

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 123 – July 10, 2009
Albany Country Club, Voorheesville, NY

Members and

Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Paul DeCotis	LIPA – Member*
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George E. Smith	Unaffiliated Member*
Bob Loughney, Esq.	Couch White, LLP (Large Customers’ Sector) – Alternate - Phone
Richard J. Bolbrock	Municipal & Electric Cooperative Sector – Member
Thomas Duffy	Central Hudson Gas & Electric – Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc. - Member
Joe Hipius	National Grid, USA - Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member
Tim Bush	Independent Power Producers of New York (IPPNY) – Member - Phone
Ralph Rufrano	New York Power Authority – Member

Others:

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Rick Gonzales	New York Independent System Operator (NYISO)*
Wes Yeomans	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO) – Counsel*
John Adams	New York Independent System Operator (NYISO)
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service*

Visitors – Open

Session:

Phil Fedora	Northeast Power Coordinating Council (NPCC)
Erin Hogan, PE	NYSERDA

“*” – Denotes part time attendance at the meeting.

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was not requested.

- II. **Open Session**
- 1.0 **Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.123 to order at 9:30 A.M. on July 10, 2009. He introduced Mr. Paul DeCotis, the new LIPA Member and Mr. Gonzales introduced Mr. Wes Yeomans, recently hired by the NYISO.
- 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** – An Executive Session was not requested.

- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 122 (June 10, 2009)** – Mr. Raymond introduced the revised draft minutes noting two editorial corrections. Also, Mr. Smith offered a revision to the title of Dr. Sun’s EPRI project. Mr. Ellsworth moved for approval of the draft minutes contingent upon inclusion of the corrections noted. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee Members in attendance – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #123-1**.
- 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>
118-2	Replaced by Action Item #120-8.
120-0	Mr. Gioia presented the changes to the Code of Conduct regarding membership on NYISO Committees during the July 10, 2009 EC meeting.
120-5	Mr. Fedora presented a status report on NPCC Interregional Studies during the July 10, 2009 EC meeting.
120-9	Mr. Dahl met with ISO-NE to discuss IRM Study assumptions on May 22, 2009.
121-5	The comments on NERC’s future direction were provided on June 18, 2009.
121-6	The Confidentiality Agreement was signed on July 10, 2009.
121-7	The TDFs were provided to RRS on June 12, 2009.
122-3	A letter from Mr. Loehr was sent to Kim Harriman on June 18, 2009.

- 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 shows a balance of \$170,000 at the end of June 2009. Regarding the 3rd Quarter 2009 Call-For-Funds of \$25,000 per TO, \$62,500 was received in June 2009 and another \$75,000 so far in July 2009. The projected end-of-year variance from the 2009 Budget is an excess of about \$50,000.
- 3.2 **Other Organizational Issues**
 - i. **Comments on NERC Future Direction** - Mr. Gioia noted that the Executive Committee comments were sent to NERC on June 18, 2009.

4.0 State/Federal Energy Activities

4.1 Energy Planning Board (EPB) – SEP Update – Ms. Hogan indicated that the draft SEP, originally planned to be released on July 16, 2009, should be released sometime in July 2009. There will be opportunity for comments and nine public hearings across the State. The final Plan will be released in October 2009. Mr. DeCotis commended the NYISO for its modeling and policy assistance and encouraged the Executive Committee to provide comments. Messrs. Loehr, Adamson and Gioia will coordinate the response. Mr. DeCotis noted that Governor Paterson has appointed Tom Congdon as Deputy Secretary for Energy. Therefore, Mr. Congdon becomes the Chairman of the State Energy Planning Board. The State Agencies are currently reviewing the Plan to assure consistency from both a technical and policy perspective. The Governor’s Office is reviewing a comprehensive set of recommendations.

4.2 NYSERDA Update – Nothing new to report.

4.3 FERC Proceeding on 100kv “Bright Line” – Mr. Clayton discussed a FERC meeting held to investigate the “bright line” issue. He reported that Mr. Schwerdt gave a presentation indicating: (a) compliance is expensive within NPCC, (b) a status report is due on July 20, 2009, (c) NPCC Standards will continue to apply to the NPCC BPS, and (d) NPCC’s purpose is to remove subjectivity from the facilities selection process. Mr. Bolbrock questioned the wisdom of, once again, moving in a direction of minimizing the opportunity for applying sound engineering judgment. Mr. Rufrano emphasized the need to present a technically sound and repeatable alternative to the “bright line”. Mr. Loehr expressed a preference for a process similar to WECCs in which there is both a “bright line” (200kv) and a region (100-200kv) where analysis and engineering judgment would be applied to determine “material impact”. Mr. Clayton added that the proposed TPL-001, Transmission Planning Performance Requirements, introduces a new tier of voltage thresholds.

Mr. Schwerdt, also, presented a process for selecting facilities, the applicability of NERC Standards and a schedule indicating September 20, 2009 for filing of the United States portion of NPCC. He noted that the process should be measurable and exclude radial lines and load pockets. TDFs at 1% were indicated as one alternative for determining “material impact”. Generators interconnected at 100kv or above and at or above 20Mws or 75Mws in aggregate are captured via NPCC’s required registration of Generation Owners. Generators will be viewed on a “materiality” basis, ie, generators on a loop serving a load pocket will not be viewed as contributing to BPS flows. Mr. Rufrano expressed the view that more than cost, spending on projects that offer no reliability benefit is of concern at FERC. Mr. Clayton concluded by noting the FERC will not accept “gap” solutions, but is instead expecting an implementation schedule. Mr. Rufrano added that FERC currently expects the schedule for compliance to be completed in 18 months.

Mr. Fedora reported that NPCC is reviewing the July 3, 2009 information provided by the TOs in preparation for the July 29, 2009 status report to the NPCC Board. A draft will be available for comment in August 2009 and the final report produced for review by the NPCC-RCC on September 10 and the NPCC Board on September 17, 2009.

4.4 Petition to Amend the NYSRC Agreement - Mr. Gioia reminded the Executive Committee that currently the NYSRC Agreement prohibits members from serving on NYISO Committees. This restriction has been limited by the Executive Committee to the Standing Committees of the NYISO, but still remained difficult for some parties. Consequently, the Executive Committee received a request to amend the NYSRC Agreement and a related provision in the NYSRC Code of Conduct to prohibit an Executive Committee Member from serving as an officer, employee, or consultant of the NYISO, or as a member on the NYISO Board and eliminate the prohibition against serving on NYISO Committees. Furthermore, approval on any change would be contingent upon agreement that the filing with FERC would not be used as an opportunity to seek to amend any other provision of the NYSRC Agreement. The Executive Committee unanimously approved the concept at its June 10, 2009 meeting.

Mr. Gioia presented the proposed filing with FERC of the changes to the NYSRC Agreement and requested Executive Committee comments on the proposed document by July 17, 2009 – **AI #123-2**. Modifications to the Code of Conduct will follow FERC approval – **AI- 122-2**.

5.0 Key Reliability Issues

- 5.1 Defensive Strategies** – Mr. Smith indicated that the Defensive Strategies Working Group met on July 9, 2009 and reviewed Dr. Sun’s (EPRI) proposal to DOE titled “A Controlled System Separation Scheme and Related Dynamic Studies for New York State Transmission System Using Synchrophasors”. The primary issues included: (a) misoperation of the Phasor Measurement Unit (PMU), and (b) sufficient speed of information transfer to function as a real-time relay initiator, particularly in the “tight” Eastern Interconnection. The deliverable is a technical report documenting the developed scheme for NYCA and the validation results. Also, Mr. Smith attended the NYISO meeting (July 10, 2009) on PMUs during which coordination with System restoration practices and with neighboring systems were pointed out as significant issues. Mr. Loehr noted that recently northern Maine and the Maritimes were separated from the Eastern Interconnection through operation of a Special Protection System (SPS) and he cautioned against thinking of SPSs or PMUs as protection against single contingencies. Mr. Rufrano added that Cyber Security must be taken into consideration **AI #123-3**.
- 5.2 NPCC Defensive Strategy Activities** – Mr. Fedora reported that at the June 3, 2009 RCC meeting, Mr. Tatro indicated the NPCC-SS-38 Under Frequency Load Shedding Study technical work will be completed at the end of 2009 and a report will go to the RCC in March 2010. Also, SS-38 must complete the Transmission Assessment in the same timeframe. Therefore, the SS-38 Task 5 work on defensive strategies will likely be delayed.
- 5.3 Interregional Studies of Proposed Transmission**
- i. NYISO** – Nothing new to report.
 - ii. NPCC Presentation** – Mr. Fedora presented an update of NPCC activities regarding “Future System Assessment Studies”. The activities include: (a) NPCC SS-38 Overall System Assessment Study (2013), a dynamics assessment of the impact of major new projects in the RFC Region on NPCC from extreme contingencies and potential power swings arising outside NPCC, (b) the Eastern Interconnection Reliability Assessment Group (ERAG) RFC-NPCC Mid-Term Study (2014), conducted to satisfy NERC Reliability Standard TPL-005. The study will follow a scope and procedure similar to the RFC-NPCC seasonal operating studies, and (c) a NPCC Assessment of New Major Transmission Project Impacts on Reliability since sensitivity testing is not supported by other Regions in the ERAG forum. It is likely that Siemens will consult on item (c).
- 5.4 TOs Strategic Transmission and Reliability Study (STARS)** – Mr. Dahl reported that STARS is moving forward with current focus on the Renewables Portfolio Standards and wind energy issues. Two additional scenarios will be analyzed regarding the penetration of wind energy both up and down State.
- 5.5 NERC Request for Issues Risk Assessment** – Mr. Fedora noted that NPCC is coordinating responses to NERC’s issues assessment of reliability risk and urged the Executive Committee to provide input. Mr. Raymond will consolidate the responses of the Executive Committee members.
- 6.0 Installed Capacity Subcommittee (ICS) Status Report/Issue**
- 6.1 ICS Status Report and Discussion Issues** – Mr. Dahl distributed the ICS Chairman’s Report from the regular July 1, 2009 ICS meeting and a conference call on June 17, 2009.
- 6.2 2010/11 IRM Study** – Mr. Dahl reported that the major discussion topics included:
- (a) Peak Load forecast – ICS noted that the preliminary 2010 peak load is lower than the 2009 study assumption by 400Mws (33,800 to 33,400Mws). This is the first time that the peak forecast has not exceeded the prior year’s forecast since the NYSRC IRM Studies began.

- (b) Load Shape model – The NYISO provided a detailed presentation supporting the continued use of the 2002 load shape model as a reasonably conservative basis for IRM modeling.
- (c) Load Uncertainty - Con Edison and the NYISO are collaborating to develop a load model which appropriately captures extreme temperature performance for NYC zones. The LIPA and NYCA models are complete.
- (d) New units – Approximately 100 Mws of new generation has been identified for inclusion in the 2010 study.
- (e) Solar Resource modeling – LIPA provided a detailed hourly output model for its 30 Mw solar project translating into about 65% peak hour capacity. This is the first solar facility to be modeled in the IRM Study.
- (f) Forced outage rates – Mr. Adamson mentioned RCMS was notified of an anomaly in forced outage data which may not have been considered in the present forced outage modeling. This could impact 2010 IRM study FOR trends.
- (g) Environmental impacts- awaiting DEC ruling expected in July 2009 regarding phase-in for NO_x RACT compliance.
- (h) SCRs- ICS considering a NYISO recommendation for derating SCRs based on peak hour performance. The recommendations are to be vetted with NYISO ICAP WG prior to final adoption. Also, the ICS requested super-zone resolution of SCR performance.
- (i) External ICAP – Recommendation is based on NYISO FERC deliverability filing and UDR elections.
- (j) Sales – A 700Mw increase (300 to 1000Mws) in off-system capacity sales has been identified by the NYISO as a result of PJM and New England’s new forward capacity markets.
- (k) Interface Limits- ICS questioned use of a 1500Mw emergency transfer limit on HQ. The NYISO was asked to review the limit. The NYISO continues to review a proposal to increase transfer capabilities from HQ to OH from 350 MW to 1250 MW to reflect installation of a new HVDC line. Other major refinements include Variable Frequency Transformers (VFTs).
- (l) EOPs – ICS questioned increase in voluntary industrial load relief from 129Mws to 295Mws. The NYISO and Con Edison were asked to follow up.

There is an ICS Conference Call scheduled for July 21, 2009 to finalize the Assumptions Matrix in preparation for an August 2009 transmittal to the NYSRC Executive Committee. Also, Mr. Dahl raised the annual Upstate/Downstate Study with Mr. Gioia. Mr. Gioia indicated that both he and Mr. Haake concluded that the Study is required for one more year – **AI #123-4**.

Lastly, Mr. Gioia indicated that a recent U. S. Court of Appeals for the District of Columbia decision upheld FERC’s jurisdiction regarding the approval of IRMs.

6.3 Other ICS Issues

- i. **Analysis of EFORD Trends** – Nothing additional to report.
- ii. **FCM IRM Study** - Mr. Dahl indicated that ICS reviewed and commented on a draft report including the results of the IRM/LCR Tan45 analysis. The NYISO reviewed its MARS modeling and identified additional refinements including modeling of the Linden VFT. The NYISO re-submitted MARS cases and anticipates revised results prior to a ICS conference call scheduled for July 21, 2009. A preliminary report has been drafted by ICS and is waiting completion of results for final review. The specification of a sensitivity study involving environmental modeling is waiting the results of a DEC ruling expected in July 2009 regarding the phase-in for NO_x RACT compliance. The Study is anticipated to be completed by August 2009.
- iii. **ISO-NE vs. NYCA 2009 IRM** – Nothing new to report

7.0 Reliability Rules Subcommittee Status Report/Issues

7.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that RRS met on June 25, 2009. Referring to the List of Potential Reliability Rules Changes – Outstanding, he noted that PRRs #8 and 52 remain under development. Also, PRR #97, BPS Facilities, is under development (See Item #4.3). The NYISO is providing the TDFs for the various facilities lists – **AI #121-7**. PRR #102, K-M2d: Reliability Assessment, a new proposal designed to consolidate reporting requirements, remains under development. PRR #103, C-R4; System Data Requirements, was proposed to clarify Rules and Measurements C-M9, C-M10 and C-11. Messrs. Clayton and Adamson met with the NYISO (Messrs. Cory, Smith and Adams) and found that the NYISO’s Transmission Manual, through its Procedures, requires “due diligence” by the NYISO in maintaining data bases. It was agreed that a Rule should be developed to document the foregoing and make it clear that Market Participants have responsibilities regarding data checking – **AI #123-5**.

7.2 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 EC Final Approval

- Mr. Clayton reminded the Executive Committee that PRR #99, System Restoration, was posted for comment on April 20, 2009. Con Ed provided comments and following discussion at the June 10, 2009 meeting, the Executive Committee remanded PRR #99 back to RRS with a request for additional comments to be forwarded to Mr. Clayton as soon as possible.

Mr. Clayton presented the new wording in Measurement G-M3 which has the approval of Con Ed, NYISO, the Generators and RRS. However, the NYISO and Generators raised a new issue regarding verification of compliance with the Rule. After discussion, it was agreed that the Generators could include a statement that the equipment tests were completed in their currently required annual letter certifying Black Start testing per the NYISO Tariff. Mr. Gioia will provide the necessary changes to reflect the discussion and Mr. Bush will address the changes with the Generator Sector – **AI #123-6**. It was further agreed to vote on final approval of PRR #99 with the foregoing changes at the August 14, 2009 Executive Committee meeting.

2. PRRs for EC Approval to Post –

- Mr. Clayton reminded the Executive Committee that RRS resubmitted PRR #101, Modifications to Resource Adequacy, at the June 10, 2009 meeting. The PRR addresses “due diligence” by the NYISO regarding generator outage data. RRS had added clarification that assures the Rule changes apply to Generating Units only. Also, Mr. Gioia offered a definition of “suspect data”. After further discussion, the Executive Committee approved the PRR for “Posting for Comment”. However, prior to posting, Mr. Adamson raised a question regarding when the clock starts for the 5 day “grace” period for the NYISO to inform the NYSRC. After consideration, it was decided that the clock starts upon NYSRC approval of the IRM. Mr. Patka reminded the Executive Committee that the NYISO is developing a screening process whereby the NYISO’s Market Monitoring Unit would be able to inform NYISO Planning Staff of “suspect data”. Since the issue raised by Mr. Adamson has resulted in a substantive change, the “Posting for Comment” has been delayed pending review by RRS, RCMS, and re-approval by the Executive Committee.

3. PRRs for EC Discussion

- None

7.3 NPCC/NERC Standard Tracking

i. NERC Standards Development

1. **TPL-000-1, NERC Transmission Planning Standards** – Mr. Clayton noted that the comments were due yesterday. RRS reviewed the 300Mw threshold and a N-1-1 requirement when a facility outage is expected to last more than one year. No formal comments were necessary. Mr. Loehr added that TPL-000-1 is in general significantly more stringent than the current 1-4 Criteria. This could have a significant impact on smaller systems, particularly if the 100kv “bright line” proposal is accepted.

7.4 Other RRS Issues

- i. **Cyber Security Presentation** – Deferred to the August 14, 2009 meeting.

- ii. **Modification to Exceptions – Policy 1** – Mr. Clayton raised the fact that there is no documented procedure, other than the NYISO’s annual review, to remove facilities from the “Exceptions” List. Mr. Hipius reminded the Executive Committee that many of the “Exceptions” were placed on the list prior to the deregulation of generation, which offered a Utility Company an entirely different risk/reward proposition than exists today. Therefore, in his view, TOs should be able to remove facilities from the List at their discretion. Mr. Gonzales advised that removal of certain of the “Exceptions” may cause a decline in reliability. This suggests the need for a process for review of requests for removal of items from the “Exceptions” list. Mr. Gioia pointed out that the final arbiter should be the NYSRC. Mr. Hipius suggested that RRS develop a procedure whereby the NYISO would report to the NYSRC whether or not a request for removal of an “Exception” would have an adverse impact the on reliability of the BPS. It was agreed that Messrs. Hipius and Clayton will work together on the appropriate wording and with RRS approval, bring a proposed modification of Policy 1 and applicable Rules back to the Executive Committee for approval – **AI #123-7**.

8.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

- 8.1 **RCMS Status Report & Discussion Issues** – Mr. Adamson indicated that RCMS met for its regular meeting on July 9, 2009.

- 8.2 **2009 New York Reliability Compliance Program (NYRCP)** – Mr. Adamson further indicated that the following Measurements were reviewed for compliance:

- a) E-M6, Pre-Seasonal Fault Duty Assessment, – Extended 30 days in order to provide additional information in the final report,
- b) K-m2b, 2009 Resource Adequacy Assessment, - Approved pending minor corrections,
- c) C-M11, Reporting of Load flow, Short-Circuit and Stability Data to the NYISO, – Extended 30 days for additional information, compliance,
- d) C-M4, **Procedures for Reporting Resource Availability Date**, – Full Compliance, and
- e) F-M6, **Voltage Reduction Testing**, - Full Compliance. However, the NYISO was asked to check the test results against the data in the IRM data base.

- 8.3 **RCMS Compliance Review of 2004 GADS Reporting Error(s)** – The status of recommendations from the approved RCMS Report, Reliability Compliance Review Of 2004 NERC-GADS Outage Data Misreporting Event are summarized below.

Rec. #	Recommendation Excerpt	Status Excerpt
1	The EC should find the NYISO to be non-compliant regarding C-M5, but not issue a letter of non-compliance.	Complete
2	The NYISO should include mitigation measures in future non-compliance letters to Market Participants.	Complete

3.1	RRS interpretation of Measurement C-M5 meaning “accurate resource outage data”	Complete
3.2	RRS determines if NYISO definition of measurement C-M5 matches their definition	Complete
3.3	RCMS recommendation to EC as to whether or not further compliance reviews of previous cases are warranted.	Complete
3.4	RRS to prepare a PRR to modify Measurement C-M5	Mr. Clayton presented PRR #101 to revise C-R 2, and C-M 4, 5 and 6 to the EC for posting on June 12, 2009. Pending
4	Improving the outage screening process	A NYISO group continues to develop the process. Completion is expected in the 1 st quarter of 2010. A status report to RRS and RCMS is scheduled for September. Pending
5	NYISO conducting in-house NERC-GADS workshop	Complete
6	MMU to notify Resource Planning during its investigation	Complete
7	Joint NYISO/ICS EFOR trend analysis	Complete

RCMS will provide a final report to the Executive Committee on the Recommendations in October 2009 – **AI #123-8**.

8.4 Other RCMS Issues – Mr. Adamson reported that RCMS received a letter of non-compliance (C-M5) from the NYISO regarding a generator that provided incorrect outage data. The NYISO is in discussion with the Generator to avoid a recurrence of the error(s).

9.0 NYISO Status Report/Issues

9.1 NYISO 2009 Comprehensive Reliability Planning Process (CRPP) – Mr. Patka noted that the input phase for the 2010 CRPP will begin in February/March 2010. Currently, the NYISO is working with the TOs on their individual local plans. Also, the NYISO is beginning an economic analysis of congestion which should go to the Board for approval by year end.

9.2 Other Studies/Activities

i. NYCA Reactive Power Study – Mr. Adams indicated that the Working Group is developing a scope of work to address load power factor issues and voltage reserve.

ii. Wind Integration Study/Activities – Mr. Adams noted that the Group performing the Western Interconnection Wind Integration is finding that with 20-30% of the energy supplied by wind, the system is inoperable. The NYCA currently has 1275Mw of wind capacity. ESAI has published a study showing that wind energy predominately displaces natural gas. This result is confirmed by studies carried out by the NYISO.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans reported a peak load of 24,321Mws in June 2009. There were no major emergencies. On June 14, 2009 there was a trip of the New Scotland 77 bus which took the GNS-1 and UNS-18 345kv lines out of service. The latter line is connected to the New Scotland 99 bus. NPCC together with Nat’l Grid are investigating the incident to determine the root cause(s).

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

10.3 NPCC Report – Mr. Fedora noted that the NPCC General Meeting is scheduled for September 23/24, 2009 in Cambridge, Mass.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	Date	Location	Time
#124	Aug 14, 2009	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.
#125	Sep 11, 2009	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No.123 was adjourned at 3:40 P.M.