

Minutes
New York State Reliability Council, LLC (NYSRC)
Executive Committee (EC) Meeting No. 235
November 8, 2018
Albany Country Club
300 Wormer Road, Voorheesville, NY 12186

Members and Alternates

In Attendance:

| | |
|-------------------------|--|
| Roger Clayton, P.E. | Unaffiliated Member – EC Chair, RRS Chair, RCMS Chair |
| Mayer Sasson | Consolidated Edison Co. of NY, Inc. – Member, Vice Chair |
| George Loehr | Unaffiliated Member |
| Bruce Ellsworth | Unaffiliated Member |
| George Smith, P.E. | Unaffiliated Member |
| Frank Pace | Central Hudson Gas & Electric – Member - Phone |
| Tim Lynch | NYSEG and RG&E – Alternate Member - Phone |
| Rick Brophy | NYSEG and RG&E – Alternate Member - Phone |
| Mark Domino, P.E. | National Grid, USA- Member – Phone |
| Lawrence Hochberg, P.E. | New York Power Authority – Alternate Member |
| Curt Dahl | PSEG-LI-Member Phone |
| Matt Schwall | Independent Power Producers of NY- Wholesale Sellers Sector– Member |
| Mark Younger | Hudson Energy Economics - Wholesale Seller - Alternate Member |
| Mike Mager | Couch White - Large Consumer Sector - Member |
| Chris Wentlent | Municipal & Electric Cooperative Sector – Member – Phone |

Other Attendees:

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| Paul Gioia, Esq. | Whiteman, Osterman & Hanna, LLP – NYSRC Counsel - Phone |
| Al Adamson | NYSRC Treasurer and Consultant – Phone |
| Mariann Wilczek | PSEGLI – ICS Chair – Proxy for C. Dahl |
| Phil Fedora | Northeast Power Coordinating Council, Inc. – Phone |
| Vijay Puran | NYS Department of Public Service |
| Carl Patka | New York Independent System Operator (NYISO) |
| Emilie Nelson | New York Independent System Operator (NYISO) |
| Zack Smith | New York Independent System Operator (NYISO)* |
| Josh Boles | New York Independent System Operator (NYISO) - Phone |
| Rich Bolbrock | |
| Henry Chao | Quanta Technology |
| Herb Schrayshuen | Power Advisors, LLC – EC Secretary |

“*” Denotes part-time participation in the meeting

1. Introduction – R. Clayton, EC Chair called the NYSRC Executive Committee Meeting No. 235 to order at 9:45 a.m. on November 8, 2018. A quorum of 13 Members and Alternate Members of the NYSRC EC was established.

1.1. Visitors – The attendees on the phone and visitors were identified.

- 1.2. **Requests for Additional Agenda Items** – None
- 1.3. **Prior Executive Session Topics** – None
- 1.4. **Request for Executive Session Agenda Items** - None
- 1.5. **Declarations of Potential “Conflict of Interest”** – None

2. Meeting Minutes/Action Items List

- 2.1. **Approval of Minutes for Meeting No. 234 (October 12, 2018)** – H. Schrayshuen introduced the revised draft minutes of the October 12, 2018 EC Meeting (Attachment #2.1) which included all comments received prior to the due date for comments. There were no additional changes to the minutes. G. Smith made a motion to approve the minutes of Meeting #234. The motion was seconded by G. Loehr and unanimously approved by the EC members in attendance (13 - 0). The EC Secretary will arrange to have the final minutes for EC Meeting #234 updated and posted on the NYSRC website.
- 2.2. **Review of Outstanding Action Items List** – H. Schrayshuen presented the Action Item List – Attachment #2.2. C. Patka stated that Action Item #231-3 should be marked as completed based on the fact that the NYISO does not plan to intervene in the FERC PJM proceeding to determine how facilities with out-of-market payments are affecting capacity prices.

3. Organizational Issues

3.1. Summary of Receipts & Disbursements

3.1.1. **Statement of Cash Receipts and Disbursements** – A. Adamson presented Attachment #3.1.1 - Statement of Cash Receipts and Disbursements for October 2018, noting the end of month balance of \$193,396.89. M. Sasson requested that for next month the projected variance from budget column to be as precise as possible as a basis for discussion of call for funds projections for 2019 (AI 235-1). R. Clayton requested that anyone with expenses for December to please provide an estimate to A. Adamson within the first week of December so he can continue to accurately project the NYSRC expenses for the year. G. Smith commented that the R&D expenses are over budget because in 2017 MDMS2 project had a late start in 2017 and had unexpected expenses in 2018.

3.1.2. **Proposal for the 2018 Financial Audit** – A. Adamson reported that the accounting firm Slocum, DeAngelus & Associates submitted a proposal for the 2018 NYSRC audit including preparation of the Federal tax form of \$3,700. This is an increase of \$100 from the 2017 Audit. A. Adamson proposed that the EC accept this proposal. B. Ellsworth made a motion to accept the 2018 financial audit proposal from Slocum, DeAngelus & Associates. The motion was seconded by M. Mager and unanimously approved by the EC members in attendance (13 – 0).

3.2. Other Organization issues

3.2.1. **Location for EC meeting in 2019** – H. Schrayshuen reported that the Albany Country Club informed him that due to a change in its policies it would not be hosting daytime meetings for non-members starting in 2019. R. Clayton reported that as a result he has been looking for new meeting locations. The Red Lion Inn on Wolf Road was considered and rejected. The Hilton True hotel on Western Ave and Wolferts Roost Country Club were also considered. R Clayton stated that he committed the EC to hold its January 2019 meeting at Wolferts Roost. At that meeting the EC could decide whether to stay there or continue the search. The address for Wolferts Roost is 120 Van Rensselaer Boulevard, Albany, NY 12204. A revised meeting schedule showing the changes in meeting location will be sent to the EC and posted on the website. (AI-235-2)

4. Installed Capacity Subcommittee (ICS) Status Report/Issues – M. Wilczek, ICS Chair

- 4.1. **ICS Chair Report** – Attachment #4.1 – M. Wilczek reviewed Attachment #4.1 with the EC. M. Wilczek noted that ICS is requesting EC approval of the 2019 Final IRM Base Case. M. Wilczek mentioned that in the Final Base Case there were diminished performance assumptions for SCRs, the

B&C Lines were modeled out of service, there were updates to the load forecast and lower transfer capability in NY from Ontario due to the loss of PAR33. The Sensitivity Cases were completed per Policy 5 and run on the Preliminary Base Case. ICS reviewed the sensitivities again. It was noted in the IRM draft report that the B&C Lines were taken out of service for the Final Base Case and that sensitivity #9 was changed from removing the B&C lines to restoring the B&C lines to service due to the request by the EC to remove the B&C Line from the Final Base Case. The ICS reviewed the Draft IRM Report. R. Clayton requested that on page 5 at the end of the first paragraph there be a reference to the later section, Study Results, about the new methodology. He also requested that a footnote be added after the 5th paragraph in the Study Results discussing the NYISO tariff changes related to the Alternative LCR Methodology. **(AI-235-3)**. M. Wilczek mentioned that the ICS is aware that in other forums there was concern about the load shapes that were used in the IRM Study. In June 2018 the ICS and the NYISO took the initiative to review the data and will report back after the review is complete in a future EC meeting.

(See further discussion in Agenda Item 7.2).

4.1.1. 2019 Base Case IRM – M. Wilczek requested the EC’s approval for the 2019 Final IRM Base Case. M. Mager made a motion to approve the results of the Final Base Case for the purpose of preparing the Final IRM Report. M. Sasson seconded the motion and it was unanimously approved by the EC members in attendance (13-0).

4.2. Request for EC member comments Technical Study Report – NY Control Area Installed Capacity Requirement May 2019 to April 2020 – Attachment #4.2 - M. Wilczek noted that anyone who had comments to submit them to A. Adamson and her by November 16, 2018. **(AI 235-4)**

4.3. Other ICS Issues – None to report.

5. Reliability Rules Subcommittee (RRS) Status Report/Issues –R. Clayton, RRS Chair

5.1. RRS Status Report & Discussion Issues – Attachment #5.1- R. Clayton reported on the status of the RRS activity and the status report. There is currently one PRR under development but on hold. PRR 128 is being held until the completion of the NPCC A-10 Project. R. Clayton noted there is a call relating to the NPCC A10 Project on November 15, 2018. There are no PRRs open for comment or up for approval.

RRS, in conjunction with the NYISO, agreed on language to be included in the NYSRC Reliability Rules and Compliance Manual addressing the handling of CEII and other protected information. RRS will hold the language until other changes to the manual are complete to bring it forth to the EC. There was continued discussion looking at possible revisions to D.1 – Mitigation of Major Emergencies regarding zonal load reduction assumptions in response to General Public Appeals, specifically the assumption for Long Island. C. Dahl mentioned he could not locate documentation to substantiate the 80.8MW public appeal impact level in question. He will pursue one more avenue and report back to the EC. H Schrayshuen also offered to go back and look through the previous records. **(AI-235-5)**. There was continuing discussion about the TO’s response to the NYISO’s annual request for modelling assumptions to model the effect of general public appeals. It was determined that the ICS and RRS should start a new review of the modelling assumptions. After discussion it was concluded that ICS should first have a technical review of the assumptions given by the TOs, and then the RRS should discuss whether a rule should be developed to provide guidance on how the public appeals load reduction information is reported and what documentation is required to substantiate the MW impact levels. **(AI-235-6)**. RRS also discussed a possible revision to clarify C.3 – Outage Coordination.

- 5.2. List of Potential Reliability Rule Changes** – Attachment #5.2 – R. Clayton reported that there are no updates to the report.
- 5.3 Other RRS Issues** – None to report.
- 6. Reliability Compliance Monitoring Subcommittee (RCMS) Status Report** –R. Clayton, RCMS Chair
- 6.1. 2018 Reliability Compliance Program** – Attachment #6.1 - R. Clayton reported that RCMS found the NYISO in full compliance for Real Time Operations of the NYS BPS (C8: R1) for September 2018. RCMS also found the NYISO in full compliance with the Requirements for Identifying Eligible Black Start Units (G4:R1). RCMS found ConEd in full compliance for Identification of Eligible Black Start Units (G4:R2).
- 6.2. RCMS Status Report** –Attachment #6.2 – Scorecard is up to date – no additional comments were made.
- 6.3. Other RCMS Issues** - R. Clayton stated that the RCMS discussed the NYISO’s compliance certification statement regarding its LCR economic optimization methodology. He reported that draft language was completed and agreed upon with the NYISO. It will be reviewed at the next RCMS meeting. RCMS also approved the 2018-2020 draft Reliability Compliance Monitoring Program.
- 7. NYISO Status Reports/Issues**
- 7.1. NYISO Comprehensive System Planning Process** – Z. Smith – Attachment #7.1 – Z. Smith reported that the Reliability Needs Assessment was approved by the NYISO BOD on October 16, 2018. The report identified no Reliability Needs for the 2019-2028 study period. On October 25, 2018, J-Power USA rescinded its Generator Deactivation Notice for the Pilgrim units. The NYISO Board is deliberating on the AC Transmission Public Policy Need. On November 15, 2018 there is to be a special ESPWG meeting following the Operating Committee Meeting, in which the floor will be open to anyone to offer comments and ideas regarding potential public policies that drive the need for transmission. The next IPSAC teleconference is scheduled for December 10, 2018.
- 7.2. NYISO Markets Report** – R. Mukerji - Attachment #7.2 – E. Nelson reported for R. Mukerji and reviewed the highlights of attachment #7.2. E. Nelson noted that NYISO is continuing to develop their DER program to ensure the markets are capable of integrating DERs in greater numbers. GE delivered a study looking at the value of limited energy resources in meeting LOLE requirements and having that translate to what that compensation should be. To give the stakeholders time to review and comment on the report there will be stakeholder discussions on the topic in February 2019. There was further discussion the about the market design developed by the NYISO with stakeholder input that could have an effect on the needed IRM as well as how the market design could impact reliability. M. Sasson requested to have RRS and ICS have an open-ended action item to keep a close watch on this process to determine whether new reliability rules are needed and to ensure that the IRM is as accurate as possible taking into account the output schedule of the Energy Limited Resources that are projected to come onto the system. (AI-235-7). E. Nelson noted that NYISO is positioned to respond in early December, as required by FERC Order No. 841, with their tariff design to accommodate energy storage resources.
- 7.3. NYISO Monthly Operations Report** – E. Nelson – Attachment #7.3 – E. Nelson highlighted attachment #7.3. Due to the timing of the NYSRC EC meeting, the full operating report was not complete for the meeting. The October NYISO Operating Report will be distributed to the EC when completed. For the month of October there was a Peak Load of 22,927 MW which occurred on October 10, 2018. During the month of October there were 7.6 hours of thunderstorm alert and there were zero hours of NERC TLR level 3.

7.3.1. Winter 2018-19 assessment including NYISO ability to manage the potential reliability impact of generators of consuming back-up oil for economic reasons - E. Nelson – Attachment #7.3.1 – E. Nelson gave a presentation for the 2018-2019 Winter Capacity Assessment. The NYSRC had previously requested that the NYISO provide a presentation regarding NYISO’s ability to manage the potential reliability impact of generators of consuming back up oil for economic reasons. E. Nelson stated that during the winter months generators willingly work very closely with the NYISO. Generators provide weekly and sometimes daily reports on oil reserves so the NYISO knows how much fuel is on site and replenishment plans. If the need to manage a limited amount of on-site oil occurs the NYISO Market Mitigation & Analysis group works with generators to allow for a lost opportunity cost within the energy offer. This adder reflects the lost revenue of using a limited quantity fuel now compared to using it in the future. If necessary, NYISO Operations can also take out of merit actions to work with generators to manage limited fuel oil. If that occurs the generators are compensated. The NYISO will conduct a study on fuel security in 2019. This presentation fulfilled the EC request in AI-231-4.

8. Distributed Energy Resources (DER) – R Clayton

8.1. DER Workshop Plans Updated – Attachment #8.1 – R. Clayton reported that the DER workshop took place on November 7, 2018 at the NYISO. It was a productive workshop with roughly 70 participants in person and on the phone. The meeting material is posted on the NYSRC website under the DER Workshop link. The workshop ended with a panel discussion. R. Clayton and H Schrayshuen will develop a report on the workshop. R Clayton noted that NY PSC Commissioner Burman was present. R. Clayton mentioned some of the key take-ways including, communications, monitoring, supervisory control and standards, which are all important for implementation of DER into the wholesale market. Currently the NYISO does not have control over NY SIR interconnected equipment and behind the meter devices. The meshing of the TO DER queue and the NYISO queue systems management needs some attention. Autonomous control is needed and there is need for the storage management process. There is difficulty in modeling the DER equipment. Next steps items include observing the NERC System Planning Impacts from DER (SPIDER) Working Group, which is looking at modeling and working with the DPS. Currently it is believed that rule making by the NYSRC is premature. The group commended Roger Clayton for getting the ball rolling and developing and coordinating this workshop.

8.2. Other DER Issues – None to report.

9. Environmental Status Report/Issues – Attachment #9.1 - C. Wentlent

C. Wentlent reported on attachment #9.1 – The NYSRC/DEC conference call was held on October 18, 2018. New Jersey and Virginia are working toward becoming participants in the RGGI program. The DEC is reviewing the RGGI submittals. The DEC is aiming to propose the new RGGI model rule in early to mid-2019 and have a new rule in place by January 1, 2020. The Indian Point Closure Task Force met on September 20, 2018 to talk about the overall community outlook after the plant closes. The DEC is continuing to develop the peaker rule and coal regulations. The next DEC/NYSRC meeting will be December 13, 2018.

10. NERC/NPCC Standards Tracking – A. Adamson - Attachment #10.1.

A. Adamson reviewed Attachment #10.1. R. Clayton questioned how the request for responses from members in regards to vote has worked. A. Adamson stated that he has received an average of one response per request. R. Clayton suggested changing the verbiage of the request to show how the NYSRC is planning on voting and then ask EC members to provide comments regarding their voting decision. M. Domino stated that the timing of the

NYSRC request limited his ability to respond. R. Clayton stated that the EC should continue to evaluate and to modify the process.

11. Reliability Initiative – G. Smith, G. Loehr – Attachment #11.1 - G. Smith went over attachment #11.1. G. Smith made a point to thank the NYISO for providing access to a secure MDMS2 folder on the NYISO econnect secure site.

12. State/NPCC/Federal Activities – P. Fedora

12.1. NPCC Report –P. Fedora reported that the NPCC Board of Directors met on October 31, 2018 and the meeting was mostly administrative. There was a discussion regarding the NERC BOT Policy Input regarding the NERC RISC Resilience Report and the ERO effectiveness survey. The Reliability Coordinating Committee (RCC) will meet on December 4, 2018 in Toronto ON. Proposed agenda topics will include the recommendations for revisions to the A-10 Methodology, the Winter Reliability Assessment, reviews of Resource Adequacy, and the NPCC Under Frequency Load Shedding study. Following the RCC Meeting there will be a Government Regulatory Affairs Advisory Group Meeting where the focus will be on Distributed Energy Resources.

12.2. NERC Report – P. Fedora mentioned that the NERC MRC and BOT met November 6 and 7. There was discussion Dashboard Metrics, separating the performance of the registered entities from the performance of the ERO itself. There was also discussion on reorganizing the NERC committees, to eliminate overlap and improve efficiency. There was a presentation of the NERC Accelerated Retirements Report, the MRC has been asked to comment.

13. NAESB Activities – B. Ellsworth

13.1. NAESB Bulletin – Attachment #13.1- B. Ellsworth call the EC members attention to the NAESB Bulletin in Attachment #13.1.

14. Visitor Comments – No visitor comments

15. Adjournment of the EC Open Meeting

Executive Committee Meeting #235 was adjourned at 1:42 P.M.

16. Future Meeting Schedule

| Meeting | Date | Location | Time |
|----------------|------------------|---------------------|-------------|
| #236 | December 7, 2018 | Albany Country Club | 9:30 AM |