

**Joint Meeting of the
New York State Reliability Council, L.L.C. (NYSRC)
Reliability Rules Subcommittee (RRS) /
Reliability Compliance Monitoring Subcommittee (RCMS)
Thursday, May 5, 2016**

Minutes of RRS Meeting No. 201

RRS Members and Alternates:

Roger Clayton, Electric Power Resources (Chairman)
Larry Hochberg, NYPA (Vice Chairman) (Phone)
Zoraini Rodriguez, PSEG_LI/LIPA (Phone)
Martin Paszek, Con Edison (Secretary)
Roy Pfleiderer, National Grid (Phone)
Erin Doane, Central Hudson
Brian Gordon, NYSEG/RGE (Phone)

Non-Voting Participants:

Al Adamson, Consultant (Phone)
Matilda Duli, Con Edison (Phone)
Dan Head, Con Edison (Phone)
Brian Shanahan, National Grid
Jim Grant, NYISO
Mark Capano, NYISO
Chris Sharp, NYISO
Douglas Deay, NYISO
Cinto Pascazio, NYISO
Aaron Markham, NYISO (Phone / Partial)
Wayne Sipperly, NYPA
Matthew Schwall, IPPNY
David Johnson, Read & Laniado, LLP
James D'Andrea, Attorney for TC Ravenswood
Howard Fromer, PSEG Power New York
Marji Philips, Direct Energy (Phone)

RRS Meeting # 201 was called to order by Mr. Clayton at 9:30 am.

1. Introduction

1.1 Executive Session

None requested.

1.2 Requests for Additional Agenda Items

None requested.

2. Approval of Minutes / Action Items

2.1 Approval of RRS Minutes #200

RRS reviewed the Minutes from the last RRS meeting. Minor comments were provided to the Minutes and with these changes, Minutes are considered as final.

2.2 RRS Action Items List

Action Item 200-9: On agenda today and status is changed to complete.

Action Item 200-8: Mr. Grant stated that the NYISO has met internally, and upon review of the NYISO Planning and Operating Manuals, reached a conclusion that these manuals do not have to be modified. The NYISO will reference, in its Planning and Operating reports, the Exceptions to the NYSRC Reliability Rules that were invoked by the NYISO in its analysis. Status of this Action Item is changed to Completed.

Action Item 200-7: Mr. Clayton stated that upon receiving all required documentation (from Transmission Owners and the NYISO) the modified Exceptions were approved by the NYSRC Executive Committee. Status of this Action Item is changed to Completed.

Action Item 200-6: On agenda today and status is changed to complete.

Action Item 200-5: Mr. Grant stated that Mr. Markham will call in and provide an answer to the posed question. Status of this Action Item is changed to Completed.

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The following discussion – related to Action Item 200-5 – occurred after Agenda Item 3.1.1. Mr. Markham joined RRS Meeting.

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Mr. Markham answered the following questions: “why the NYISO wouldn’t declare Major Emergency for a Stuck Breaker or Loss of Tower contingency.”

Mr. Markham stated: NPCC region operates to a higher level of transmission security than required by NERC Standards; that is the NYISO respects Common Tower and Stuck Breaker contingencies (these are not required from NERC perspective). NPCC recognizes that conditions may occur that in order to secure to these contingencies, pre-contingency load shedding would have to be invoked. In order to avoid pre-contingency load shedding (for these contingencies) NPCC in its processes allows the declaration of ETC and then allows the entity (i.e. NYISO) to revert to NERC criteria (for the period of ETC declaration). The NYISO will do everything in its power to terminate ETC. Major Emergency does two things: (1) situational awareness and (2) allows voltage reduction and load shed to the action list System Operators may take. When ETC is called for Common Tower and Stuck Breaker contingencies the NYISO provides (1) situational awareness. **Action Item 201-2:** Mr. Markham to provide to RRS a written response to the posed question.

Action Item 200-4: On agenda today and status is changed to complete.

Action Item 200-3: On agenda today and status is changed to complete.

Action Item 200-2: On agenda today and status is changed to complete.

Action Item 200-1: The NYSRC Executive Committee approved PRR 130 to post for comment. Comments are due May 31st, 2016. Status of this Action Item is changed to Completed.

Action Item 197-8: On-going.

Action Item 195-1: Mr. Hochberg stated that the recent discussions on the subject of ETC were quite extensive and that this Action Item can be retired. Status of this Action Item is changed to Completed.

Action Item 191-2: On-going.

Action Item 141-1: On-going.

Action Item 139-1: On-going.

Action Item 87-5: On-going.

Action Item 83-8: On-going.

3. NYSRC Reliability Rules Development

3.1 Outstanding PRR List

PRR 128 is tabled pending NPCC A-10 revision. Mr. Paszek stated that NPCC TFCP is currently meeting in Montreal and that Document A-10 is on their Agenda. Mr. Paszek also informed the group that TFCP will create a working group (CP-11) that will be working specifically toward revising Document A-10. Mr. Grant stated that this process might be a lengthy one, due to all identified issues such as the definition of “local area”.

The NYSRC Executive Committee approved PRR 130 to post for comment. Comments are due May 31st, 2016.

All other PRRs are on the table for today's discussion.

3.1.1 PRR 131 I.6 Modeling & Data (Dual fuel Generating Unit Testing)

Mr. Clayton informed the group that RRS has received comments from IPPNY toward the latest draft of PRR 131 *I.6 Modeling and Data* (Dual fuel Generating Unit Testing). Mr. Clayton also informed the group that the NYISO will present on the current method of compensation for generators that provided LOG/MOB services in the NYISO Market.

Mr. Clayton stated that RRS will not reach a conclusion at today's meeting (i.e. RRS Meeting Item 201) regarding whether to recommend PRR 131 to NYSRC Executive Committee for approval to post for comment. Mr. Clayton informed the group that RRS is still working on this PRR and would like to get input from all affected stakeholders. This input would then be utilized to modify (if necessary) the drafted PRR 131.

Mr. Johnson stated that the provided IPPNY comments can be viewed as a consensus comments from the Generator Sector. Mr. Johnson stated that the main issue is that the dual fuel service is an absolutely voluntary service, and now due to this proposed Reliability Rule the Generator Owners would have to perform potentially expensive and risky dual fuel tests. In addition, some of the Generator Owners do not burn oil in the capability period due to their Air Emission Limits. Mr. Johnson also stated that under this proposed Reliability Rule the Generator Owners will be asked to burn oil that could be uneconomical to burn. The concern is that without compensation this proposed Reliability Rule is very intrusive into the Generator Owner's business model.

Mr. Clayton acknowledged comments from IPPNY and asked if these were written without knowledge of compensation discussions; Mr. Johnson conformed. Mr. Clayton informed the group that the NYISO will present on the current method of compensation for generators that provided LOG/MOB services in the NYISO Market, and that this presentation could address some of IPPNY's concerns. Mr. Johnson stated that the 'devil is in the detail' as it relates to compensation and that some of his members may say that is not enough. Mr. Sharp provided a clarification toward the NYISO's presentation: "It is not a proposal for a compensation for PRR 131". The NYISO will review existing compensation mechanism for LOG/MOB services as this might be a likely correlation to future compensation for PRR 131. Mr. Sharp also stated that the NYSRC does not deal with compensation issues and that this issue would be deferred to the NYISO Stakeholder Process (i.e. negotiate Tariff changes, similarly to what was done with the fairly recent Black Start Testing Requirements).

Mr. Fromer stated that his client does not support PRR 131. Mr. Fromer reiterated Mr. Johnson's concern toward the fact that the dual fuel service is an absolutely voluntary service, and now due to this proposed Reliability Rule the Generator Owners would have to perform potentially expensive and risky dual fuel tests. The concern is that without compensation this proposed Reliability Rule is very intrusive into the Generator Owner's business model. Mr. Fromer emphasized the unfair applicability of PRR 131 to Upstate Generators.

Mr. Fromer also stated that there has to be some logical reason as to why NYSRC would start getting involved in this purely economic issue, and not hide behind 'reliability'. There is no standard, no requirement in any Tariff requiring this kind of service. Mr. Fromer reiterated that, although he does not support this proposed Reliability Rule, if passed why would this PRR 131 extend beyond the areas affected by LOG/MOB requirements? In addition to costs and risks, the State Pollutant Discharge Elimination System (SPDES) permit requires the Generator Owner to perform a stack test (every 5 years) which in itself is a lengthy and expensive test. Due to the fact that upstate resources burn oil very rarely, DEP works with Generators to delay (or waive) the test altogether until the unit actually runs on oil. This PRR 131 would force certain units to perform this very expensive Stack test, as it would force them to run on oil.

Mr. Fromer closed by suggesting that PRR 131 should be very narrowly focused, if needed at all.

Mr. Clayton provided the rationale to why PRR 131 was written; due to 10% failure rate of dual fuel swaps. Mr. D'Andrea asked if these units were expected to swap per LOG/MOB requirements. Mr. Paszek answered: Yes.

Mr. Clayton also stated that PSC Article X requires 'all' units (i.e. running on gas) to have dual fuel capability. Mr. D'Andrea stated that the NYISO and TO should not rely on units that have dual fuel capability (to respond) if they are not part of the LOG/MOB program. Mr. D'Andrea added if there was a new compensation mechanism (a new reserve product) additional resources may respond (and provide this service). Mr. Fromer stated that he was not aware of any requirement within PSC Article X that would require dual fuel capability, and in fact the last two units that were approved do not have such requirement (i.e. CPV Valley and Cricket Valley). **Action Item 201-1:** Mr. Clayton to provide to RRS and Generator Owners a citation from PSC Article X toward the Dual Fuel requirement.

Mr. Fromer posed the following question: Is the unit considered dual fuel if there is no oil in the tank? And if the answer is yes, would this rule require fuel to be on-site? Mr. Clayton answered yes and yes, the rule implies fuel being on-site. Mr. Fromer asked the NYISO to consider this fact in its compensation considerations.

Mr. Shanahan asked if there is an existing definition of dual fuel capability. RRS agreed to work on the dual fuel definition.

Mr. Deay presented the “Minimum Oil Burn Compensation Program” presentation. Question asked (page 2): What were the implementation dates of Reliability Rules G.2 *Loss of Gas Supply (NYC)* and G.3 *Loss of Gas Supply (LI)*. Answer: These two rules predate NYSRC (from NYPP). Question asked (page 4): During “Polar Vortex” event did the NYISO observe any reliability issues as it relates to dual fuel issues? Answer: No issues were observed. Comment (page 5): Mr. D’Andrea stated that TC Ravenswood was involved with section 4.1.9, and suggested to the other Generator Owners to review FERC case ER14-1711. Question asked (page 6): Does the SDX include allowance for equipment maintenance or does it simply address out of market fuel costs? Answer: There are NYISO Tariff provisions that could address other costs. In addition, Ms. Rodriguez stated that LIPA has PPA agreements directly (outside of the NYISO Tariff) with Generator Owners on Long Island.

Mr. Clayton asked if this existing process for LOG/MOB services could be used as a frame work for future compensation under PRR 131. Mr. Pascazio agreed that this could be used as a frame work; with certain software enhancements. Mr. D’Andrea stated that what has been discussed is fuel cost, and that is the easy part. There would be other additional costs, such as: storage, barging costs, labor, on-call pollution control, etc., and these would have to be taken into account as part of the compensation package under PRR 131.

Mr. Johnson reviewed with the group his MEMO and the 12 questions within. Item 1: RRS agreed to work on the dual fuel definition. Item 2: The answer: “site would equal POI”. Items 3,4,5,6 and 7: These items were addressed in the prior discussion. Item 8: RRS agreed to work on this item. Items 9, 10, and 11: These items were addressed in the prior discussion. Item 8: RRS agreed to work on re-defining the word “immediately”.

Mr. Clayton concluded the discussion stating that two items need to be resolved: (1) the scope of PRR 131 (i.e. applicability to upstate Generators) and (2) the compensation issue.

3.1.2 PRR 132 I.4, Transmission Data (Clarification of Material Error)

Mr. Clayton provided a short description of this PRR and what changes have been applied since the last RRS meeting. Mr. Clayton specifically pointed out R1.7 and the use of “reliability violation”, where it has been suggested to replace that phrase with “does not meet reliability criteria”. The group decided to keep the existing wording.

Mr. Adamson asked a clarifying question toward R1.4 “*Require Market Participants and Developers to report to the NYISO data errors and corrections or Suspect Data that they may have identified [...]*”; why would Market Participants report to the NYISO their Suspect Data without submitting corrected data? Mr. Paszek responded stating that, for example, Con Edison may observe —Suspect Data within its system model on equipment that is not owned by Con Edison, and ———thus Con Edison will report its findings to the NYISO (so that the NYISO can approach the owner of the equipment in question).

Mr. Shanahan asked about the use of the term “reasonableness” in R1.3; is it an appropriate term? Mr. Clayton responded that all data has a range and that the NYISO already has established guidelines for all equipment being modeled.

Action Item 201-3: Mr. Adamson to add Compliance Elements to PRR 132 I.4, *Transmission Data*.

3.2. Discussion Items

3.2.1 NYSRC & NERC System Restoration Training Requirements

Mr. Clayton introduced this Agenda item noting that the provided material was developed by the NYISO with Transmission Owners’ input. The comparison shows that, in regards to System Restoration Training, NERC Standards are equal or more stringent than NYSRC Reliability Rules. Mr. Clayton then posed a question: Do we need to have NYSRC System Restoration Training Reliability Rules?

Mr. Sipperly provided a detail overview of the provided documentation noting that the comparison took into account NERC Standards EOP-005-2 *System Restoration from Blackstart Resources* EOP-006-2 *System Restoration Coordination* and NYSRC Reliability Rules F.1 and F.2.

Mr. Paszek asked if there is an instance (at least one) where the NYSRC Reliability Rules are more stringent than the NERC Standards. Mr. Sipperly responded that there is no such instance.

Mr. Adamson stated that System Restoration is a very important aspect of the NYSRC Reliability Rules. To omit reference to System Training Requirements, might suggest that NYSRC does not ~~believe that have any System Training Requirements is important to~~ system restoration. Mr. Clayton stated that NERC Standards have very detailed System Training Requirements. Mr. Grant~~e~~ also added that due to the fact that all NYCA Transmission Owners will become NERC registered Transmission Operators (TOP), the NERC Standards EOP-005-2 and EOP-006-2 will be applicable to NYCA Transmission Owners. Mr. Clayton suggested that NYSRC Reliability Rules could simply have a section toward requiring System Restoration Plans, with an introduction section that would state (among other things) that System Restoration Training is covered by NERC Standards.

Mr. Paszek questioned if the NYSRC is in compliance with its Charter due to the fact that, as of today, the NYSRC Reliability Rules are less stringent than NERC Standards. Mr. Clayton responded that Yes, technically the NYSRC is not compliant but the NYSRC RRS is working on addressing this issue. In addition, from a reliability perspective nothing is lost as NERC Standards trump the NYSRC Reliability Rules.

Mr. Clayton brought into the discussion Agenda Item 3.2.3. Mr. Paszek discussed a comparison of the NERC, NPCC and NYSRC Blackstart Testing Requirements. Mr. Paszek stated that NERC EOP-005-2 and NPCC Directory 8 require (among other things) the ability to energize a [dead] bus and the ability to operate in a stable condition [idle] while isolated from the power system for a minimum of 10 minutes. The NYSRC Reliability Rules do not have such requirements. There is an apparent inconsistency that needs to be addressed as well.

Mr. Fromer asked if these new Black Start requirements imposed on the Generator Owners were changed or are changing, and were the Generator Owners notified. Mr. Sipperly stated that if the Generator Owner is registered as a Generator Operator, the Generator Owner is aware of these requirements.

Action Item 201-4: Mr. Adamson to check the provided comparison documentation of NERC Standards, NPCC Directory 8 and NYSRC Reliability Rules as it relates to System Restoration Training and Blackstart Testing Requirements; to see if there are no omissions (i.e. Requirements that should be left in the NYSRC Reliability Rules).

3.2.2 RRCM Section B and C Introductions

Mr. Adamson provided a short description of the proposed changes applied to the NYSRC Reliability Rules and Compliance Introduction sections Section B; Transmission Planning and Section C: Transmission Operations, per comments received at the last NYSRC RRS meeting. Mr. Clayton asked if there are any comments and with none received Mr. Clayton asked Mr. Adamson to add these revisions to the next version of the NYSRC RR & C Manual. ~~[Action Item?](#)~~

3.2.3 NERC, NPCC and NYSRC Comparison of Black Start Testing Requirements

See Discussion under Agenda Item 3.2.1.

3.3 Bucket List

Item 7 together with item 8, with adaptation of PRR 130, will be retired.

Action Item 201-5: Review / discuss NERC Standard / NYSRC Reliability Rules comparison documentation as it relates to the Solar Magnetic Disturbance Requirements.

The status of Item 14 changed to completed. The phrase that was proposed to be removed from the NYSRC Reliability Rules (Section C.1 *Establishing Operating Transfer Capabilities*): “to a level that will not result in the loss or separation of a major portion of the system” will stay as part of the NYSRC Reliability Rules.

4. NPCC Directories

There is nothing new to report.

5. NERC SARS/Organization Standards

5.1 NERC Standard Tracking

There is nothing new to report.

6. Additional Agenda Items

6.1 REV potential impact on NYS BPS reliability

Mr. Clayton stated that at this point RRS should hold to a statement that would encompass the following thought: “Whatever the REV does it shall not adversely impact Transmission System Reliability”.

Mr. Clayton informed that group that at the NYSRC Executive Committee the NYISO reported that the NYISO is performing a study toward impact of Distributed Generation on the Bulk Power System. **Action Item 202-6:** NYISO to provide a status discussion toward REV studies (i.e. Behind the Meter and Clean Energy Standards) at the next RRS meeting.

7. Reports

7.1 NYSRC EC Meeting Report

There is nothing additional to report.

7.2 NYSRC ICS Meeting Report

The ICS is developing models toward 2017 IRM study. The NYISO is working with GE toward a new mythology for Locational Capacity Requirements (LCR) based on economics ~~while maintaining criterion, and not a~~ reliability criteria~~on~~. The NYISO methodology must be consistent with the NYSRC Reliability Rules; it is an issue for ongoing discussion.

Meeting ended at 1PM.

Next Meeting #202

Thursday, June 2, 2016; 9:30 am @ NYSERDA, 17 Columbia Circle, Albany