

**Revised Draft Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 145 – May 13, 2011**  
**Albany Country Club, Voorheesville, NY**

**Members and Alternates**  
**in Attendance:**

George C. Loehr	Unaffiliated Member – Chair
Curt Dahl, PE	LIPA - Alternate – ICS Chair - Phone
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
William H. Clagett	Unaffiliated Member
George Smith	Unaffiliated Member
Mike 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
Joe Hipius	National Grid, USA – Member
Ray Kinney	New York State Electric & Gas/Rochester Gas & Electric – Member – Phone
Tom Duffy	Central Hudson Gas & Electric – Member*
Arnie Schuff	New York Power Authority – Member - Phone
Chris LaRoe	IPPNY (Wholesale Sellers) - Member

**Others:**

Paul L. Gioia, Esq.	Dewey & LeBoeuf LLP - Counsel
Al Adamson	Consultant – Treasurer
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Wes Yeomans	New York Independent System Operator (NYISO)
Dana Walters	New York Independent System Operator (NYISO)
Liz Grisaru, Esq.	New York Independent System Operator (NYISO) - Counsel
Edward Schrom	NYS Department of Public Service – Phone
Don Raymond	Executive Secretary

**Visitors – Open Session:**

Erin Hogan, P.E.	NYSERDA
Scott Leuthauser	HQUS
Ruben Brown	BNL Contractor
Philip Fedora	Northeast Power Coordinating Council

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

**Agenda Items – (Item # from Meeting Agenda)**

**I. Executive Session** – Mr. Smith requested an Executive Session to discuss administrative matters.

**II. Open Session**

**1.0 Introduction** – Chairman Loehr called the NYSRC Executive Committee (Committee) Meeting No.145 to order at 9:30 A.M. on May 13, 2011 at the Albany Country Club.

**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”** – None

**1.5 Executive Session Topics** – Administrative matters pertaining to the Defensive Strategies Working Group.

**2.0 Meeting Minutes/Action Items**

**2.1 Approval of Minutes for Meeting No. 144 (April 7, 2011)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Following discussion, Mr. Ellsworth moved for approval of the draft minutes. 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 #145-1**.

**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>
139-3	Mr. Adamson introduced the NPCC Standards Tracking Summary at the May 13, 2011 Executive Committee meeting.
142-5	The NYSRC/DEC Working Group will address the LOG MOB Rule.
144-4	Upon further review, it was determined that comments were unnecessary.

Mr. Raymond reminded the TOs that a letter designating their Executive Committee Member and Alternate for the two year term beginning August 1, 2011 is due by May 15, 2010. Also, Mr. Gioia noted that he was working with Carol Lynch to provide the following information on the NYSRC web site: (a) all IRM filings and (b) miscellaneous filings by year including PSC, DEC and FERC filings. The IRM filings are now posted and the miscellaneous filings are posted back to 2009. Additional years and categories will follow shortly.

**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 \$137,000 at the end of April, 2011. Also, he noted the receipt of \$90,000 in payments from Transmission Owners toward the 2<sup>nd</sup> Quarter Call-For-Funds and the final \$30,000 payment in early May 2011.

### 3.2 Other Organizational Issues

- i. **Membership Elections** – Mr. Gioia reported that the current term of Executive Committee members expires on July 31, 2011. Each of the Transmission Owners should send a letter to Mr. Raymond by May 15, 2011 designating its Executive Committee representation (Member and Alternate) for the new two year term – **AI #144-2**. Further, the Large Customers, Wholesale Sellers, and Municipal Systems and Cooperatives representative selection processes should be completed by May 27, 2011. He noted that the Executive Committee members currently representing these sectors should forward an email of the results to Mr. Raymond as soon thereafter as possible. Each of the unaffiliated members has expressed an interest in serving another term. However, additional nominations may be offered before the end of May 2011. The election of members including new officers will take place during the June 10, 2011 Executive Committee Meeting.
- ii. **General Liability Insurance** – Mr. Gioia indicated that a renewal quote has been received for general liability insurance at the same premium and reduced deductible. Having heard favorably from each Executive Committee member, Mr. Gioia will proceed to bind the policy.
- iii. **Draft Biennial Report** – Mr. Loehr complemented Mr. Adamson and Carol Lynch for the excellent final NYSRC Biennial Report which was distributed prior to the beginning of the meeting. Mr. Adamson indicated that 250 copies were printed and offered to mail copies per email requests noting the recipient and address.
- iv. **Other Issues** – Nothing additional to report.

### 4.0 Key Reliability Issues

- 4.1 **Defensive Strategies** – Mr. Smith indicated that the NYISO will be holding monthly progress meetings for the Controlled Separation Study. The meetings will be held on the 4<sup>th</sup> Thursday of each month beginning at 2:00 PM. Meeting materials will be sent out prior to the meeting and there will be WebEx access to each meeting. The initial meeting will be on June 23, 2011. Mr. Smith reminded those wishing to participate in the meetings to provide their signed Non Disclosure Agreement to him as soon as possible.
- 4.2 **NPCC Defensive Strategy Activities** – Nothing new to report.
- 4.3 **Smart Grid – Status of NYISO Activities** – Nothing new to report.
- 4.4 **Definition of Bulk Electric System and Exceptions** – Mr. Fedora gave a presentation titled, Definition of Bulk Electric System & BES Rules of Procedure Development which had been previously given to the NERC Members Representative Committee and the Compliance Standards Workshop. The presentation covered project goals and assumptions, BES definition Concept, BES Rules of Procedure update, and short-term project milestones. The BES definition is being revised to improve clarity, reduce ambiguity and establish consistency across all Regions. The revised definition will apply “continent-wide”. The revision will not significantly expand what is currently considered BES elements, except perhaps in NPCC. The component-based “bright-line” definition is comprised of a core definition and element specific BES Designation Criteria (inclusion & exclusion). The Exceptions Process is linked to the BES Designation Criteria and opened to entities for explicit exceptions to the BES definition. Part A of the Exceptions Process is summary information and Part B includes the supporting documentation. The Exception Process provides for periodic confirmation and appeals and contemplates a joint ERO and Regional entity working group for periodic consistency reviews.  
Comments on the BES definition with exception criteria are due to NERC by May 27, 2011. Comments on the Exception Process and the technical justification to support a request for exception are due June 10, 2011. There will be an industry webinar on May 19, 2011 to discuss the BES Definition and Exception Process. Mr. Forte noted that NPCC believes that the cost impacts of including a facility should be taken into consideration. Mr. Clayton agreed to coordinate the development of NYSRC

comments - **AI #145-2**. He requested that the members provide their comments to him by May 20, 2011. Mr. Clayton will contact Mr. Conroy, Chair of NPCC-TFSS, to determine whether TFSS will be providing comments.

**4.5 LOG MOB Rules** – Mr. Clayton indicated that the joint NYSRC/NYISO/DEC Working Group met on April 25, 2011. He reminded the Executive Committee that the concern is whether the new environmental regulations, which go into affect in June 2014 and require a 40% reduction in CO<sub>2</sub> emissions, will impact those units required to burn oil per the LOG MOB Rule. ConEd’s seasonal analysis required to determine the load threshold at which units must convert (pre-contingency) to oil in the summer, indicates the threshold is rising. ConEd has agreed to provide the working group with its analysis now that it has been approved by the NYISO Operating Committee. Also, Mr. Wycoski (ConEd) will present the analysis at the next RRS meeting on Thursday, June 2, 2011 – **AI #145-3**. Mr. Clayton indicated that by using the “Gold Book” he was able to identify units with dual fuel capability amounting to about 3000Mws. However, according to a sensitivity case in the last RNA, if there are less than 1000Mws of LOG MOB Rule units online, there is not a problem. Furthermore, with the threshold rising per the ConEd analysis, the situation is improving. Also, Dr. Sasson noted that the new Astoria 2 unit ( currently going through start-up testing) will be able to convert to oil “on the fly” thereby avoiding the pre-contingency issue altogether. Unfortunately, there is not a requirement for new units to have automatic fuel switching capability nor is there an economic incentive to including the capability.

## **5.0 State/ NPCC Federal Energy Activities**

**5.1 NYSERDA – Update** – Ms. Hogan reported that the kickoff meeting for the NYSERDA Transmission and Distribution Reliability Assessment Report was on Thursday, May 12, 2011. A draft report is scheduled for January 2012 such that the report may be given consideration in the State Energy Plan. The intent is to address the current legislation, which is essentially a duplicate of legislation written in 1998 by providing a compilation of significant findings from completed reliability studies by the NYISO and others. The working group includes Messrs. Dahl and Loehr and the NYISO (Mr. Tarler) and will be meeting on the 2<sup>nd</sup> Thursday of the month..

**5.2 NPCC Report** – Mr. Forte reported that NPCC Board of Directors met on May 3, 2011. He focused attention on three items provided as input to the NERC Member Representative Committee and Board of Trustees by the NPCC Board. The first item pertains to the Event Analysis Process (EAP) which is intended to provide a “lessons learned” mechanism for the industry. However, the EAP calls for a compliance assessment which many NPCC members feel is becoming a compliance enforcement program. The NPCC Board feels that the extent of the compliance assessment should be proportional to the level of risk of the event. The second item relates to the BES Definition. The Board recommends that a cost-effectiveness assessment should be conducted as a part of the development of the BES definition. The final item relates to the Facility Ratings Alert (FAC). Unfortunately, many of the reporting requirements are unnecessarily onerous. Therefore, the NPCC Board supports streamlining the reporting and monitoring requirements necessary to document the TO and GO transmission review of an alert.

## **6.0 Installed Capacity Subcommittee Status Report/Issues**

**6.1 ICS Chairman’s Report and Discussion Issues** – Mr. Dahl summarized the May 4, 2011 ICS meeting as shown below:

### **(a) 2012/13 IRM Study Assumptions Development – EFOR -> EFORd True Up**

The NYISO engaged Associated Power Analyst, Inc (APA), outside expert consultants from Texas A&M, to assist in the resolution of this issue. The “ICS Transition Rate/EFORd Working Group” met April 15, 2011. The working group was tasked with developing a recommendation to ICS on

the appropriate modeling approach. Specifically the goal was to develop an EFORD model for use in MARS that calculates a generator transition rate matrix considering the conditional probability that a unit is not available given a demand period has occurred. APA's review of the NYISO "True Up" and ConEd methods identified shortcomings with both methods, making them unsuitable for use with MARS in IRM studies. APA proposed an alternate methodology for calculating a generator EFORD transition matrix that would yield conditional probabilities of individual states that is consistent with the EFORD formula and would be suitable for use with MARS. Dr. Sasson noted that the ConEd method was technically correct, but incompatible with the design of MARS. Mr. Dahl concurred. ICS conclusions and recommendations are summarized below:

1. ICS supports APA's findings and conclusions.
2. Given the shortcomings identified in the NYISO and ConEd methods by APA, ICS recommends the development of the method proposed by APA.
3. ICS recommends that the NYISO staff immediately commence development of the APA method, and that APA assist the NYISO staff as needed.
4. Given the amount of NYISO staff work involved in its development, implementation of the APA method will not be available in time for use in the 2012 IRM base case. However, if available by September 2011, the method should be included as a sensitivity case in the 2012 Study.
5. ICS should use the current method for calculating the generator transition rate for the 2012 Study base case, which would be replaced by the APA method in the 2013 Study.

The Executive Committee requested that APA review the results from implementing its methodology.

**(b) NYISO Assessment of SCR Performance**

Wes Yeomens (NYISO) reviewed Scope of Work for the proposed assessment. To address concerns raised by the NYSRC at its April 7, 2010 meeting, the NYISO is proposing a two track effort. This includes: (a) Evaluation of the performance and persistence of SCRs; and (b) Evaluation of the capacity value or contribution to resource adequacy of SCRs. The NYISO study scope proposes to run MARS in an hourly mode to determine the impact of varying performance (4-8 hour calls/day) on reliability. It was agreed that ICS would review the draft scope and provide feedback to NYISO.

**(c) Impact of 4 Hour Limited Response Resources**

Mark Younger presented an analysis of the potential reliability impact of limited response resources such as SCRs. Of particular concern was the 4 hour SCR performance requirement and impact of reduced contribution during hours adjacent to the peak four hours, but outside the period of SCR response. It was noted that while SCRs are not required to shutdown beyond four hours, actual performance will be reduced. The analysis suggested significant number of SCRs may need to remain for more than four hours to effectively address all the peak hours in a peak day. ICS agreed to incorporate this work into the NYISO SCR Performance Assessment for the 2012/13 IRM study. Messrs. Mager and Brown emphasized the importance of having adequate supporting data before making modeling changes.

**(d) 2012-13 IRM Study**

ICS discussed 2012-13 IRM study assumptions. Peter Carney (NYISO) presented the impact of emerging Environmental initiatives and new regulation. It was noted the final draft of the Clean Air Transport Rule is scheduled for implementation in 2012 and requires a 16% reduction in NOx emissions. This may further ratchet when the Ozone NAAQS is issued. A final form of the rule is

not expected until late June 2011 and the required NYISO impact evaluation will not be available to support the base case recommendation in July 2011. ICS agreed to use the latest available information for the base case recommendation and, depending on the form of the rule and completion of the NYISO's evaluation, it may be possible to provide an update as a sensitivity case in September 2011. Erin Hogan provided the latest information on Wind and renewable resource projections. It was indicated the transmission model is up for approval at the May 23, 2011 TPAS and ESPWG meeting and will be issued to ICS soon thereafter. The load shape and LFU model are scheduled for release on May 31, 2011.

- (e) **MARS database for LIPA and Con Edison based on "Information Use Agreement"** NYISO indicated it received enhanced software from GE during the week of April 25, 2011. NYISO performed a preliminary assessment which indicated satisfactory results. NYISO indicated it will be performing additional testing to verify the database encryption and it is on schedule to release the database by June 2011 to support implementation in this year's IRM study. ICS noted the importance of this initiative to support enhanced Q/A activities for the upcoming IRM cycle.

## 6.2 Other ICS Issues – Nothing additional to report.

## 7.0 Reliability Rules Subcommittee Status Report/Issue

- 7.1 **RRS Status Report & Discussion Issues** – Mr. Clayton reported that the second joint RRS/RCMS meeting occurred on May 5, 2011. Two separate meetings were held, each with its own agenda and minutes.

Mr. Clayton introduced the List of Potential Reliability Rules Changes – Outstanding and noted that PRRs #52, Generator Governor Response, is being removed and replaced by an RRS Action Item to monitor the progress of NERC proposed Standard BAL-003, Frequency Response.

## 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**
      - None
    - 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 reported that draft seven of TPL, Assess Transmission Future will be balloted beginning May 18, 2011 through May 31, 2011. He will be attending a NPCC Standards Committee meeting on May 18 and 19, 2011 where the proposed standard will be discussed and a NPCC voting position established. Mr. Adamson will email RRS and the Executive Committee following the meeting with any issues that arise and attempt to gain a consensus for the NYSRC vote – **AI #145-4**.
- ii. **NPCC Standards** – Mr. Adamson noted that NPCC Directories #9, Verification of Generator Gross and Net Real Power Capability, and #10, Verification of Generator Gross and Net Reactive Power Capability will be reviewed by RRS at its next meeting. Comments are due to NPCC on June 14, 2011. Changes to either or both Directories could affect NYSRC Rules.

## 7.4 Other RRS Issues

- i. **RRS Revised Scope** – Mr. Clayton introduced the markup of the RRS scope which had been discussed at the previous Executive Committee meeting and noted that no new comments were received. The markup brings the scope up to date with current practices. Messrs. Gioia and Clagett

offered additional comments. After further discussion, Mr. Ellsworth moved for approval of the revised scope contingent upon inclusion of the comments of Messrs. Gioia and Clagett. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

## **8.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues**

**8.1 RCMS Status Report & Discussion Issues** – Mr. Clayton indicated that RCMS was given a full report by the NYISO on a loss of communications between the NYISO and Market participants that occurred on April 1, 2011. The report is required within 30 days of the incident per Measurement J-M2, NYISO Communications Under Emergency Condition. During the incident the system was being operated on voice control between the NYISO and TO operators. Normal communications were back online in a relatively short 68 minutes. The cause of the incident has been identified and corrected. RCMS will be providing a supplemental report by the June 10, 2011 Executive Committee meeting.

**8.2 2011 Reliability Compliance Program (NYRCP)** – Mr. Clayton introduced the Reliability Compliance Program for 2011 (a.k.a. the Scorecard) and reported that RCMS reviewed the following Measurements:

- (a) C-M1, Procedures for Resource verification of Capacity testing Requirements,
- (b) C-M7, Documentation Identifying the Scope of Load Data To Be Reported by MPs, and
- (c) G-M1, NYISO Procedures for Maintaining a NYCA System Restoration Plan.

Each of the reviewed Measurements was found to be incomplete due to an administrative oversight. The NYISO has complied with the omissions and the Measurements will be reconsidered at the next RCMS meeting.

## **8.3 Other RCMS Issues**

**i. RCMS Revised Scope** – Mr. Clayton introduced RCMS's proposed revisions to its scope.

Comments were offered by Mr. Gioia. Following further discussion, Mr. Clagett moved for approval of the revised scope contingent upon inclusion of the comments of Mr. Gioia. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee – (13 to 0).

**ii. Blackstart Capability** - Mr. Clayton reminded the Executive Committee that a blackstart provider was found to be in non-compliance with G-M3, Blackstart Testing Requirements for the 2010-11 Capability Year. For the 2011-2012 Capability Year, two of the three providers' units were successfully tested within the eight hour limit, but the third unit took eight hours and 28 minutes. This exceeds the test period in the NYISO's tariff by 28 minutes.

Mr. Yeomans indicated that the NYISO has reviewed the test report and finds that the unit is still capable of providing blackstart service. The technical report indicated the cause of the delay which was subsequently remedied by the blackstart provider. Therefore, if the blackstart provider files with FERC for a waiver, the NYISO will support the filing but indicate that FERC should act to keep the unit in the blackstart program. The NYISO is confident that the unit in question, if called upon, would be online in 5-6 hours. Mr. Clayton added that the blackstart provider will not be considered in compliance with G-M3 for the 2011-2012 Capability Year until the expected waiver request for the third unit is granted by FERC.

## **9.0 State/Federal Energy Activities**

**9.1 NYISO 2010 Comprehensive Reliability Planning Process (CRPP)** – Mr. Adams indicated that the NYISO provided ten years of CARIS II base case results to ESPWG at its May 9, 2011 meeting. Using those ten years of production costing base cases, benefit/cost analysis was performed for the Leeds Athens PAR Project. The NYISO is preparing a confidential report to the developer with the results of the benefit/cost analysis. The next steps will depend upon how the developer wishes to proceed. CARIS I for the year 2011 is proceeding with modeling changes and database updates. Presentations were made to ESPWG at the May 9, 2011 meeting about the modeling changes and the

database changes from the 2011 Gold Book (which was released in April 2011 and is posted on the NYISO web site).

A comparison was made between 2010 actual data and a 2010 simulation using the first version of the 2011 CARIS I MAPS model. Comparisons showed imports within 10 percent, internal interface flows within 10 percent, and NYCA generation within 5 percent of historic values. Top constraints were Central-East and Leeds-Pleasant Valley which fell within 20 percent of historic values.

## 9.2 Interregional Transmission Studies

- i. **EIPC Study** – Mr. Adams indicated that the 2020 Roll-up and baseline infrastructure powerflow cases are available for distribution. Requests for these cases should be sent to Zack Smith (zsmith@nyiso.com). There are no changes between the Roll-up and baseline infrastructure cases for the New York system. The Final Roll-up Model Report is posted at [http://eipconline.com/Resource\\_Library.html](http://eipconline.com/Resource_Library.html).

The Pipe limits have been developed for use in CRA’s MRN-NEEM macroeconomic analysis based on input from each participating area and guidance from the linear transfer analysis results. The definitions of eight macroeconomic resource expansion futures were finalized at the March 2011 Stakeholders Steering Committee meeting. Results of the Business-As-Usual case and sensitivities 1, 2, and 3 were posted [http://eipconline.com/Modeling\\_Results.html](http://eipconline.com/Modeling_Results.html). The target completion date is September, 2011. A Phase I report is scheduled for November, 2011.

In Phase II, three future resource scenarios will be evaluated with fully developed transmission build-out options that meet reliability requirements. A Phase II report is scheduled for October 2012.

The next Stakeholder Steering Committee Meeting is scheduled for May 18-19, 2011 in Charlotte, NC.

- ii. **IPSAC Study** – Mr. Adams indicated that the 2011 Northeast Coordinated System Plan will include the following metrics: a) production costs, b) load serving entity energy expense and c) congestion by constraint. A draft report is expected in the 2nd Quarter of 2011. The next meeting will be in June, 2011 via WebEx. The tentative agenda includes environmental issues, production cost results and a natural gas and interregional issues update. The next steps will be determined based on the inter-area production cost results.

## 9.3 Other Studies/Activities – Nothing additional to report.

## 10.0 Other Items

- 10.1 **NYISO Operations Report** – Mr. Yeomans reported that for April 2011, the peak load occurred on Thursday, March 3, 2011 at 20,172Mws versus the all time winter peak of 25,541Mws on December 20, 2004. There was one Major Emergency declared on April 22, 2011 due to the Central-East interface voltage limit being exceeded by more than 5%. The cause was the loss of 1400Mws of generation in New England. Lake Erie circulation continues in a clockwise direction at 200-300Mws. Twelve TLR Level 3s were declared in the month of April, 2011 for a total of 94 hours.

- 10.0 **North American Energy Standards Board** – Mr. Ellsworth noted that the NAESB Quarterly Report was circulated to the Executive Committee members.

## 11.0 Visitors’ Comments – None

## 12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<i>Date</i>	<i>Location</i>	<i>Time</i>
#146	June 10, 2011	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#147	July 8, 2011	Albany Country Club, Voorheesville, NY.	9:30 A.M.



The open session of Committee Meeting No.145 was adjourned at 2:15 P.M.

Completed By: P. Donald Raymond, Executive Secretary

Issue Date: May 27, 2011