

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 146 – June 10, 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 - Phone
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 Hippius	National Grid, USA – Member
Joe Fleury	New York State Electric & Gas/Rochester Gas & Electric - Representative
Frank Pace	Central Hudson Gas & Electric – Alternate Member
Arnie Schuff	New York Power Authority – Member
Radmila Miletich	IPPNY (Wholesale Sellers) – Representative
Paul DeCotis	LIPA - Member

Others:

Al Adamson	Consultant – Treasurer - Phone
Roger Clayton	Electric Power Resources, LLC – RRS Chairman
Rich Gonzales	New York Independent System Operator (NYISO)
John Adams	New York Independent System Operator (NYISO)
Carl Patka, 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
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“*” – 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.146 to order at 9:30 A.M. on June 10, 2011 at the Albany Country Club. He presented a plaque to Mr. Fleury commemorating his superior contributions and dedication to the principles of an independent NYSRC for more than eleven years. Mr. Fleury was an original member of the Executive Committee, representing New York State Electric & Gas. He was also its first Secretary serving from June 16, 1999 until September 12, 2003.

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 – Mr. Loehr indicated that the Executive Committee is considering retaining Jim Ingleson, previous NYPP and NYISO System Protection engineer, to represent the NYSRC on the Controlled System Separation Study. Mr. Ingleson is currently working for the consulting firm, RLC Engineering. Messrs. Ingleson and Smith have formulated a proposal and cost estimate. Also, Mr. Loehr confirmed with Mr. Chao that the NYISO had no problems if he were hired. The Executive Committee sent the proposal to Mr. Gioia for legal review.

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 145 (May 13, 2011) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Clarifying comments were provided by Dr. Sasson and Mr. Patka. Dr. Sasson moved for approval of the draft minutes contingent upon inclusion of the clarifications of Dr. Sasson and Mr. Patka. 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 #146-1**.

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>
141-2	The NYSRC Biennial Report was published in May 2011.
144-2	Mr. Raymond received the TO letters designating Executive Committee by May 25, 2011.
145-2	Mr. Adamson filed the NYSRC’s comments on the BES definition on May 27, 2011.
145-3	ConEd presented the LOG MOB Threshold Analysis at the May 2011 RRS meeting.
145-4	The NYSRC voted “no” on TPL.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

i. Summary of Receipts & Disbursements - Mr. Adamson introduced the Summary of Receipts and Disbursements which showed a balance of \$112,000 at the end of May, 2011. He noted receipt of the final \$30,000 payment toward the 2nd Quarter Call-For-Funds.

ii. Call-For-Funds – Mr. Adamson requested approval from the Executive Committee to issue the

3rd Quarter Call-For-Funds in the amount of \$25,000 to the Transmission Owners (TOs). Following discussion, Mr. Ellsworth moved for approval of the request. The motion was seconded by Mr. Mager and unanimously approved by the Executive Committee – (13 to 0).

Also, Mr. Adamson noted 2012 compensation reviews should be done at the July 8, 2011 Executive Committee meeting. He will send the past NYSRC compensation records in advance of the meeting – **AI #146-2.**

3.2 Other Organizational Issues

i. Membership Elections – Mr. Loehr outlined the election procedures for Executive Committee membership as provided by Mr. Gioia in correspondence dated June 6, 2011. The results of the elections are summarized below:

(a) Transmission Owners – Mr. Raymond announced receipt of letters from each TO designating its representative for the new term:

<u>TO</u>	<u>Member</u>	<u>Alternate</u>
Central Hudson	T. Duffy	F. Pace
ConEd	M. Sasson	M. Forte
LIPA	P. DeCotis	C. Dahl
NGrid	J. Hipius	C. Sedewitz
NYSEG/RGE	R. Kinney	D. Kiniecik
NYPA	A. Schuff	L. Hochberg

Mr. Mager moved for approval of the designated TOs for the new term. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee Members – (13 to 0).

(b) Wholesale sellers, Municipal Systems and Cooperatives, and Large Customers – Mr. Raymond indicated receipt of letters from the Independent Power Producers of New York, Inc. and the New York Municipal Power Agency stating that the organizations have selected by vote of their memberships the representation as follows:

<u>Organization</u>	<u>Member</u>	<u>Alternate(s)</u>
IPPNY	C. LaRoe	D. Ellis (Dynegy) C. Wentlent (Constellation) S. Leuthauser (HQ US)
NYMPA	R. Bolbrock	M. Cordiero (PLM Inc.)

Further, Mr. Raymond reported that the voting for the Large Consumer Sector was complete and that Multiple Intervenors (MI) received a majority of the votes cast. The designated Member of the Executive Committee for the Sector is M. Mager, Esq. and R. Loughney is the designated Alternate.

Dr. Sasson moved for approval of the representatives as designated by the Wholesale sellers, Municipal Systems and Cooperatives, and Large Customers Sectors for the new two year term beginning on August 1, 2011 term. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee Members – (13 to 0).

(c) Unaffiliated Members – Mr. Loehr indicated that each of the current unaffiliated members has expressed a willingness to serve for another two year term and no additional nominations have been received. Mr. Mager moved for approval of the current representatives to fill an additional two year term. The motion was seconded by Dr. Sasson and unanimously approved by the Executive Committee Members – (13 to 0).

(d) Chairman – Mr. Loehr indicated that it has been the consistent practice of the Executive Committee to elect the current Vice Chairman as Chairman provided he is willing to serve.

Mr. Mager has indicated his willingness to serve as Chairman and no other candidates have come forward. Therefore, Mr. Ellsworth moved for approval of Mr. Mager to serve a one year term as Chairman commencing August 1, 2011. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee Members – (13 to 0).

- (e) Vice Chairman – Mr. Loehr reported that there are two candidates for Vice Chairman. Mr. Smith and Dr. Sasson were nominated by Mr. Ellsworth and Mr. Mager, respectively. The initial ballot, which requires a candidate to receive nine affirmative votes, did not produce a winning candidate. Therefore, a run-off election, held on a majority basis, and a ratification election thereafter were required by the Operating Agreement. Mr. Mager announced that Dr. Sasson had won the majority ballot. Then, the Executive Committee unanimously ratified the election by voice vote.

ii. Other Issues – Nothing additional to report.

4.0 Key Reliability Issues

- 4.1 Defensive Strategies** – Mr. Smith indicated that the initial NYISO monthly progress meeting for the Controlled Separation Study will be held on June 23, 2011. He reminded those wishing to participate in the meetings to provide their signed Non Disclosure Agreements to him as soon as possible.
- 4.2 NPCC Defensive Strategy Activities** – Mr. Clayton noted that NPCC-SS-38 is working on Task 5 of its Islanding Study. A draft report is expected in October 2011. Mr. Smith indicated that members of the Defensive Strategies Working Group are participating in the NPCC study and attending webinars. They will provide the necessary coordination.
- 4.3 Smart Grid – Status of NYISO Activities** – Mr. Patka reported that together with the New York Transmission Owners, the NYISO has commenced implementation of its Smart Grid Investment Grant projects to install additional capacitors on the New York bulk power system and to add 39 phasor measurement units that will provide additional system monitoring data for NYISO and neighboring control areas. The first capacitor installation is expected to occur in June 2011, and the first PMU installation is expected this month as well. The PMUs will feed data into the Transmission Owners' control centers and the NYISO's Control Center via phasor data concentrators. NYISO is also participating in a joint North American Synchrophasor Initiative (NASPI) with its neighboring control areas in ISO-NE, PJM and MISO. The Department of Energy conducted a visit at the NYISO on May 17, 2011 and provided positive feedback on NYISO's implementation work to date. NYISO has submitted and DOE has approved a cyber security plan for the PMU network. NYISO and the TOs are working together on implementing the cyber security plan.
- 4.4 Definition of Bulk Electric System and Exceptions** – Mr. Clayton reported that the NYSRC comments on the Definition of Bulk Electric System and element specific inclusions and exclusions were sent to NERC on May 27, 2011. The comments are consistent with those of NPCC except for Blackstart. NPCC excluded Blackstart and the cranking path from the definition of BES. The NYSRC comments included it.
Further, Mr. Clayton indicated that the comments on “technical criteria” for exceptions are due today (June 10, 2011). He noted that opportunity arose to promote A10. Dr. Sasson added that ConEd had provided comments. Mr. Adamson noted that all comments will be available on the NERC website.
- 4.5 LOG MOB Rules** – Mr. Clayton reported that the NYSRC/DEC Working Group met on June 3, 2011. He reminded the Executive Committee that the concern is whether the new environmental regulations, which go into effect in June 2014 and require a 40% reduction in CO₂ emissions, will impact those units required to burn oil per the LOG MOB Rule in Zone J. Mr. Wycoski (ConEd) presented ConEd's seasonal analysis required to determine the load threshold at which units must convert (pre-contingency) to oil in the summer of 2011. It was determined that a potential problem exists if more than approximately 1000Mws (net capacity) of LOGMOB generation running on 25% oil is required. It does not appear to be a large risk at current load forecast levels, but RRS has put in place an Action Item to

track the situation in future years. ConEd is looking at the possibility of eliminating the need to burn oil but not to eliminate the need for the LOGMOB Rule. Dr. Sasson noted that the last three units brought online in Zone J have automatic fuel switching capability (NYPA Combined Cycle and Astoria Energy 1&2). Also, electric and gas transmission improvements have been helpful.

Both Mr. Clayton and Ms. Miletich, the secretary of the Working Group, expressed satisfaction with the DEC's attention to reliability concerns and forthright exchange of information.

5.0 State/ NPCC Federal Energy Activities

5.1 NYSERDA – Update – Ms. Hogan reported that the outlines of the sections of the State Energy Plan were due at the end of May 2011. Also, the outline for the NYSERDA Transmission and Distribution Reliability Assessment Report is nearly complete. The working group is meeting on the 2nd Thursday of each month and includes Messrs. Dahl and Loehr. At the May 12, 2011 meeting, it was agreed to have another round of outline updates before beginning to write the report.

Also, Ms. Hogan noted that NYSERDA has given monetary awards to 17 projects comprising 315Mws of renewable capacity. The projects competitively selected include four wind projects, four hydroelectric projects, seven landfill gas-to-electricity projects, and two anaerobic digester projects located at dairy farms.

5.2 NPCC Report – Mr. Forte summarized the key items that occurred during the May 11, 2011 NPCC-RCC meeting. He indicated that: (a) the total member assessment for 2012 is \$13.6 million, an increase of 4.3% (b) NPCC has a project underway to redesign the NPCC website (c) the NPCC Regional Standards Committee (RSC) cost effectiveness procedure to evaluate the costs of complying with requirements of draft standards is being developed for June 2011 posting and (d) NPCC is seeking to have Registered Entities identify reliability practices currently followed for transmission and generation elements at 100kV and above, not including BPS elements. NPCC is not proposing that the practices become Criteria or Standards. The NPCC subcommittees will be attempting to identify “Best Practices”. Also, a North American Transmission Forum (NATF), headed by Don Benjamin, will be addressing “Best Practices” on a national level. ConEd and ISO-NE are participants.

Several reports were reviewed and approved including: (a) NPCC Tie Benefit Analysis, (b) New York Comprehensive Area Transmission Review, (c) Alternative UFLS Extension Plan for Ontario, and (d) NPCC 2011-2012 Winter Probabilistic Multi-Area Reliability Assessment.

Mr. Clayton noted that Mr. Zito (NPCC) indicated that NPCC is rewriting the Directories to be consistent with NERC's format. Since NERC Standards are becoming broader, there may be items that are no longer necessary to be included in the NPCC Directories. Also, he added that NPCC and the NYISO are meeting on June 16, 2011 regarding issues associated with the TO's new NERC registration. Mr. Gonzales explained that the NYISO has been working with the TOs to determine a NERC registration option that all can agree upon given an expanded BES definition. Several models are being considered including: (a) the NYISO becoming the single transmission operator and planner, (b) model (a) with the TOs doing the planning at the lower voltage levels and (c) the hybrid PJM model whereby the NYISO is designated the transmission operator with delegation agreements with each TO. Mr. Hipius added that long term planning has received little discussion to date and may go in an entirely different direction than short term operations planning. There will need to be appropriate coordination between the two planning disciplines. It is hoped that a unanimous decision can be reached and taken to NPCC by October 2011.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1 ICS Chairman's Report and Discussion Issues – Mr. Dahl summarized the May 31, 2011 ICS meeting as shown below:

(a) **2012/13 IRM Study**

ICS continues to discuss updates to the various modeling parameters included in the 2012-13 IRM Study assumptions matrix. The NYISO gave presentations on its analysis of the Load Forecast Uncertainty and Load shape models. ICS requested that the NYISO Load Forecasting Task Force review this information. ICS also discussed wind modeling and requested follow-up by the TOs to clarify the planned installation date for about 200Mws of proposed wind projects in NYCA where their status was unclear. The NYISO continues to review 2002 and 2006 wind year data from AWS and is also reviewing production modeling as the basis of wind year recommendation. The NYISO presented its recommended NYCA Transmission model adopted by NYISO TPAS. Results indicate negligible changes from last year's transmission model. Final recommendations on all model assumptions will be completed by June 29, 2011 to support the new IRM schedule. Also discussed were suggested changes to the IRM report format to include additional detail on drivers to the IRM and ICAP-UCAP translation.

(b) **SCR Analysis**

ICS discussed comments on the draft NYISO scope of study including comments from SCR suppliers. Comments included the appropriate baseline for evaluation, the categorization of SCR information, the confidentiality considerations, the SCR scheduling limitations, and the need to relate study conclusions to current IRM SCR assumptions. The NYISO was requested to provide monthly status reports on progress and to target early Fall for preliminary results to support the development of a related sensitivity case for this year's IRM study. A letter was drafted for sending to the NYISO.

(c) **Policy 5 Updates**

ICS discussed revisions to the Policy 5, "Procedure of Establishing NYCA Installed Capacity Requirements". Updates include a revised IRM study timeline, additional quality assurances measures, the notion of preliminary and final base cases, a new procedure for updating changes to major modeling assumptions, and a more defined role for NYISO technical committees in reviewing major modeling assumptions (TPAS and LFTF). Revisions were approved by ICS for transmittal to the Executive Committee.

6.2 Policy 5 Revision – Mr. Adamson reviewed the areas of Policy 5 covering the primary revisions. The areas include the new event timeline, introduction of a preliminary base case, a process for addressing major modeling enhancements, Transmission Planning Advisory Subcommittee review of the transmission model, data quality assurance and Executive Committee responsibilities. Dr. Sasson offered clarifying comments. Following the discussion, Dr. Sasson moved for approval of the revised Policy 5 contingent on the inclusion of the clarifying comments. The motion was seconded by Mr. DeCotis and unanimously approved by the Executive Committee – (13 to 0).

6.3 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 June 2, 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, and PRR #97, BPS Facilities, remain under development.

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. Clayton reported that draft seven of TPL, Assess Transmission Future was balloted beginning May 18, 2011 through May 31, 2011. The NYSRC and NYISO voted “no”. The rationale was that it called for unnecessary study work in order to comply. Mr. Adamson noted that TPL received 73% of the vote. However, NERC indicated it is going to review the comments and if the comments are significant enough, they may revise the Standard and call for another vote.
- 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 are being revised to remove redundancies and conform with the format of the NERC Standards. Comments are due on June 14, 2011 – **AI #146-3**. Since NPCC-01, Automatic Underfrequency Loads Shedding Criteria, does not impact the NYSRC Reliability Rules, no comments will be provided.

7.4 Other RRS Issues – Mr. Clayton reported that there is at least one and perhaps more UVLS schemes in NYCA that the NYISO does not monitor. RRS will be asking the NYISO whether it has sufficient information on the scheme(s) – **AI #146-4**. Mr. Gonzales indicated that the NYISO is looking into the matter.

8.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

8.1 RCMS Status Report & Discussion Issues – Mr. Clayton indicated that RCMS met following the RRS 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,
- (c) F-M1, Maintaining Procedures for Frequency, Reserve and Transfer Limit Violations,
- (d) G-M1, NYISO Procedures for Maintaining a NYCA System Restoration Plan and
- (e) K-M2b, NYCA 2010 Resource Assessment.

Each of the reviewed Measurements above was found to be in full compliance. E-M6, Pre-seasonal Fault Duty Assessments required report changes which have been provided. The Measurement will be approved at the next RCMS meeting.

8.3 Other RCMS Issues – Nothing additional to report.

9.0 State/Federal Energy Activities

9.1 NYISO 2010 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams reported that the NYISO provided a confidential report with the results of the benefit/cost analysis for the proposed CARIS 2 Leeds-Athens PARs project to the developer. The next steps will depend on how the developer wishes to proceed.

CARIS I for the year 2011 is continuing with modeling changes and database updates. Additional presentations were made to ESPWG at the May 19, 2011 meeting regarding the modeling changes and the database changes plus preliminary results. A comparison was made between calendar year 2010 actual data and a 2010 simulation using the first version of the 2011 CARIS I MAPS model. The 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. Presentations have been prepared for discussions

on generic transmission line costs, weighted average cost of capital, scenarios to be studied, and assumptions for generic demand side solutions in 2011 CARIS 1 study. Presentations will be made on the preliminary results for 2011 and beyond at the June 8, 2011 ESPWG meeting.

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). The Final Roll-up Model Report is posted at http://eipconline.com/Resource_Library.html

The MRN-NEEM macroeconomic analysis (Task 5) input assumptions were determined by states/stakeholders. The definitions of eight macroeconomic resource expansion futures were finalized at the March 2011 Stakeholder Steering Committee (SSC). The Results of Business-As-Usual base case and sensitivities are posted at http://eipconline.com/Modeling_Results.html.

The targeted completion date is September 2011. The Phase I Report is expected in November 2011. The high-level cost estimation procedure, developed to support stakeholders in assessing the macroeconomic results, utilizes generic transmission line “building blocks” in a consistent manner to approximate the increases in transfer capability between regions represented in the macroeconomic scenarios.

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 July 28-29, 2011 in Cleveland, OH.

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. Gonzales reported that for May 2011, the peak load occurred on Thursday, May 31, 2011 at 27,738Mws versus the all time summer peak of 33,939Mws on August 2, 2006. On May 26 at 03:08 a Major Emergency was declared for actual flow on Shore Rd 345/138kV Bank #1 exceeding the LTE rating. The Major Emergency was terminated at 03:09. Seventeen TLR Level 3s were declared in the month of May 2011 for a total of 128 hours.

There was a short two day heat wave on June 8-9, 2011 in which the load reached 30,776Mws.

The generators performed well and maintenance was cancelled at 230kV or above. There was a forced outage of Alps 345kV station.

10.0 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>
#147	July 8, 2011	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No.146 was adjourned at 2:15 P.M.

Completed By: P. Donald Raymond, Executive Secretary
Issue Date: June 23, 2011