

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 114 – October 14, 2008
Power Control Center, Guilderland, NY

Members and

Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George E. Smith	Unaffiliated Member
Richard J. Bolbrock	Municipal & Electric Cooperative Sector
Thomas Duffy	Central Hudson Gas & Electric – Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
Joe Hippius	National Grid, USA - Member
Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector)*
Timothy Bush	Independent Power Producers of New York (IPPNY)
Glenn Haake	Dynegy – IPPNY Alternate Member - Phone
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member - Phone

Others:

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Steve Fanning	National Grid, USA – RCMS Chairman
Al Adamson	Treasurer & Consultant
Bruce Metruck	New York Power Authority
John Adams	New York Independent System Operator (NYISO)
Henry Chao	New York Independent System Operator (NYISO)
Rick Gonzales	New York Independent System Operator (NYISO)*
Carl Patka, Esq.	New York Independent System Operator (NYISO) - Counsel
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric – Member - Phone

Visitors – Open

Session:

Phil Fedora	Northeast Power Coordinating Council (NPCC) - Phone
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“*” – Denotes part time attendance at the meeting.

Agenda Items – (Item # from Meeting Agenda)

- I. Executive Session** – Mr. Bolbrock requested a short Executive session.
- II. Open Session**
- 1.0 Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.114 to order at 9:30 A.M. on October 14, 2008. Mr. Bruce Metruck was in attendance representing the New York Power Authority.
- 1.1 Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance or on the phone.
- 1.2 Visitors** – See Attendee List, page 1.
- 1.3 Requests for Additional Agenda Items** – None
- 1.4 Executive Session Topics** – A short Executive Session was held to address administrative matters.
- 2.0 Meeting Minutes/Action Items**
- 2.1 Approval of Minutes for Meeting No. 113 (September 12, 2008)** – Mr. Raymond introduced the revised draft minutes. Messrs. Gioia and Dahl provided corrections/additions. Following discussion, Dr. Sasson moved for approval of the draft minutes contingent upon the inclusion of Messrs. Gioia and Dahl’s corrections/additions. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #114-1**.
- 2.2 Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete:
- | <u>Action Item #</u> | <u>Comments</u> |
|----------------------|---|
| 80-11 | The scheduled completion date was changed to “on-going”. |
| 112-7 | RRS concluded that any investigation must encompass the entire Eastern Interconnection. |
| 112-8 | Mr. Chao gave a presentation on Deliverability at the September 12, 2008 Executive Committee meeting. |
- 3.0 Organizational Issues**
- 3.1 NYSRC Treasurer’s Report**
- i. Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements which showed a balance of \$104,000 at the end of September 2008. Mr. Adamson noted that projected year-end expenses will be \$54,000 below budget. Also, he noted that all but one TO has responded to the 4th quarter Call-for-Funds.
- 3.2 Other Organizational Issues** – Nothing new to report.
- 4.0 State/Federal Energy Activities**
- 4.1 Energy Planning Board (EPB)** – Nothing new to report.
- 4.2 NYSEERDA – Update** – Nothing new to report.
- 4.3 RGGI Update** – Mr. Gioia indicated that the NYSDEC responses to public comments on the RGGI model may provide an opportunity for CO₂ relief under emergency conditions (NYCCR Section 201-5, 6). He suggested that the NYISO decide upon the definition it would like used to trigger emergency

relief – **AI #114-2**. Also, Mr. Clayton reported that he sent a letter to Mr. Sliwinski (NYSDEC) requesting a meeting. He has yet to receive a response.

4.4 Need for IRM Proceeding – Nothing new to report.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith indicated that the Defensive Strategies Working Group (DSWG) meeting will be re-scheduled from October to December 2008. Also, the NPCC SS-38 UFLS Study is being extended. Mr. Fedora reported that the NPCC SS-38 UFLS Working Group will present its final Report to the NPCC RCC on November 20, 2008. The Working Group is currently testing the robustness of the UFLS plan, but the results are not expected to materially change the results. The NPCC System Protection Task Force has begun costing out the necessary relay changes and setting an implementation schedule. NPCC full membership voting on acceptance of the Report is expected in December 2008.

5.2 NPCC Defensive Strategy Activities – See item 5.1.

5.3 Interregional Studies of Proposed Transmission

- i. SEP** – Mr. Loehr reiterated his concern that new EHV transmission proposed in PJM over the next 2-3 years presents a potential risk to NY for contingency loss of one of the new lines. The impetus for his concerns is the apparent lack of joint interregional studies of some of the major new 500 and 765kV facilities. Consequently, with the assistance of Ms. Hogan, he provided a general statement to NYSERDA, emphasizing the importance of interregional studies for possible inclusion in the NYSEP.
- ii. NYISO** – Mr. Adams discussed an email sent by Mr. Patka which takes exception to Mr. Loehr’s statement of concern, as not fully reflecting the current situation. Mr. Loehr responded that his statement of concern was very general and that including the proposed lines in NYCA studies is positive; however, it is not an assessment of the proposed transmission lines reliability impact on NYCA.
- iii. NPCC** – Mr. Loehr presented a proposed statement, directed to NPCC, emphasizing the importance of interregional studies and stating his concern that NPCC has not yet participated in joint interregional reliability studies of some of the major 500 and 765kv facilities planned for service in the near future within PJM. He asked that comments be sent to him no later than October 17, 2008 – **AI#114-3**. Mr. Fedora discussed the ERAG study forums—RFC-NPCC, RFC-SERC(East), and RFC-MRO-SPP-SERC(West). The present RFC-NPCC steering committee and working group are direct descendents of the MEN study committee and working group. The ERAG Management Committee is an offshoot of the Joint Interregional Review Committee (JIRC) with responsibilities expanded to the entire Eastern Interconnection. In addition, ERAG took over all previous NERC steady state and dynamic based case development responsibilities for the Multi-Regional Modeling Working Group. The ERAG Management Committee has recognized the need for future Interregional system assessments. A survey conducted within NPCC, RFC, PJM, MISO, and SERC showed the need to consider the impacts of anticipated large future system developments such as large wind resource additions, the TRAIL 500 kV line, PATH 765 and 500Kv lines, and generation additions and retirements. These facilities will be considered as future intraregional assessments are carried out; e.g. NPCC Overall Transmission Reviews and RFC assessments. The ERAG Management Committee is currently assessing the manpower and budget needs to conduct interregional future assessments during 2009. NPCC is scheduled to begin the Overall NPCC Transmission Assessment later this year – **AI#114-4**.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

6.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS held weekly phone conferences during September 2008 and met for its regular monthly meeting on October 8, 2008 in order to finalize the IRM data base.

6.2 2009/10 IRM Assumptions

i. LCR/IRM Requirements

Mr. Dahl indicated that the NYISO provided the updated load forecast on October 1, 2008 showing a peak of 33,843Mws, a reduction of over 300Mws. Also, GE has completed its review of the MARS data base and the Assumptions Matrix, which was unanimously approved at the August 2008 Executive Committee meeting, without finding any errors. Mr. Dahl reviewed the MARS base case Locational Capacity Requirements (LCR) vs. NYCA Installed Reserve Margin (IRM) curves for Long Island and New York City. The results showed a Tan 45 IRM of 16.2% and LI and NYC LCRs of 97.0% and 79.0%, respectively. The primary causes of the increase in IRM from 15.0% previously are 825Mws of additional wind power, increased forced outage rates and tighter transmission limits. This increase was tempered by the load forecast reduction. After further discussion, which emphasized the need to clearly explain why the increase in IRM will not result in larger capacity payments to the generators, Mr. Dahl requested approval of the LCR vs. IRM curves as the basis for proceeding with the sensitivity cases. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee – (12 to 0 with the Wholesale Suppliers abstaining).

ii. Sensitivity Testing

Mr. Dahl introduced the List of 2009/10 IRM Study Sensitivity Studies which are divided into three categories: (a) MARS Parameter Impacts, (b) Assumption Uncertainty Impacts and (c) Possible System changes after 2009/2010. During discussion, it was decided to increase the list to include the NYPA Hudson Project and perform a 5000 iterations MARS case to confirm that the standard error had stabilized within the generally used 1500 iterations. Mr. Mager moved for approval of the sensitivity case list including the two additions. Mr. Bush seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

6.3 Mechanism to Accommodate Expanded MARS Date Base Review – Mr. Gioia reported that changes to the draft non-disclosure Agreement proposed by ConEd and National Grid were incorporated into the draft Agreement and that the draft Agreement was forwarded to Mr. Patka. Mr. Patka indicated that the NYISO's Chief Counsel continues to be concerned that the data could be unmasked. Mr. Bush reiterated his position that the original circumstances that lead to the drafting of this agreement no longer exist. He believes that it is not a good precedent to allow access to confidential data, masked or not, by a limited set of EC members.

6.4 Other ICS Issues

i. Revision of Policy 5 for Deliverability – Nothing new to report.

7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

7.1 RCMS Status Report & Discussion Issues – Mr. Fanning indicated that RCMS met on October 7, 2008.

7.2 2008 New York Reliability Compliance Program (NYRCP) – Mr. Fanning reported that each of the following Measures were reviewed by RCMS and found to be in full compliance:

- (a) E-M6, Pre-Seasonal Fault Duty Assessments, and
- (b) E-M7, MP Evaluation of NYISO Fault Duty Assessments.

Regarding Measurements I-M1, I-M2 and I-M3, the NYISO provided RCMS with Technical Bulletin #159. RCMS deferred action to provide time for additional review. Measurement C-M9, Procedure for Maintenance of Load Flow, Short Circuit and Stability Data, was also deferred in order for the NYISO to review the governor response data in response to accuracy issues raised at the September 2008 NPCC RCC meeting.

7.3 RCMS Compliance Review of 2004 GADS Reporting Error(s) – Mr. Fanning indicated that RCMS provided a draft Compliance Report to the NYISO for review and comment. The NYISO had significant comments requiring additional time to complete. The NYISO was given until October 20, 2008 to respond. RCMS will be holding a special meeting on October 27, 2008 to finalize the Report. Mr. Gioia noted that he will have procedural comments for RCMS reporting to the Executive Committee. Also, Mr. Fanning added that the recommendations will include: (a) the use of GADS generic data for units undergoing compliance review by the NYISO, (b) investigation of the apparent decline of in-city generation outage performance and (c) concerns with the NYISO’s review of outage data reported by MPs.

7.4 Other RCMS Issues

i. Draft NPCC Governor Response vs. Measurement C-M9 – See item #7.2.

8.0 Reliability Rules Subcommittee Status Report/Issues

8.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that RRS met on October 9, 2008. PRRs #8 and #52 remain on hold pending completion of related pre-requirements being addressed by NPCC. PRR#96, Verification of Resource Capacity, was passed to RCMS for compliance elements. PRR# 99, System Restoration is under review by the NYISO. The RRS has requested Mr. Mahlmann (NYISO) to prepare a template to focus further discussion.

8.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (PRR) Changes

b. Status of New/Modified Reliability Rules

1. PRRs for Final EC Approval – None

2. PRRs for EC Approval to Post for Comments

- **PRR #98, NYCA Transmission Review** – Mr. Clayton reported that PRR #98 was prepared by RCMS regarding the need for additional specificity in the reliability assessment requirements. Also, the PRR incorporates all transmission “assessments” under a single Reliability Rule. He reviewed the Rule template and proposed changes with the Executive Committee. After further discussion, Mr. Bush moved for approval of the changes. Mr. Ellsworth seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

3. PRRs for EC Discussion – None

8.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Status – Mr. Adamson introduced the NERC Reliability Standards Development Tracking Summary. A number of proposed standards were discussed and comments and voting positions decided upon as summarized in the October 10, 2008 NERC Tracking Summary.

ii. Status of NERC “Determine System Operating Limits” – Mr. Clayton indicated that 58% of the comments received by NERC on the revised FAC-11 SAR were negative. A new SAR is being drafted in concert with NPCC in the hope of getting the required 67% affirmative responses during the balloting process. In addition, RRS is carefully monitoring the changes being made to the NERC Reliability Standard, TPL, Transmission Planning Performance Requirements.

8.4 Other RRS Issues

i. BPS Issues – PRR# 97, BPS Facilities, remains under review. The NYISO has provided the four facility lists (A1, A2, NPCC A10, and ATR) that it uses to fulfill its obligations under the NYSRC Reliability Rules. Mr. Adamson has established the cross-reference between each Reliability Rule and the smallest appropriate list. RRS plans to determine how the NYISO interprets each list relative to the Reliability Rules. Contradictions have already been found and many more are expected, particularly between transmission planning and operations. Mr. Fedora indicated that

NPCC CP-11 is reviewing the implementation of the A-10 methodology in order to assess consistency across the Sub-Regions.

ii. **Reliability Rules vis-à-vis Deliverability** – Nothing new to report.

9.0 NYISO Status Report/Issues –

9.1 NYISO 2009 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams reported that the 2009 Reliability Needs Assessment (RNA) was released. The need for new generation resources has extended to 2018.

9.2 NYISO Fuel Diversity Study – Mr. Adams indicated that the Fuel Diversity Study should be available in November or December 2008.

9.3 Loop Routing – Nothing new to report.

9.4 Other Studies/Activities

i. **NYCA Reactive Power Study** - Nothing new to report.

ii. **Wind Integration Study/Activities** – Mr. Adams noted that it is becoming clear that mid-west wind power for East coast delivery is not feasible due to the cost of the required additional transmission.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Gonzales indicated that a high peak load was experienced in September due to 90 degree+ temperatures at the beginning of the month. There was a major emergency declared on September 14, 2008 due to the tripping of the Chateaugay-Massena 765kV line loaded at 1440Mws resulting in a shortage of 10 minute reserve.

10.2 North American Energy Standards Board (NAESB) Report - Nothing new to report.

10.3 NPCC Report – Mr. Fedora summarized the NPCC RCC and RSC monthly report to its Board of Directors. Also, he noted that on October 23, 2008 there will be a special meeting of the NPCC CP-8 Working Group to discuss each Areas Tie Benefits/Emergency Assistance when determining resource requirements in the Sub-Region’s resource adequacy planning analyses.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#115	Nov.14, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#116	Dec. 5, 2008	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 114 was adjourned at 3:15 P.M.