

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 128 – December 4, 2009
Albany Country Club, Voorheesville, NY

Members and Alternates:

George C. Loehr	Unaffiliated Member – Chairman
Curt Dahl	LIPA - Alternate – ICS Chairman
Richard J. Bolbrock	Municipal & Electric Cooperative Sector – Member
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George E. Smith	Unaffiliated Member
Michael Mager, Esq.	Couch White, LLP (Large Customers’ Sector) – Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Member - Phone
Dana Walters	National Grid, USA – Member - Proxy
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member
Chris LaRoe	Independent Power Producers of New York (IPPNY) - Member
Glenn Haake, Esq.	Dynegy – Alternate - Phone
Chris Wentlent	AES – Alternate - Phone
Ralph Rufrano	New York Power Authority – Member
Bruce Metruck	New York Power Authority – Alternate
Paul DeCotis	Long Island Power Authority - Member

Others:

Al Adamson	Consultant - Treasurer
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Steven Fanning	National Grid, USA – RCMS Chairman
Wes Yeomans	New York Independent System Operator (NYISO)
Rick Gonzales	New York Independent System Operator (NYISO)*
Carl Patka, Esq.	New York Independent System Operator (NYISO) – Counsel
Henry Chao	New York Independent System Operator (NYISO)
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric-Phone*
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
Scott Leuthauser	Consultant to HQUS
Mark Younger	Slater Consulting

“*” – 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.128 to order at 9:30 A.M. on December 4, 2009.
 - 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance or on the phone with the exception of Mr. Duffy. By letter from Mr. Duffy, Mr. Rufrano was given his proxy for any votes that might come before the Executive Committee.
 - 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. 127 (November 13, 2009)** – Mr. Raymond introduced the revised draft minutes which included all comments received by email. Following discussion, Mr. Clagett moved for approval of the revised draft minutes. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee Members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #128-1**.
 - 2.2 **Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete or modified:

<u>Action Item #</u>	<u>Comments</u>
113-2	Interregional Activities has become a permanent Agenda Item.
113-3	The TO's "STAR" study has become a permanent Agenda Item.
117-5	The 2010 IRM Report describes UCAP as well as ICAP.
126-4	Sub-Committee rosters were updated by October 15, 2009.
126-9	A draft petition was filed on December 14, 2009.
127-3	The January 2010 Meeting will be held at the GE Global Research facility.
127-4	Comments were provided by the Executive Committee by November 20, 2009.
127-5	A sensitivity case with 8000 Mws of wind resulted in a 33% IRM.

- 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 \$127,000 at the end of November 2009. The projected end-of-year variance from the 2009 Budget has reduced slightly to an excess of about \$90,500. Therefore, use of the Contingency line item is not expected in 2009.
 - ii. **2010 Monthly Cash Flow** – Mr. Adamson presented the 2010 Monthly Cash Flow estimate which is used to estimate the TO's quarterly assessments. The monthly projections culminate in an estimated year end balance of \$30,000. From the 2010 cash flow, the recommended 1st Quarter assessment includes a \$5,000 Membership Fee to be paid by all affiliated members and a TO assessment of \$20,000 each. The remaining quarterly assessments for the TOs are estimated to be \$30,000, \$20,000, and \$30,000, respectively.

Mr. Rufrano noted that since the \$5,000 Management Fee has not changed in ten years, reconsideration of the amount was in order. Mr. Bolbrock added that requesting the NYISO Management Committee to fund at least a fixed portion of the budget might be met more favorably now that the working relationship is more clearly understood. Mr. Loehr requested that these issues be placed on the February 12, 2010 meeting agenda – **AI #128-2**.

- iii. **2010 1st Quarter Call-for-Funds** – Mr. Fleury moved for approval of a 1st Quarter Call-for-Funds to include the Membership Fee and TO Assessment as recommended by Mr. Adamson. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13 to 0).

3.2 Other Organizational Issues

- i. **NPCC Representation** – Mr. Loehr reported receiving a call from Dr. Sasson indicating that Mr. Forte would be interested in filling the position of NPCC Board representative for the NYSRC once Mr. Rufrano retires. Also, Mr. Loehr spoke with Mr. Clayton regarding representing the NYSRC on the NPCC-RCC as Mr. Loehr’s proxy. Mr. Bolbrock moved that Mr. Forte be nominated as the NYSRC’s representative on the NPCC Board and Mr. Clayton appointed as the NYSRC representative on the NPCC-RCC. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee – (13 to 0).
- ii. **Location of January 8, 2010 Meeting** – Mr. Smith confirmed that GE Energy has agreed to host the January 8, 2010 Executive Committee meeting at GE Global Research in Niskayuna, New York. The formal meeting will adjourn about noon. After lunch GE will provide a tour of the facility. Detailed directions will be sent out.

4.0 State/Federal Energy Activities

- 4.1 **Energy Planning Board (EPB) – SEP Update** – Ms. Hogan noted that the SEP is expected to be released on December 15, 2009. It will be posted on the SEP web site.
- 4.2 **NYSERDA Update** – Ms. Hogan indicated that the NYSRC has been invited to participate in the Brookhaven National Lab “Smart Grid” Consortium, but there is a fee to participate. Mr. Loehr requested that the Executive Committee members consider whether the NYSRC should pay to participate – **AI #128-3**. Also, Mr. Adamson thanked Ms. Hogan and NYSERDA for providing meeting accommodations throughout the year (36 meetings) for the NYSRC Subcommittees.
- 4.3 **NPCC Report** – Mr. Fedora noted that a Compliance Workshop was held in Albany, N.Y. on December 2&3, 2009.
- 4.4 **FERC Proceeding on 100kv “Bright Line”** – Mr. Fedora indicated that FERC may make an announcement regarding the “bright Line” Proceeding on or before December 17, 2009. Mr. Rufrano noted that WECC has yet to file.
- 4.5 **Petition to Amend the NYSRC Agreement** – Mr. Gioia noted that the amended Agreement was filed on December 14, 2009 with the concurrence of the NYISO.
- 4.6 **Meeting with the DEC** – Mr. Clayton reported on a meeting held with DEC (Rob Sliwinski) on December 3, 2009. Also, in attendance were John Barnes (DEC), Mark McLean and Glenn Haake (Dynergy). Radmila Miletich (IPPNY), Brad Krantz (NRG). John Reisman (AES), Pete Carney (NYISO), Curt Dahl (NYSRC ICS Chair), and Kathy Waxman (NGrid) were on the phone. The meeting began with a review of DEC activities over the last 3 months which included PM 2.5, Ozone, Sox and Part 249 – Best Available Retrofit Technology (BART) Determination Rule. The latter item, which addresses Regional Haze, has comments due to the DEC by December 24, 2009. By January 24, 2010 DEC will formulate responses and file a proposed rule with the Environmental Board. The Board will meet in early March to approve the rule. In October 2010 a unit impact analysis is to be completed by DEC and in January 2011 DEC will make a final determination of impacts and required solutions. The required solutions must be implemented by June 2013. Mr. McLean explained that the Clean Air Act ultimate date for implementation is 2064 and requires reasonable progress toward that goal. Mr. Sliwinski responded that the EPA was already applying pressure and could take control of

BART if the solutions are not identified by January 2011. He did acknowledge some flexibility regarding the June 2013 implementation date.

There is the potential for 11 large units downstate to shutdown which would cause critical reliability issues. Mr. Clayton reminded the Executive Committee that this is just one of a host of initiatives that could impact reliability in the relatively near future. Following further discussion, it was agreed that Mr. Gioia would prepare and circulate potential NYSRC comments – **AI #128-4**. The comments should focus on the DEC exerting flexibility in taking final action until appropriate analysis has been done by the NYISO regarding system reliability, both for BART and BART in combination with the other initiatives on DEC’s agenda.

Mr. Patka indicated that the NYISO would be commenting in a similar way. Mr. Chao noted that the impacts will be address in the next RNA which begins in the spring 2010 and takes about 6 months to complete.

- 4.7 Updated Control Center** – Mr. Gonzales reported that the NYISO has concluded there is a need for an updated Power Control Center. The backup would be the existing Control Center. The need has been approved by the Stakeholder Committee. Mr. Gonzales requested support from the NYSRC since the new facility would better enable such reliability related issues as integration of PMUs and wind power and accommodate changes that may result from changes to the definition of Bulk Power System. Messrs. Mager and Gioia suggested that the NYSRC might express support for up-to-date facilities to meet reliability needs, without specifically endorsing a new control center. Mr. Clagett agreed and suggested that the NYSRC could focus its support on the need for a “state-of-the-art” control center. After further discussion, Mr. Loehr agreed to circulate a draft letter for comment and consideration at the January 8, 2009 Executive Committee meeting – **AI #128-5**.

5.0 Key Reliability Issues

- 5.1 Defensive Strategies** – Mr. Smith indicated that the Defensive Strategies Working Group’s next meeting will be in the February/March 2010 time frame. He would like to have Schweitzer Associates present its PMU System which has been installed in the Western Interconnection.
- 5.2 NPCC Defensive Strategy Activities** – Mr. Fedora reported that activity on Task 5 by TFSS has been delayed by the Overall Transmission Study. The sensitivity testing of the large amount of variable capacity claimed by neighboring is just beginning and will take about 3 months. The proper modeling for stability testing is the time consuming factor. A report is expected to go to the RCC during its March 2010 meeting.
- 5.3 Stimulus Funding for Smart Grid – Status of Activities** – Mr. Chao indicated that the NYISO has put out an RPF for Project Management assistance. Nine entities responded. Those responses are currently being evaluated. CDAS has been engaged by the NYISO to begin discussions on its role in developing inter-operability, data management and application standards.
- 5.4 Interregional Studies of Proposed Transmission**
- i. NYISO – EIPC Study** – Mr. Chao reported that the Analysis Team of the Eastern Interconnection Planning Collaborative (EIPC) was established per an agreement, effective September 1, 2009, with 23 signatories comprising all NERC Planning Authorities in the Eastern Interconnection. Mr. Steve Whitley (NYISO President) will chair the EIPC Executive Committee. The EIPC responded to the DOE Funding Opportunity Announcement (FOA), Topic A: Interconnection Level Analysis and Planning on September 14, 2009. The DOE has yet to announce the awards.
 - ii. NPCC** – See Agenda Item 5.2. Also, Mr. Fedora noted that that the ERAG Report for the 2014 time frame is now available on the NPCC web site.
- 5.5 TOs Strategic Transmission and Reliability Study (STARS)** – Mr. Dahl reported that the STARS Team has finished Phase 1 which is the determination of the constraining interfaces for six scenarios

in 2018 and 2028. A draft Phase 1 report is expected by December 11, 2009. Mr. Dahl agreed to give a presentation on Phase 1 at the January 8, 2010 Executive Committee meeting – **AI #128-6**.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

6.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS last met on Monday November 30, 2009 to complete the Draft 2010 IRM Report for Executive Committee review on December 4, 2009.

6.2 2010/11 IRM Study – Mr. Dahl focused on the results from the updated draft IRM Report, NYCA Installed Capacity Requirements for the Period May 2010 through April 2011, which were completed since the November 13, 2009 Executive Committee meeting. In summary, the base case is driven by the assumptions approved by the Executive Committee in August 2009 and the input data has received a thorough “scrubbing” by GE Energy. The resulting base case IRM is 17.9%. The Locational ICAP Requirements vs. NYCA ICAP Requirements curves coupled with the Tan 45 methodology per Policy 5 provide LCRs of 104.9% and 79.6% for Long Island and New York City, respectively. There is a 99.7% probability that the base case is within 17.5% and 18.4% determined through the Monte Carlo simulation error analysis.

The Report shows that the primary causes of the increase (1.7%) from 2009 are: (a) an improved SCR model (+1.5%), and (b) increased Generating Unit EFORds, particularly downstate (+1.4%). Countering the increases were reductions primarily due to: (a) an updated outside world model (-.5%), (b) improved loop flow modeling (-.4%), and (c) new non-wind Unit retirements and reratings (-.4%). Sensitivity cases in the Report show that the most prominent variations in base case parameters were: (a) no transmission constraints (-2.4%), (b) no load forecast uncertainty (-6.0%), and (c) no wind capacity (-4.0%). Variations in base case assumptions were also noteworthy: (a) lower outside world (+4.5%), (b) lower EFORds (-3.9%) and (c) HQUS’s energy wheeling assumption (+.8%). The increase in wind power to 8000Mws (700MWs on Long Island, 700Mws in Zone J, and the remainder Upstate) showed an increase in IRM to 33.5%. The environmental scenario (HEDD only) increased the IRM to 26.3%. Altering the methodology for zonal capacity shifts was shown to impact the IRM by +0.4% (17.9% vs. 18.3%). ICS intends to examine this effect more thoroughly next year – **AI #128-7**. Dr. Sasson suggested that when ICS examines the issue of removing capacity to get to an LOLE of 0.1, the goal should be a process that is as neutral as possible as far as its impact on the resulting IRM. The approach should not be biased towards getting a higher or lower IRM but somewhere in the middle. He further suggested that in designing sensitivities for the effect of changes in EFORds, ICS should strive to test significant plus and minus changes instead of using the worst and best year for each unit over the last 5 years.

Mr. Leuthauser, consultant to HQUS, expressed his appreciation for the considerable effort ICS put into the HQ “energy wheel” issue. The ICAP Working Group/NYISO will proceed to investigate the issue further. Mr. Clayton emphasized the importance of the environmental scenario (26.3% for HEDD alone), since there is a host of additional potential new regulations on the DEC’s docket (see Item 4.6 above). Mr. DeCotis moved for approval of the 2010 IRM Report. The motion was seconded by Mr. Clagett and approved by the Executive Committee – (12 to 0, 1 abstention).

6.3 IRM Selection for 2010/11 – M. Gioia summarized the voting procedure as documented in Policy 5, Section 5.2. Per the Procedure a secret “straw poll” was taken to specify the starting point for formal balloting. The results of the “straw poll” indicated an 18.0% IRM as the initial ballot. The 1st ballot in which the Executive Committee members accept or reject the 18.0% IRM, indicated 12 Yeas, 0 nays, and 1 abstention. The Executive Secretary announced the results of the balloting, which was conformed by Mr. Gioia. Messrs. Gioia and Adamson agreed to jointly prepare the 2010 IRM Resolution, a letter to the NYISO indicating the selection of 18.0% IRM which was to be reviewed and approved by the Executive Committee via email, and a press release – **AI #128-8**.

6.4 Other ICS Issues – 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 December 2, 2009. Referring to the List of Potential Reliability Rules Changes – Outstanding, he noted that PRRs #8 and #52 are waiting for completion of the Reactive Power Study and NPCC investigation of governor response and the UFLS program, respectively. PRR #103, C-R4; System Data Requirements, PRR #104, Verification Testing of Resource Capacity, PRR #105, Rescission of Exception to NYSRC Reliability Rules, are under development in conjunction with the NYISO.

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 reported that PRR #102, Monthly Operating Report – Measurement K-M2 was posted and no comments were received during the forty-five day comment period. Therefore, RRS recommended Executive Committee approval. After discussion, Mr. Claggett moved for approval of PRR #102. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13 to 0).

2. PRRs for EC Approval to Post

- None

3. PRRs for EC Discussion

- None

7.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson noted that the Drafting Team is still reviewing comments on TPL-001-1, Transmission Planning Performance Criteria, which were submitted on October 16, 2009. It is unclear whether an additional draft for comments or ballot will take place next. Mr. Adamson expects the new standards to be more stringent than some of NERCs existing Rules, thereby requiring a review of NPCC and NYSRC Rules. Dr. Sasson noted that NERC is developing a new SAR on reactive power.

7.4 Other RRS Issues

i. Modification to Exceptions – Policy 1 – Mr. Clayton reminded the Executive Committee that a letter from Mr. Gonzales, re: Request for NYSRC Modifications to Exceptions to Reliability Rules, was remanded to RRS for review at the November 13, 2009 Executive Committee meeting. RRS has reviewed the request and asked the NYISO for additional justification and a statement certifying that the modifications will not jeopardize system reliability. Mr. Patka noted that the level of information requested by RRS will require input from SOAS and the OC. The NYISO agreed to resubmit the request- **AI #128-9**.

ii. 100kv “Bright Line” – Mr. Clayton noted that the NYS BPS definition is progressing. There is now a single document prepared by the TOs that associates facilities that are on the A1, A2, ATR, or A10 lists with their corresponding TDF. Testing against various TDF levels is the next step toward a defined set of facilities that must meet the NYSRC Reliability Rules. Also, the RRS is investigating with the NYISO, the use of the A10 List plus the NYISO secured facilities. Mr. Rufrano reminded the Executive Committee that the goal is a non-arbitrary list that is repeatable.

8.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

8.1 RCMS Status Report & Discussion Issues – Mr. Fanning indicated that RCMS met for its regular meeting on December 3, 2009. All members were in attendance.

- 8.2 2009 New York Reliability Compliance Program (NYRCP)** – Mr. Fanning further indicated that the following Measurements were reviewed for compliance:
- a) C-M4, Procedures for Reporting Resource Availability Data, – Full Compliance,
 - b) C-M5, Reporting of Resource Outage Data to the NYISO, - Full Compliance,
 - c) C-M13, Certification That Disturbance Recording Devices Have Been Installed, - Full Compliance, and
 - d) E-M9, NYISO Annual Review of Exceptions, - Full Compliance,
- The 2009 RCMS Compliance Program Report will be finalized by the end of February 2010 – **AI #128-10**.
- 8.3 Other RCMS Issues** – Mr. Fanning noted that RCMS asked to review the entire NYISO Audit Report. Mr. Patka agreed to allow Mr. Adamson to review the Report after signing a Confidentiality Agreement, but not the entire RCMS because of content that is confidential to the NYISO. After discussion, Mr. Patka agreed to review the issue with the NYISO management – **AI #128-11**. Also, RCMS received: (a) an exception report per J-M3 regarding two EMS communications outages, (b) concurrence from RRS on the interpretation of requirements under G-M1, and (c) copies of two C-M5 non-compliance letters sent by the NYISO to generators regarding incorrect reporting of GADS outage data. In both cases, the incorrect outage data was submitted to the NYISO prior to the “accuracy “language addition to NYSRC Measurement C-M5. Therefore, RCMS did not find the NYISO in non-compliance.. Finally, RCMS reviewed a draft of the 2010 Reliability Compliance Program which will be available for review by the Executive Committee at its January 8, 2010 meeting – **AI #128-11**.
- 9.0 NYISO Status Report/Issues**
- 9.1 NYISO 2009 Comprehensive Reliability Planning Process** – Nothing new to report.
- 9.2 Economic Study of Transmission Congestion** – Mr. Patka reported that the NYISO has recently completed the Congestion Study (a.k.a. CARIS). It will go to BIC in the week of December 6, 2009 and the Management Committee and NYISO Board in January 2010.
- 9.3 Other Status Reports/Issues**
- i. **NYCA Reactive Power Study** – Nothing new to report.
 - ii. **Wind Integration Study/Activities** – Mr. Yeomans indicated that there will be a Wind Integration Study workshop on December 21, 2009. A written report will follow.
- 10.0 Other Items**
- 10.1 NYISO Operations Report** – Mr. Yeomans indicated that the peak load for November 2009 was 21,139Mws which occurred on November 12, 2009 beginning at 17:00 hours. There was a major emergency declared on November 1, 2009 at 17:38 caused by a shortage of 10 minute reserve. This was due to an in hour curtailment of import transactions from ISO-NE. The major emergency terminated at 17:43.
- 10.2 North American Energy Standards Board** – Mr. Ellsworth noted that the Board will be meeting later in December 2009.
- 11.0 Visitors’ Comments** – None
- 12.0 Meeting Schedule** -

<u>Mtg. No.</u>	<i>Date</i>	<i>Location</i>	<i>Time</i>
#129	Jan 8, 2010	GE Global Research, Niskayuna, N.Y.	9:30 A.M.
#130	Feb 12, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No.128 was adjourned at 3:15 P.M.