

**NEW YORK STATE
RELIABILITY
COUNCIL**

*2015 Reliability
Compliance Program
Highlights*

*Prepared by the
Reliability Compliance
Monitoring Subcommittee*

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NYSRC 2015 Reliability Compliance Program Highlights

Introduction

The New York State Reliability Council (NYSRC) Reliability Compliance Program is designed to measure and ensure compliance with NYSRC Reliability Rules in order to provide for a reliable bulk electric supply and delivery system in New York State. The NYSRC Reliability Compliance Monitoring Subcommittee (RCMS) manages the compliance program, which includes conducting reviews to ensure that the NYISO is in compliance with all NYSRC Reliability Rules, including those identified in the Rules as requiring actions by market participants. The NYISO has the responsibility of ensuring market participant compliance through its procedures and Market Services Tariff. The objective of the compliance program is to encourage compliance with the NYSRC Reliability Rules necessary to preserve the reliability of the New York Control Area.

This report presents the highlights of the 2015 NYSRC Reliability Compliance Program, the major process used by the NYSRC to monitor NYISO compliance with the Reliability Rules and related Requirements. In addition, this report covers a NYISO Self-Report of a market participant compliance violation.

On January 1, 2015, a new NYSRC Reliability Rules and Compliance Manual (RR&C Manual) was published. The new manual merged the previous NYSRC Reliability Rules and the NYSRC Compliance Template Manuals into a single manual. The Reliability Rules and their related elements in the RR&C Manual are in a new reorganized format, which was utilized in the 2015 Reliability Compliance Program.

Under the reformatted Reliability Rules, the NYISO and market participants are responsible for complying with Requirements related to the Reliability Rules. Full compliance with a Requirement, as defined by an associated Measure, is demonstrated by evidence provided by the NYISO or a market participant. The reformatted Reliability Rules also include Levels of Non-Compliance and a description of the compliance process associated with each Measure. These compliance elements are described in detail in the Introduction to the RR&C Manual.

The number of assessments in the 2015 Reliability Compliance Program was reduced from that in previous NYSRC compliance programs to permit RCMS members and NYISO staff time to become familiar with the newly reformatted NYSRC Reliability Rules and to allow a careful review of the possible need to clarify or revise the newly reformatted compliance elements.

Compliance with the NYSRC Reliability Rules is reviewed and evaluated in accordance with NYSRC Policy 4-7, *Procedure for Monitoring Compliance with the NYSRC Reliability Rules*, at: <http://www.nysrc.org/policies.asp>.

2015 NYSRC Reliability Compliance Program

In 2015 the NYSRC maintained a total of 98 Requirements related to 29 Reliability Rules. The 2015 Compliance Program reviewed compliance with 40 Requirements or 41% of NYSRC's Requirements.

As shown in Table 1 below, the 2015 Reliability Compliance Program included compliance reviews of 37 Requirements having NYISO reporting responsibility and 3 Requirements having market participant reporting responsibility. Table 1 also shows that the NYISO and market participants were in full compliance with all Requirements for which compliance was reviewed in the 2015 Reliability Compliance Program.

Table 1
2015 NYSRC Compliance Program Summary

	# of Compliance Assessments	Requirements Found in Full Compliance	Requirements Found in Non-Compliance
NYISO	13	37	0
Market Participants	3	3	0
Totals	16	40	0

Appendix A is a summary of the 2015 Reliability Compliance Program that depicts the Requirements that were assessed, milestone dates, and compliance findings. Appendix B depicts compliance documentation requirements.

Implementation of Requirements for Identifying Eligible Black Start Resources

In 2015 compliance was reviewed for a new Requirement requiring the establishment of NYISO procedures and actions for identifying eligible black start resources needed for an effective Con Edison system restoration plan. The Implementation Plan required the NYISO to pursue tariff revisions necessary to establish the authority needed to comply with this rule change. In early 2015, the NYISO received approval from FERC to establish the necessary provisions in the black

start and system restoration service in its Market Administration and Control Area Services Tariff.

In 2016 Con Edison will be required to submit evidence that it conducted the required studies for identifying eligible black start resources that could provide a material benefit to Con Edison's system restoration plan.

Emergency Transfer Criteria Issue

During its regular review of monthly NYISO reports of real-time operations of the NYS Bulk Power System, RCMS observed that the NYISO was frequently invoking Emergency Transfer Criteria (ETC), sometimes more than 25 times in a single month, to relieve thermal constraints on the NYCA transmission system. As a result, the NYSRC's Reliability Rules Subcommittee (RRS) began a review of the NYISO's use of ETC for consistency with the intended use of ETC as stated in the NYSRC and NPCC rules and criteria. RRS is now preparing a report on its interpretation of under which conditions ETC may be invoked.

New York Control Area (NYCA) Transmission and Resource Adequacy Assessments

NYSRC Reliability Rules require that the NYISO provide NYCA transmission and resource adequacy assessments to demonstrate that the NYISO is in compliance with these Rules.

The timing of the annual transmission review is coordinated with that of a similar transmission review submission required by NPCC. A 2014 intermediate NYCA transmission review submitted to RCMS in 2015 concluded that the NYS Bulk Power System, as planned through the year 2024, conforms to NYSRC transmission planning Reliability Rules. However, implementation of Corrective Action Plans described in the report will be required for mitigating thermal criteria violations and to avoid over-dutied circuit breakers. With these mitigation plans in place, no additional upgrades will be necessary to meet reliability requirements. RCMS will review the status of these Correction Action Plans in future transmission reviews.

To demonstrate compliance with NYSRC resource adequacy assessment requirements, the NYISO prepared the report, *Annual Assessment of Resource Adequacy for the Years 2015-2017*. The assessment concluded that for the NYCA baseline load forecast, a 17.0% IRM requirement would be met throughout the study period even if all planned resources are unavailable. However, a 17.0% IRM requirement would not be met during the 2015-2017 period, with only resources internal to New York, if a peak loads in excess of the 90th percentile of the forecast load actually occur.

NYISO Compliance Documentation Submissions

The success of the NYSRC Compliance Program depends on timely and complete submissions of compliance documentation prepared by the NYISO. During 2014, and again in 2015, all required compliance documentation was submitted to RCMS by the NYISO in accordance with compliance documentation due dates, and all submissions were found to be complete.

NYISO Self-Report: Market Participant Compliance Violation

In 2015, the NYSRC received a redacted copy of a non-compliance letter from the NYISO to a market participant, stating that the market participant was found by the NYISO to be non-compliant with Requirement 3 of Reliability Rule I.4 – Transmission Data. This Requirement requires market participants to provide the NYISO with accurate load flow, short circuit, and stability data. The NYISO found that certain data submitted by the market participant was in error. This data is used to maintain up-to-date NYISO transmission data bases.

Following an investigation, the NYSRC concluded that the NYISO had taken all reasonable action to secure compliance with Requirement 3, in terms of adequate and sufficient data submission and checking procedures and follow-up actions following the NYISO's market participant non-compliance finding. Therefore, in accordance with NYSRC Policy 4-7 procedures, the Executive Committee exercised its discretion to waive a preliminary NYISO non-compliance finding in this matter. In addition, RRS was instructed by the Executive Committee to review and modify Reliability Rule I.4 requirements to the extent necessary, and if possible to clearly and objectively define in a new or modified rule what constitutes non-compliant data error submissions. Accordingly, in 2016 RRS will prepare a new PRR for a proposed new rule or rule modification.

Refer to the NYSRC report, *RCMS Review of Market Participant Compliance Violation of Transmission Data Requirement I.4 (R3)*, dated October 29, 2015 for more details.

NERC and NPCC 2015 Reliability Compliance Programs

In addition to complying with the NYSRC Rules, the NYISO must also comply with all applicable NERC standards and NPCC criteria. Compliance with NERC standards is mandatory. RCMS has oversight responsibility concerning NYISO compliance with these standards and criteria. NPCC has direct responsibility and authority to implement a compliance monitoring and enforcement

program for NERC and regional standards, as well as monitoring compliance with NPCC-specific reliability criteria. During 2015, as a part of the NERC/NPCC Standards Compliance Program, NPCC reviewed and found the NYISO in full compliance with 53 NERC Standards with 318 Requirements, as well as five NPCC directories.

Conclusions

The following conclusions were reached by RCMS with regard to the NYSRC 2015 Reliability Compliance Program:

1. The NYISO staff continued to provide valued assistance during the NYSRC reliability compliance review process.
2. The NYISO and market participants were in full compliance with all 40 NYSRC Requirements that were assessed by RCMS in the 2015 NYSRC Reliability Compliance Program. In addition, NPCC found the NYISO in full compliance with all NERC Requirements and NPCC directories that were assessed during 2015.
3. All required NYISO compliance documentation associated with the 2015 Reliability Compliance Program was submitted on time to RCMS and found to be complete.

In addition, the NYSRC successfully investigated a market participant compliance violation that was reported by the NYISO. Follow-up measures will be implemented in 2016 that should lead to an improved Reliability Rule and improved system reliability.

Appendix A

NEW YORK STATE RELIABILITY COUNCIL 2015 RELIABILITY COMPLIANCE PROGRAM

REQUIREMENT(S) ¹	REQUIREMENT DESCRIPTION	MEASURE	COMPLIANCE DOCUMENTATION DUE ²	DATE RECEIVED	DATE OF RCMS REVIEW	NYISO COMPLIANCE <i>Level</i> ³
Resource Adequacy						
A.2(R3)	Establishing Locational Capacity Requirements	M1	3/26/15	3/26/15	4/2/15	FC
A.2(R4)	Certification that LSE ICAP obligations were met	M2*	10/22/15	10/29/15	10/29/15	FC
A.3(R1)	2015 NYCA resource adequacy assessment	M1	5/28/15	5/28/15	6/4/15	FC
Transmission Planning						
B.1(R1 to R5)	Transmission system planning performance requirements	M1	3/26/15	3/26/15	4/2/15	FC
B.2(R7)	Transmission system planning assessment	M1	3/26/15	3/26/15	4/2/15	FC
B.3(R1 to R3)	List of NYS BPS Facilities	M1	6/18/15	6/18/15	6/25/15	FC
Transmission Operation						
C.1(R1, R2)	Establishing operating transfer capabilities	M1	8/27/15	8/27/15	9/3/15	FC
C.5(R1, R3)	NYISO fault current assessments	M1	5/28/15	5/28/15	6/4/15	FC
C.5(R2)	Certification that Equipment Owners implemented required actions concerning NYISO fault current assessments	M2*	9/24/15	9/24/15	10/1/15	FC
C.6(R1, R2)	Applications of the NYSRC Reliability Rules	M1	10/22/15	10/29/15	10/25/15	FC
C.8(R1.1 to R1.8)	Real-time operations of the NYS BPS	M1	Monthly	1/4/15	1/6/15 ⁶	FC
Emergency Operations						
D.1(R8)	Mitigation plans for Major Emergencies	M1	7/30/15	7/30/15	8/6/15	FC
D.1(R10)	Voltage reduction testing	M3	7/30/15	7/30/15	8/6/15	FC
D.2(R2)	Underfrequency load shedding requirements	M1	7/30/15	7/30/15	8/6/15	FC
D.2(R3)	Certification that TOs met NYISO load shedding requirements	M2*	7/30/15	7/30/15	8/6/15	FC

REQUIREMENT(S)	REQUIREMENT DESCRIPTION	MEASURE	COMPLIANCE DOCUMENTATION DUE 2	DATE RECEIVED	DATE OF RCMS REVIEW	NYISO COMPLIANCE <i>Level 3</i>
Local Area Operation						
G.4(R1) 5	Requirements for identifying Eligible Black Start Resources	M1	4/2/15	3/30/15	4/30/15	FC

*Applicable to Market Participants; NYISO compliance certification required.

1. Former Measurement designations for these Requirements are translated in Table 2.
2. Compliance documentation due dates are generally scheduled seven days prior to RCMS meetings. Compliance documentation requirements are shown in Appendix B.
3. NYISO Compliance Levels
FC – Full Compliance
NC1 – Non-Compliance Level 1
NC2 – Non-Compliance Level 2
NC3 – Non-Compliance Level 3
NC4 – Non-Compliance Level 4
4. See Appendix 2, “Compliance Documentation Requirements.”
5. Con Edison shall submit compliance documentation to the NYISO for a companion Requirement G.4(R2) by February 1, 2016 in accordance with the PRR 116A Implementation Plan, as part of the 2016 Compliance Program.
6. This date applies to approval of the November and December 2015 operations reports. All 2015 monthly reports were found in full compliance.

**Table 2
Former Measurement Designation Index**

Requirements	Measurements
A.2(R3)	A-M2
A.2(R4)	A-M3
A.3(R1)	K-M2b
B.1(R1 to R5)	New
B.2(R7)	K-M2a, B-M1, B-M2, B-M3, I-M4, K-M3
B.3(R1 to R3)	B-M4
C.1(R1, R2)	E-M1
C.5/R1, R3	E-M6
C.5(R2)	E-M7
C.6/R1, R2	E-M8
C.8(R1.1 to R1.8)	K-M2d
D.1(R8)	F-M1
D.1(R10)	F-M6
D.2(R2)	F-M3
D.2(R3)	F-M4
G.4(R1)	I-M7

Appendix B: 2015 RELIABILITY COMPLIANCE PROGRAM – COMPLIANCE DOCUMENTATION REQUIREMENTS

Requirements	Type of Reporting ^(a)	Compliance Period	Compliance Documentation Requirements
A-R2/R3 (R1, R2)	Complete documentation in accordance with M1.		A NYISO Locational Capacity Requirement Report, covering the 2015 Capability Year, shall be provided in accordance with M1. The NYISO shall also provide the allowable amount of LSE ICAP requirements that may be located externally to the NYCA, and how this was calculated. An appropriate NYISO staff person shall be available at the RCMS meeting to discuss this information and answer questions.
A-R2/R4 *	Certification in accordance with M2.	Nov 2014-Oct 2015	
A-R3/R3	Complete documentation in accordance with M1.		A NYCA Resource Adequacy report covering the 2015-2017 period shall be provided. Prior to the assessment, RCMS and NYISO staff shall agree on the scenarios to be included in the analysis. An appropriate NYISO staff person should be available at the RCMS meeting to discuss this report and answer questions.
B-R1/R1 to R5	Self-Certification in accordance with M1.		The self-certification shall be accompanied by: (1) examples of the types of NYISO planning studies utilizing R1 to R5, (2) references to NYISO procedures that specify these requirements, and (3) a statement as to whether NYISO procedures require MPs to plan their systems in accordance with certain of these requirements.
B-R2/R7 (R1 to R6)	Complete documentation in accordance with M1.		Provide a NYCA 2014 Transmission Review in accordance with the <i>NYSRC Procedure for NYCA Transmission Reviews</i> shall be provided. This transmission assessment shall include the status of upgrades that are necessary avoid thermal rule violations that were identified in previous transmission reviews. Submission of this report to the NYSRC should be coordinated with its submission to NPCC.
B-R3/R1 to R3	Complete documentation in accordance with M1.		Reference the NYISO procedure for developing a list of NYS Bulk Power System facilities and submit this list to the NYSRC.
C-R1/R1, R2	Self-Certification in accordance with M1		The self-certification shall be accompanied with references to: (1) NYISO procedures for establishing operating transfer capabilities, and (2) NYISO procedures that identify actions to be taken whenever the bulk power transmission system’s thermal, voltage, and stability limits are exceeded.
C-R5/R1, R2	Complete		A report covering an evaluation of the fault duty at each BPS station for the 2015 Capability

Requirements	Type of Reporting ^(a)	Compliance Period	Compliance Documentation Requirements
	documentation according to M1		Year shall be provided. If the report shows fault duty levels exceed equipment ratings, provide mitigation plans jointly approved by the NYISO and equipment owners.
C-R5/R2 *	Certification according to M3		This certification applies to the 2015 Capability Year fault duty evaluation required by M1.
C-R6/R1, R2	Complete documentation according to M1		Submit an up-to-date “Applications of the Reliability Rules” document, noting any changes over the past three years. The NYISO shall either submit or reference a NYISO procedure for preparing and updating the Applications, including transmission owner responsibilities.
C-R8/R1.1 to R1.8	Complete documentation according to M1	Monthly	Monthly operations reports that provide data on the performance of the NYCA system for that month shall be provided. Data to be included in this report shall be in accordance with Measurement K-M2d requirements.
D-R1/R8 (R1 to R7)	Self-Certification according to M1		The self-certification shall be accompanied by references to NYISO procedures that comply with M1.
D-R2/R10	Complete documentation according to M3		A report on the results of statewide voltage reduction tests for the 2015 summer period in accordance with M3 requirements shall be provided.
D-R2/R2 (R1)	Self-Certification according to M1		Evidence of required procedures shall be provided.
D-R2/R3 *	Certification according to M2	2013-14 Capability Year	
G-R4/R1	Complete documentation		The PRR 116A Implementation Plan stipulated: “Within 60 days of receiving FERC approval for a tariff change, the NYISO shall submit evidence that the NYISO has modified procedures in the NYISO System Restoration Manual and other relevant NYISO documents to comply PRR 116A rule changes.” A FERC order, issued January 30, 2015, stated as follows: “... we accept NYISO’s proposed tariff revisions, to become effective February 1, 2015, as requested.” Accordingly, the NYISO must submit the above referenced compliance documentation to RCMS by April 2, 2015. An appropriate NYISO staff person should be available at the April 30, 2015 RCMS meeting to discuss the required PRR 116A procedures per G-R4/R1 and answer questions.

*This is a Market Participant Requirement.