		C,E		09/12/02	L3
A-M3	A-R2,3	Certifying LSE ICAP obligations are met	LSEs		C,D	9/1/02	11/6/02	FC
A-M4	A-R2	Reporting LSE ICAP deficiencies	NYISO		C	¹		
Resource & Demand Data Requirements								
C-M1	C-R1	Procedures for resource capacity testing	NYISO		B	11/1/02	11/27/02	FC
C-M2	C-R1	Reporting resource capacity test results	ICAP Providers		D	11/1/02	11/27/02	FC
C-M3	C-R1	Reporting generator reactive power capacity test results	GOs		D	11/1/02	11/27/02	FC
C-M4	C-R2	Procedures for reporting resource availability data	NYISO		B	6/3/02	06/13/02	FC
C-M5	C-R2	Resource availability data reporting	ICAP Providers		D	6/3/02	07/11/02	FC
C-M6	C-R2	Resource availability statistics and trends report	NYISO		C ³	7/1/02	⁶	FC
C-M7	C-R3	Load forecasting reporting requirements	NYISO		B,E	4/1/02	04/03/02	FC
C-M8	C-R3	Load forecasts	NYISO		F	4/1/02	04/03/02	FC
Operating Reserves								
D-M2	D-R1,2,3	Operating reserve requirement procedures	NYISO	A6-1	F	6/3/02	06/13/02	FC
Operation During Major Emergencies								
F-M4	F-R8	TO load shedding capability	TOs		C	5/1/02	06/13/02	FC

RCMS 2002 RELIABILITY COMPLIANCE PROGRAM (CONT'D.)

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	REPORTING ENTITY	RELATED NPCC COMPLIANCE TEMPLATE	COMPLIANCE DOC. REQUIRED ²	DUE NYSRC	DATE RECV'D.	COMP. LEVEL ⁴
System Restoration								
G-M1	G-R1,2	NYISO system restoration plan	NYISO	A3-2	B,E,F	9/2/02	9/13/02	FC
G-M2	G-R1	Transmission owner blackstart capacity procedure	TOs		D	2/1/02	2/7/02	FC
G-M3	G-R2	Blackstart generator startup and operation demonstration	GOs		D	9/2/02	9/13/02	FC
System Protection								
H-M2	H-R2	BPS protection minimum maintenance documentation	NYISO	A4-1	F	6/3/02	6/13/02	FC
Local Reliability Rules								
I-M1	I-R1,3,4	NYISO requirements for NYC local rules 1,3,and 4	NYISO		B,E	10/1/02	11/27/02	L4 ⁸
I-M2	I-R3	NYISO requirements for LI local rule 3	NYISO		B,E	10/1/02	11/27/02	L4 ⁸
I-M3	I-R2	Procedure for maintaining NYC locational reserves	NYISO		B,E	10/1/02	11/27/02	FC
I-M5	I-R1,3,4	Con Edison procedures for local rules 1,3, and 4	Con Ed		D	10/1/02	11/27/02	FC
I-M6	I-R3	LIPA procedures for local rule 3	LIPA		D	10/1/02	11/27/02	FC
NYISO Control Center Communications								
J-M1	J-R1,2	NYISO control center communications procedures	NYISO		B	6/3/02	6/13/02	FC

RCMS 2002 RELIABILITY COMPLIANCE PROGRAM (CONT'D)

MEAS./ COMP. TEMP.	RELATED RULE	MEASUREMENT DESCRIPTION	REPORTING ENTITY	RELATED NPCC COMPLIANCE TEMPLATE	COMPLIANCE DOC. REQUIRED ²	DUE NYSRC	DATE RECV'D.	COMP. LEVEL ⁴
Reliability Assessment								
K-M2.a	K-R2	NYCA transmission review	NYISO	A2-1	C,E,F	11/1/02	11/7/02	FC
K-M2.b	K-R2	NYCA resource adequacy review	NYISO		C,E,F	5/1/02	6/13/02	FC
K-M2.c	K-R2	Interregional reliability assessment	NYISO		G	--		
K-M2.d	K-R2	Monthly operating reports	NYISO	CPS 1, CPS 2	C	Monthly	1/9/03 ⁵	FC ⁵
K-M2.e	K-R2	Major emergency reports	NYISO		C	¹		

¹ As required.

² Compliance documentation requirements: A = NYSRC audit, B = NYISO procedure(s), C = NYISO report or analysis, D = Market Participant compliance certification prepared by NYISO, E = presentation by NYISO staff, F = same documentation as required by NPCC, plus supplemental documentation if requested by NYSRC, G = NYISO status reports on NPCC Inter-Regional studies

³ The NYSRC will work with the NYISO to prepare the scope and format of this new report.

⁴ FC – Full Compliance

L1 - Non-Compliance Level 1

L2 – Non-Compliance Level 2

L3 – Non Compliance Level 3

L4 – Non-Compliance Level 4

⁵ This information is for the December 2002 monthly operating report. All previous 2002 monthly reports were found in full compliance.

⁶ NYISO resource availability statistics and trends are included in the NYSRC 2003-2004 Installed Capacity Requirement report

⁷ Special compliance review covering LSE ICAP requirements for the 2002 summer capability period.

⁸ A non-compliance notification letter was not required.