

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 201 – January 8, 2016
NYISO, Krey Blvd, Rensselaer, NY

Members and Alternates

in Attendance:

Curt Dahl, P.E.	PSEGLI – Member – Chair
Peter Altenburger	National Grid, USA – Vice Chair
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member - Phone
George Smith, P.E.	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Chris Wentlent	Independent Power Producers of NY. – Alternate - Phone
Scott Leuthauser	Independent Power Producers of NY. – Alternate Member
David Johnson	Independent Power Producers of NY. – Member
Frank Pace	Central Hudson Gas & Electric – Alternate Member - Phone
Mayer Sasson	Consolidated Edison Co. of NY, Inc.- Member New York
Rick Brophy	State Electric & Gas/RG&E – Member
Mike Mager	Couch White (Large Customer Sector) – Phone
Sunil Palla	NYP&A - Member

Other

Paul Gioia, Esq.	Counsel
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Dana Walters	New York Independent System Operator (NYISO)
Brian Hodason	New York Independent System Operator (NYISO)*
Wes Yeomans	New York Independent System Operator (NYISO)
Rana Mukerji	New York Independent System Operator (NYISO)*
Leka Gjonaj	NYS Department of Public Service
Don Raymond	Executive Secretary
Al Adamson	Treasurer, Consultant - Phone
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Bob Boyle	NYDOT – ICS Chair

Visitors- (Open Session)

Philip Fedora	Northeast Power Coordinating Council (NPCC)- Phone
Mark Younger	Hudson Energy Economics, LLC*
Kelli Joseph	NRG
Mariann Wilczek	PSEGLI
Matt Schwall	IPPNY

“*” Denotes part-time

- 1.0 Introduction** – Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No. 201 to order at 9:30 a.m. on January 8, 2016.
- 1.1 Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance.
- 1.2 Visitors** – See Attendee List, page 1.
- 1.3 Requests for Additional Agenda Items** – See Item 3.2ii.
- 1.4 Declarations of “Conflict of Interest”** – None
- 1.5 Executive Session Topic** - None

- 2.0 Meeting Minutes/Action Items**
- 2.1 Approval of Minutes for Meeting No. 200 (December 4, 2016)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Dr. Sasson moved for approval of the draft minutes. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #201-1.**
- 2.2 Action Items List** – The Executive Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
198-2	The impact of PJM Emergency Assistance was provided at the December 4, 2015 Executive Committee meeting.
199-2	The Huntley Special Sensitivity case was provided at the December 4, 2015 Executive Committee meeting.
199-3	The PJM five “bubble” case was provided at the December 4, 2015 Executive Committee Meeting.
199-4	Comments were provided to Mr. Adamson on the 2016-17 draft IRM Report by November 19, 2015.
199-5	Mr. Gioia provided a letter to Mr. Yeomans 11/15/2016 informing him of the resolution of the NYISO non-compliance issue.
200-4	Letters were sent to the PSC and Mr. Jones (NYISO) on December 22 and 23, 2015, respectively regarding the 2016-17 IRM determination.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

- i. Summary of Receipts & Disbursements** - Mr. Adamson introduced the Summary of Receipts and Disbursements which showed a net budget surplus of \$147,000 at the end of December 2015 after removing \$80,000 received in December 2015 toward the 1st Quarter 2016 Call-For-Funds. Mr. Adamson added that the financial records will be provided to the auditor, Slocum, DeAngelus & Assoc, P.C. over the next three weeks. The auditor will be sending letters to the Members requesting their payments for 2015. A quick response was requested in order that the Audit Report can be completed before the March 2016 Executive Committee meeting.

3.2 Other Organizational Issues - None

- i. IRM Filing** – Mr. Gioia reported that the FERC 2016-17 IRM filing was sent on December 22, 2015 and a letter to the PSC on the same date. The filing requests FERC acceptance and approval of the 17.5% IRM adopted by the NYSRC. Mr. Patka indicated that the NYISO will be filing supporting comments with FERC on January 12, 2016 and the PSC on January 22, 2016.

ii. **State Resource Planning (SRP)** – Mr. Bolbrock raised a question regarding the structure and goals of the PSC’s SRP initiative. Mr. Gjonaj (PSC) indicated that the SRP study was initiated to examine the effects of various public policies on the State’s Bulk Power System. He agreed to make arrangements for a presentation to the Executive Committee by the PSC – **AI #201-2**.

4.0 Capacity Subcommittee (ICS) Status Report/Issue

4.1 ICS Chair Report – Mr. Boyle reported that the ICS met via teleconference on December 7, 2016. Two items were added to the ICS permanent agenda: (a) Reporting by the NYISO Task Force reviewing the LCR methodology and (b) Status reporting on the on-going discussions with NE regarding the NYISO/NE MOU.

Mr. Boyle introduced the 2016-17 IRM Study schedule and indicated that White Paper schedule dates have not yet been established. The proposed list of White Papers includes: (a) Outside World Modeling, (b) Multi Year Wind Shape Modeling, (c) SCR Modeling, (d) Sensitivity Modeling, and (e) Forward Capacity Modeling. A special Task Force of six ICS members representing the generators, TOs, and the NYISO is addressing the latter item (e). The White Paper scopes are due to ICS on January 29, 2016. Also, ICS will be reviewing other possible changes, i.e. the level of emergency assistance from the outside world. At its February 3, 2016 meeting, ICS will complete the “Draft 2017-18 IRM Study Schedule and Process Milestones” with NYISO signoff on the completion dates – **AI #201-3**.

Dr. Sasson emphasized the importance of determining the maximum emergency assistance level. In March 2016, ICS will review and accept the White Paper scopes. White Papers completed by the May 4, 2016 ICS meeting, will be reviewed and a determination made regarding whether proposed modeling enhancements are sufficiently developed for inclusion in the 2016-17 IRM Study. Other completed and approved White Papers will be presented to the Executive Committee at its June 10 and July 8, 2016 meetings. Mr. Dahl requested that the July 8, 2016 date be considered a strong target date for completion of the White Papers – **AI #201-4**.

Mr. Boyle added that the Parametric Study and preliminary IRM base case are scheduled to be presented to the Executive Committee by its September 9, 2016 meeting. The initial draft IRM Report is currently scheduled to be available to the Executive Committee at its November 10, 2016 meeting and the final IRM Report at its December 2, 2016 meeting – **AI #201-5**.

Mr. Boyle asked that suggestions for modeling the outside world be submitted in time for review prior to the February 3, 2016 White Paper scoping meeting.

5.0 Reliability Rules Subcommittee Status Report/Issues

5.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that a joint RRS/RCMS meeting was held on January 6, 2016. Two separate meetings were held, each with its own agenda and minutes. He summarized RRS’s current activities which are included in Sections 5.2 – 5.6 below.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (“PRR”) Changes – Mr. Clayton introduced the List of Potential Reliability Rule Changes. He noted PRRs #120, through #122, Revision to Tables B-1, B-2 and C-1, were reviewed and approved for Executive Committee consideration to “Post for Comment” on the NYSRC website. These PRRs are proposed rule changes to incorporate NPCC Directory 1 Tables containing the contingencies to be considered under NPCC Standards for bulk power facilities into the NYSRC Reliability Rules with appropriate modifications where the NYSRC has more stringent or specific requirements.

Since the PRRs were discussed at prior meetings, Dr. Sasson moved for approval of PRR #120 for “Posting for Comment”. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

PRR #121 is associated with PRR #120 in that it requires Transmission Planning Assessment.

Mr. Ellsworth moved for approval of PRR #121 for “Posting for Comment”. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

PRR #122 will incorporate NPCC Standards for establishing operating limits into the NYSRC Rules. Dr. Sasson moved for approval of PRR #122 for “Posting for Comment”. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

PRR # 128, Definition of Bulk Power System. Mr. Clayton reminded the Executive Committee that RRS has planned on using the NPCC A-10 with consideration of a ConEd radial exclusion proposal. This approach was tabled pending NPCC resolution of the radial exclusion issue.

PRR #129, Include TO and MP Requirements in B.1 (R1-R4), will remedy the lack of provisions whereby the MPs will certify their compliance with these Requirements.

PRR #129 requires additional review by RRS.

5.3 Proposed NYSRC Reliability Rule Revisions

a. Status of New/Modified Reliability Rules

1. PRRs for EC Final Approval – None
2. PRRs for EC Approval to Post – See Section 5.2
3. PRRs for EC Discussion – None

5.4 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Mr. Adamson introduced the “NERC Reliability Standard Development Tracking Summary” and noted that the NYSRC voted “No” on FAC-003-4, Vegetation Management based on indications from NGrid and NPCC that material was lacking or in error. A second ballot will be taken by NERC once the Standard is corrected.

5.5 Other RRS Issues –

- i. **Proposed New NYC Local Rule on Gas Generation** – Mr. Clayton reported that RRS has concluded that a new rule addressing fuel adequacy be tabled in view of the NYISO’s new market incentives in this area. RRS is developing a new rule addressing annual testing requirements. Mr. Clayton indicated that there are units in the ConEd territory (new Zone J) fed by NGrid gas pipelines that are not required to have dual fuel capability. ConEd is investigating the situation. In addition, Mr. Clayton noted that the NYISO is developing a procedure for notifying Transmission Owners when there are impending fuel shortages. It is under legal review at the NYISO.
- ii. **Emergency Transfer Criteria** – Mr. Clayton reported that RRS is investigating a new rule to resolve inconsistencies between the NYSRC Rules and NYISO procedures pertaining to when Emergency Transfer Limits may be used. The NYISO is developing the PRR. Also, RRS is investigating the NYISO’s application of the EOPs.
- iii. **Transmission Data Reporting** – Mr. Clayton indicated that RRS is developing a new rule resulting from a RCMS recommendation to review and clarify I.4 (R3) data requirements. The issue is whether a data error is “material”.
- iv. **Reforming the Electric Vision (REV)** – Mr. Clayton noted that a very good presentation on REV was given at the NPCC General Meeting. He will circulate the presentation to the Executive Committee. Mr. Gjonaj (DPS) will make arrangements for a presentation by the DPS – **AI #201-6**.
- v. **FERC Orders on Public Power Transmission Planning Process (PPTPP)** – Mr. Patka responded to a request from Dr. Sasson for an update on the FERC Orders regarding the NYISO’s PPTPP that were issued on December 23, 2015. He indicated that the NYISO is continuing to review the orders, has moved for an extension of the compliance filing date from January 22 to March 22, and is considering what filings it will make on the transmission interconnection issues, development agreements and transmission operating agreement.

Mr. Clayton noted that a letter was sent to Entergy regarding an investigation of Indian Pt.’s

maintenance procedures. He agreed to circulate the letter to the Executive Committee – **AI #201-7**.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on January 6, 2015 following the RRS meeting.

6.2 2015 New York Reliability Compliance Program (NYRCP) – Mr. Clayton noted that the NYRCP is complete for 2015. The annual RCMS Report for 2015 will be presented at the February 11, 2016 Executive Committee meeting – **AI #201-8**.

7.0 Reliability Initiatives

7.1 Defensive Strategies – Mr. Smith reported that the Kalman filter/predictor algorithm has been implemented in PSS/E. EnerNex presented results for one extreme contingency at the DSWG meeting on December 17, 2015. The results indicated that the algorithm was working properly. Mr. Smith has been working on the hybrid process that would allow “out of step” relays on the system make the final decision to open breakers. EnerNex will be implementing impedance trajectory plots to aid in performance evaluation and the determination of settings. It is expected that the final report will be completed in April 2016 – **AI #201-9**.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a summary of the updates to the work plan and scope of the NPCC Regional Standards Committee. The work plan was reviewed and approved at the NPCC Board of Directors meeting on December 2, 2015. Comments and/or questions should be directed to Dr. Sasson or Mr. Forte.

8.2 NPCC Report – Mr. Fedora reported that the NERC Board of Trustees approved its 2015 Reliability Assessment in December 2015. Also, in December, NPCC completed its Tie Benefits Report which has been sent to the Task Force on Coordination of Planning (TFCP) for review. The Report estimates tie benefit for the NPCC Areas for the 2016-20 time period. The TFCP will prepare its comments by the first week in February 2016, and the Report is expected to go to the NPCC-RCC for approval at its March 2, 2016 meeting.

NPCC is waiting for NERC to release its document regarding reliability considerations that regulators should be aware of as they develop their EPA Clean Air State Implementation Plans. As soon as it is available, it will be released to the NPCC Governmental & Regulatory Affairs Advisory Group and other groups to remind people of reliability considerations that should not be forgotten as they develop their SIPs.

Also, NPCC has begun the summer 2016 Reliability Assessment for use in developing emergency operating procedures for base cases. On January 7, 2016 the TFCP approved the process. The target for completion of the Reliability Assessment is the end of April 2016.

9.0 NYISO Status Report/Issues

9.1 Reliability Planning Process - The 2014 CRP determined that the NY BPS will meet all applicable reliability criteria over the 2015 through 2024 study period, and confirmed that the initially identified Reliability Needs in the 2014 RNA are resolved. The final report was approved by the Board of Directors in July 2015.

NRG Energy notified the PSC and the NYISO on August 25, 2015 of its intent to retire the Huntley generating facility on March 1, 2016. The PSC requested that the NYISO and National Grid determine whether the retirement of Huntley and mothballing of Dunkirk would have an adverse impact on reliability. The NYISO responded to the PSC on October 30, 2015 stating that, assuming the timely completion of National Grid’s local transmission upgrades, reliability would be maintained following the mothballing of Dunkirk on January 1, 2016 and the retirement of Huntley on March 1, 2016. The NYISO has requested that National Grid provide bi-weekly status updates regarding the progress of the

upgrades until they are complete, and the NYISO will continue to assess whether a Reliability Need will arise on the Power System or local transmission system.

Entergy Nuclear Power Marketing LLC notified the PSC and the NYISO on Nov. 13, 2015 of its intent to retire the James A. FitzPatrick Nuclear Generating Facility at the end of its current fuel cycle, which is projected to be approximately 4th Quarter 2016 – 1st Quarter 2017. In accordance with the new RMR process, the NYISO has determined that the generator deactivation notice is complete, and as the next step, will determine the impact on reliability.

9.2 CARIS – The final 2015 CARIS report was approved by the NYISO Board in November 2015. A public information session was held on December 17, 2015. The NYISO has begun the process to extend and update the CARIS 1 database for specific project submittals.

No specific 2014 CARIS 2 project proposals were submitted as of December 23, 2015.

NYPA has requested an additional CARIS study be performed to assess the economic impact of various infrastructure upgrades in the NYCA transmission system. The NYISO staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

9.3 Public Policy Transmission Planning Process – On July 2015, the PSC declared a Public Policy Transmission Need in Western New York. In August 2015, NYISO staff presented the baseline technical details and next steps to stakeholders. The NYISO presented updated baseline results on October 29, 2015 taking into consideration updated local transmission plans affecting Western New York. A solicitation for solutions was issued by the NYISO on November 1, 2015 and solutions were due on December 31, 2015.

On December 17, 2015 the NYPSC issued an order finding that there is a transmission need driven by Public Policy Requirements for new 345 kV major electric transmission facilities to cross the Central East and UPNY/SENY interfaces to provide additional transmission capacity to move power from upstate to downstate. The Order directs the NYISO to solicit and review solutions with the potential for selected transmission developers to obtain cost recovery for their development and construction costs from the beneficiaries of the transmission upgrades through the NYISO tariff.

9.4 Interregional Transmission Studies

i. EIPC Study – EIPC members have created roll-up integration for summer and winter peak power flow cases of the Eastern Interconnection representing the year 2025. The gap analysis and linear transfer analysis were performed and compiled in a draft Roll-up Model Report in December 2015. The NYISO held an IPTF meeting on November 10, 2015 and EIPC held a webinar on November 17, 2015 to present the results and seek stakeholder feedback on potential scenarios of interest for analysis in 2016. Stakeholder written input on the draft roll-up report and possible scenarios is due January 29, 2016. The next EIPC webinar is scheduled for February 26, 2016.

ii. IPSAC – FERC issued an order on May 14, 2015 on the NYISO/PJM/ISO-NE interregional compliance filing from 2013. Joint filings compliance filings were submitted on July 13, 2015. On November 19, 2015, FERC issued a letter order accepting the filing effective January 1, 2016. The NYISO, PJM, and ISO-NE will be taking steps necessary to comply with Order 1000 and the protocol. An IPSAC meeting was held on December 14, 2015. The agenda included: (a) Regional Planning Needs for each ISO/RTO, (b) Interregional Planning timelines in the context of Order 1000, and (c) Projects potentially affecting Neighboring Systems.

9.5 Other Studies/Activities – None

10.0 Market Initiatives Impacting Reliability – Mr. Mukerji (NYISO) discussed updates to market initiatives felt to have significance from a reliability perspective.

The Behind the Meter: Net Generation Model will clearly define rules to allow incremental generation behind the meter to participate in the NY Wholesale Electricity market. The NYISO had stakeholder discussions to fully develop the market design and establish the rules for participation in the

energy and capacity markets. The NYISO received concept approval of the market design in September 2015. The NYISO stakeholders Management Committee approved the market design in December 2015 and will file the relevant tariff with FERC after Board approval in January 2016. The NYISO will also engage with stakeholders on further enhancements to integrate distributed resources into wholesale markets.

The Comprehensive Shortage tariff changes were implemented in November 2015. The NYISO has engaged stakeholders in a review of market design improvements to enhance the scarcity pricing mechanisms, and is evaluating alternative market design solution options suggested by stakeholders. The NYISO received stakeholder approval of the changes in October 2015 and is targeting implementation of the new practice in the 2nd Quarter of 2016.

The NYISO is actively participating in the PSC's proceeding, Reforming the Electric Vision, directly supporting market working groups formed under Track One to facilitate conceptual discussions of REV design, system architecture, and potential interactions between retail activities and the wholesale markets. The NYISO is also looking to partner in various REV demonstration projects to evaluate the potential for operational and market impacts from DER participation.

FERC directed the NYISO to develop and file a set of rules to designate resources for Reliability Must Run (RMR) service to ensure the continued reliable and efficient operation of the power system and the NYISO Markets. The structure and administration will require: (a) specifying the retirement notification obligations, (b) a process for evaluating alternative solutions, (c) definition of compensation and cost allocation provisions, and (d) expectations for participation in the capacity and energy markets. In addition, the NYISO is exploring enhancements to its long-term planning process to support identification and development of solutions for potential generator retirements. The NYISO has developed and filed a proposed solution framework with FERC.

The NYISO has initiated stakeholder discussion on evaluating alternate Methodologies for Setting Locational Capacity Requirements (LCRs). There are multiple possible approaches to determine the LCR requirement for a Capacity Zone after the IRM has been set under NYSRC's Policy 5. The NYISO is facilitating a discussion in an ICAP Working Group Task Force to identify appropriate methodologies. The NYISO will work with the stakeholders to develop enhancements to the current methodology for setting LCRs for 2016. Mr. Patton (NYISO Market Monitoring Unit) has suggested that LCRs be set based on the economics of procuring needed amounts of capacity to maintain NYCA-wide reliability. The NYISO will brief the ICS on these discussions.

The Analysis Group is leading the Demand Curve reset evaluation and has had several discussions with stakeholders on the framework of the current DCR process and an evaluation of the periodicity of the DCR. Any tariff revisions for a change in the periodicity of the DCR process will be filed with FERC in March 2016. The DCR process will continue through 2016 with a filing of the revised parameters in November 2016.

11.0 Other Items

11.1 NYISO Operations Report - Mr. Yeomans reported that the monthly peak load occurred on Monday, December 28, 2015 at 21,256Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 23,221Mws.

Very low fuel prices have caused low marginal costs throughout the month.

There were no Major Emergencies. Alert states were declared on 16 occasions – 9 times for declared emergency transfers. There were no TLR Level 3s declared during the month. Reserve activations occurred 8 times. No emergency actions were taken.

A NERC/NPCC Reportable DCS Event occurred at 17:33 on December 5, 2015. A RPU and SAR were initiated for loss of Indian Pt. 2 loaded at 1025Mws. Ace crossed zero, and the RPU was terminated at 17:39. The SAR was terminated at 17:55.

At 19:06 on December 14, 2015, a RPU and SAR were initiated for loss of Indian Pt. 3 loaded at 1040Mws. Ace crossed zero, and the RPU was terminated at 19:14. The SAR was terminated at 19:16.

The new load serving NGrid Five Mile Rd. 345/115kV Station connected to the Stolle Rd.–Homer City 345kV circuit went into service on December 23, 2015.

11.2 North American Energy Standards Board (NAESB) – Mr. Ellsworth reported that the NAESB Board of Directors met in December 2015 and focused on Order 809. The Board voted to modify its 2015 and 2016 annual plans to respond to FERC's request to move more swiftly to address gas/electric nominations and confirmations. The NAESB action will address the exploration of the potential for faster computerized scheduling, including a streamlined confirmation process for gas/electric nominations and confirmations. He also announced that the NAESB Advisory Council would meet in Washington, DC on February 13, 2016 in conjunction with the Winter Meetings of the National Association of Regulatory Utility Commissioners.

13.0 Visitors' Comments – None

14.0 Meeting Schedule

<u>Mtg.</u>	<u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
	202	Feb 11, 2016	Conference Call	9:30 A.M.
	203	Mar.11, 2016	Albany Country Club, Guilderland, NY.	9:30 A.M.

The Executive Committee Meeting #201 adjourned at 1:00 P.M.