

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 137 – September 10, 2010
Albany Country Club, Voorheesville, NY

Members and Alternates

in Attendance:

George C. Loehr	Unaffiliated Member – Chair
Curt Dahl, PE	LIPA - Alternate – ICS Chair - Phone
Richard J. Bolbrock, PE	Municipal & Electric Cooperative Sector
William H. Clagett	Unaffiliated Member
Bruce B. Ellsworth	Unaffiliated Member
George Smith	Unaffiliated Member
Michael Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Vice Chair
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Member
Michael Forte	Consolidated Edison Co. of NY, Inc. – Alternate Member
Carol Sedewitz	National Grid, USA – Alternate Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric – Member
Arnie Schuff	New York Power Authority – Member
Tom Duffy	Central Hudson Gas & Electric – Member
Chris LaRoe	IPPNY (Wholesale Sellers) – Member
Paul DeCotis	LIPA – Member

Others:

Paul L. Gioia, Esq.	Dewey & LeBoeuf LLP - Counsel
Al Adamson	Consultant - Treasurer
John Adams	New York Independent System Operator (NYISO)
Henry Chao	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO) - Counsel
Wes Yeomans	New York Independent System Operator (NYISO)
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Steve Fanning	National Grid, USA – RCMS Chair

Visitors – Open Session:

Erin P. Hogan, P.E.	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC) - Phone

“*” – 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.137 to order at 9:30 A.M. on September 10, 2010 at the Albany Country Club. A moment of silence was observed in remembrance of Randy Bower (NYISO) and Carl Hobelman, Esq. (past Counsel for NPCC) both of whom passed away recently.
- 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** – None
- 1.4 **Declarations of “Conflict of Interest”** – Mr. Gioia will circulate the updated Code of Conduct “Acknowledgement Form” for review and comment – **AI #137-1**.
- 1.5 **Executive Session Topics** – An Executive Session was not requested.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 136 (August 13, 2010)** – Mr. Raymond introduced the revised draft minutes and suggested clarifying changes. Dr. Sasson offered additional comments. Following further discussion, Mr. Fleury moved for approval contingent upon inclusion of Dr. Sasson’s comments. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee Members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site **AI - #137-2**.
- 2.2 **Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
134-3	Investigation delayed with the concurrence of the Executive Committee.
134-7	Mr. Yeomans described the requirements during the August 13, 2010 Executive Committee meeting.
135-5	Duplicated by AI #136-4.
136-2	The Executive Committee provided comments by September 10, 2010.
136-4	Dr. Sasson provided comments for the September 10, 2010 Executive Committee meeting.
135-6	Mr. LaRoe described IPPNY’s position during the September 10, 2010 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 \$120,000 at the end of August 2010. The projected year-end variance from budget is \$72,000 under budget.
- ii. **4th Quarter Call-For-Funds** – Mr. Adamson requested Executive Committee approval to issue the 4th Quarter 2010 Call-For-Funds in the amount of \$25,000 per TO. Following discussion, Mr. Bolbrock moved for approval of the assessment. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

3.2 Other Organizational Issues

- i. **2011 Audit** – Mr. Adamson proposed that Slocum, DeAngelus & Associates, P.C. be re-hired for the 2011 Audit. The cost will be \$2785.00 which is only \$110.00 above last year’s audit cost and includes completion of the expanded requirements under IRS Form 990. Following discussion, Mr. Ellsworth moved to accept the selection of Slocum, DeAngelus & Associates, P.C. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).
- ii. **2011 Meeting Schedule** – Mr. Adamson noted that the January 7, 2011 Executive Committee meeting is proposed to be held at NYSERDA. The Executive Committee concurred.

4.0 Key Reliability Issues

4.1 **Defensive Strategies** – See Agenda Item 4.4 below.

4.2 **NPCC Defensive Strategy Activities** – Mr. Fedora reported that the NPCC-RCC approved a new scope for Task 5 of the Blackout Study. The completion date was extended to November 11, 2011. Mr. Fedora agreed to circulate the new scope – **AI #137-3**.

4.3 **Smart Grid – Status of NYISO Activities** – Mr. Smith indicated that the selection of a consultant for the Dynamic Studies of Control System Separation will be delayed beyond September 30, 2010 due to the loss of Randy Bowers as noted in Item 1.0. Also, Mr. Patka indicated that the PSC has initiated a generic inquiry into “Smart Grid” which will lead to a PSC Policy Statement, likely in 2011. Comments are due by September 15, 2010 with reply comments due October 15, 2010. The NYISO comments will focus on process and a white paper will be provided on Bulk Power System related issues. In addition, the TO’s will be commenting separately. The PSC’s measured approach to “Smart Grid” concepts was applauded by the Executive Committee.

4.4 Interregional Studies of Proposed Transmission

- i. **Eastern Interconnection Planning Collaborative (EIPC)** – Mr. Adams reported that the EIPC Stakeholder Steering Committee (SSC) Modeling Working Group is developing the Regional “Roll-up Case” and addressing modeling and scenario planning issues. It is planned to have the “Roll-up Case” completed by June 2011 and a “base case” by June 2012. A Scenario Planning Webinar was held on August 17, 2010 followed by a Modeling Webinar on August 30, 2010. The SSC Governance Task Force is finalizing the Charter and searching for a Chair for the SSC. Regarding the Interregional Planning Stakeholders Advisory Committee (IPSAC), a WebEx is scheduled for October 6, 2010 to discuss, among other items, IREMM and Promod results.

- ii. **NPCC – Nothing new to report.**

4.5 **TOs Strategic Transmission and Reliability Study (STARS)** – Mr. Dahl indicated that work is continuing on the assumptions for the economic study and the NYISO is benchmarking the potential Production Cost tools (e.g. GE MAPS and ABB Gridview). The methodology and modeling assumptions for the STARS economic evaluation are based on the NYISO CARIS process.

4.6 **Use of Special Protection Systems (SPSs)** – Mr. Loehr summarized the correspondence in response to Mr. Hipius’ request for Executive Committee input on the use of Special Protection Systems. The majority of the Executive Committee feel: (a) uncomfortable with the use of SPSs in planning for normal contingencies, (b) more accepting of the use of SPSs in protecting against extreme contingencies or short term equipment delays provided a specific plan and schedule exists for their replacement with permanent facilities and (c) comfortable with the use of SPSs if the causal event does not impact the Bulk Power System. In considering any new rules, the Executive Committee must be cognizant of the fact that NERC has not issued a final definition of the Bulk Power System. In addition, it was noted that some of the “Smart Grid” concepts fall within the scope of a SPS.

5.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

5.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS met on August 31, 2010. He noted that the NYISO has started the process of determining the impact of each assumption approved by the Executive Committee on August 13, 2010 for the 2011 IRM Study. ICS has a conference call scheduled for September 14, 2010 to review the results and expects to have a new base case by September 15, 2010. The resulting new base case will be subjected to the Tan 45 analysis. Also, ICS is discussing a draft list of sensitivity cases which will be presented to the Executive Committee for approval at its October 8, 2010 meeting.

5.2 Assumptions Matrix – Mr. Dahl indicated that ICS recommends three minor changes to the IRM Study Assumptions Matrix for Executive Committee consideration: (a) an update to Con Edison Load Forecast Uncertainty model for Zones H and I, (b) the addition of the Fairview (74Mw) wind resource, and (c) removal of the BNL Solar Project due to a shift in installation date to the Fall 2011. Mr. Dahl referred to the question brought up by Dr. Sasson at the August meeting on an apparent data anomaly between the 5-year average and the yearly EFORD curves, indicating that a footnote had been added to explain that data from retired generators are removed from all 5 years in computing the average. Following additional discussion, Dr. Sasson moved for approval of the proposed changes. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

5.3 Assessment of SCR Performance – Mr. Dahl indicated that the NYISO has met internally regarding the NYSRC SCR performance and persistence study request. The NYISO discussed the request with the NYISO ICAP Working Group and other stakeholder committees pertaining to possible modifications of the ICAP aggregation rules to make the baseline more accurate for the SCR analysis. The NYISO believes these efforts will be completed by the end of 2010 and provide useful information to respond to the NYSRC request. In a letter to Mr. Loehr dated September 8, 2010, the NYISO suggested its response to the NYSRC SCR study request be delayed until year end. ICS was amenable to the postponement and the Executive Committee concurred.

5.4 Other ICS Issues

- i. Policy 5 Revision** – Mr. Dahl noted that ICS has incorporated updates to all areas except for the Load Forecast Uncertainty model section. He requested that additional comments be sent to Mr. Adamson or himself by September 24, 2010. A completed revision will be issued to the Executive Committee for consideration at its October 8, 2010 Executive Committee Meeting – **AI #137-4.**

6.0 Reliability Rules Subcommittee Status Report/Issues

6.1 RRS Status Report & Discussion Issues – Nothing new to report.

6.2 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

- None

2. PRRs for EC Approval to Post

- None

3. PRRs for EC Discussion

- Dr. Sasson discussed a revised draft of PRR #106 which covers a modification of G-M3, Blackstart Facility Testing Requirements. The Executive Committee provided comments and asked Dr. Sasson to incorporate them in a PRR revision for review by RRS – **AI #137-5.**

6.3 NPCC/NERC Standard Tracking

- i. NERC Standards Development** - Mr. Adamson noted the TPL -001-1 Drafting Team sent out a

revised draft for limited comment, e.g. only comments on the changes made. The NYISO and NPCC comments noted that a sizable number of original comments had not been addressed. Ms. Sedewitz clarified that the proposed Standard will be posted for “formal” comments before being re-ballotted by NERC in early 2011.

ii. FERC Order Modifying NERC Procedures – Status – Nothing new to report.

6.4 Other RRS Issues

i. DEC Declaratory Rule Regarding Emergencies – Mr. LaRoe indicated that IPPNY members are adamant that fuel switching will be implemented only if directed to do so by the NYISO in accordance with the DEC Declaratory Ruling dated July 7, 2000. The Ruling states that if the NYISO declares an emergency (last step before load shedding), then the generators are exempt from penalties under NO_x RACT limits and opacity requirements. This Ruling does not protect the generators under Local Rules (LOG MOB Rule), since the anticipation of a major emergency is not currently considered by the DEC to be sufficient for a waiver. However, Mr. LaRoe added that IPPNY would support an initiative by the NYSRC to gain a waiver for Local Rules.

ii. Policy 1 Modifications – Mr. Adamson reviewed the modifications to Policy 1 per PRR #105, Exceptions Review & Process Diagram. RRS will be requesting approval once the comment period on proposed PRR #105 is over and the Rule modification receives final approval by the Executive Committee. Comments should be sent to Mr. Clayton by September 24, 2010 – **AI #137-6**.

7.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

7.1 RCMS Status Report & Discussion Issues – Mr. Fanning reported that RCMS met for its regular meeting on September 9, 2010.

7.2 2010 New York Reliability Compliance Program (NYRCP) – Mr. Fanning indicated that the following Measurements were reviewed and found to be in full compliance:

- a) K-M2d, Monthly Operations Report,
- b) C-M5, Reporting Generating Unit Outage Data, and
- c) E-M, Reliability Exceptions Review.

Also, RCMS received a special report from the NYISO pursuant to J-M1, Procedures for Supporting NYISO/MP Communications, describing an EMS outage at one of the TOs due to a storm related power outage coincident with an EMS battery failure. Further, RCMS discussed: (a) the Emergency Restoration Manual regarding compliance with E-M1 and E-M4, (b) the NYISO process documentation status per G-M1 and G-M2, (c) the establishment of guidelines for the NYCA Transmission Assessment review, and (d) revisions to the Compliance Template Manual. Regarding item (c), Mr. Adamson will bring the guidelines to RRS for consideration as an appendix to the Reliability Rules Manual – **AI #137-7**.

7.3 Other RCMS Issues – Nothing additional to report.

8.0 State/Federal Energy Activities

8.1 NYSEDA - Update – Ms. Hogan noted that the participant states of the Regional Greenhouse Gas Initiative (RGGI) will be facilitating a stakeholder meeting on September 13, 2010 from 9:30 AM to 4:30 PM. The purpose of the meeting is to gather input on the core energy and environmental assumptions for updating the “reference case” economic model of RGGI region electricity and CO₂ markets in preparation for the upcoming program review.

8.2 NPCC Report – Mr. Fedora noted that on November 30, 2010 the NPCC Governmental Regulatory Affairs Advisory Committee of the NPCC Board will be meeting to address reliability impacts of Clean

Air legislation and new EPA regulations. A summary will be presented at the December 1, 2010 NPCC General Meeting.

8.3 FERC 100kV “Bright Line” – Status – Ms. Sedewitz noted that several Senators from Northwestern States have written to Mr. Jon Wellingshoff, Chairman of FERC, indicating that it is important to Northwest utilities that regional differences continue to be recognized in the BES definition.

8.4 Participation on the Climate Action Plan – Nothing new to report.

9.0 NYISO Status Report/Issues

9.1 NYISO 2010 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams indicated that the NYISO expects final approval of the 2010 RNA by its Board in September 2010. Shortly thereafter, the NYISO will initiate the 2010 CRP.

9.2 Other Status Reports/Issues – Nothing new to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans reported that the NYISO is developing a single comprehensive Monthly Operating Report that will be available for the October 8, 2010 Executive Committee meeting.

For August 2010, the peak load occurred on Tuesday, August 31, 2010 at 31,256Mws versus the all time summer peak of 33,939Mws on August 2, 2006. There were no Major Emergencies or TLR level 3s declared. Loop flows around Lake Erie have persisted in a counter clockwise direction due to scheduled transactions between PJM and MISO.

10.2 North American Energy Standards Board – Nothing new to report.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule -

<u>Mtg. No.</u>	<i>Date</i>	<i>Location</i>	<i>Time</i>
#138	Oct 8, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.
#139	Nov 12, 2010	Albany Country Club, Voorheesville, N.Y.	9:30 A.M.

The open session of Committee Meeting No.137 was adjourned at 1:00 P.M.