

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 151 – November 10, 2011**  
**Albany Country Club, Voorheesville, NY**

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

Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Chair
Curt Dahl, P.E.	LIPA - Alternate – ICS Chair - Phone
Bruce Ellsworth	Unaffiliated Member
George Loehr	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
William H. Clagett	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of N.Y. – Vice Chair
George Smith	Unaffiliated Member
Mike Forte	Consolidated Edison Co. of N.Y. - Alternate
Arnie Schuff	New York Power Authority – Member
Joe Hippius	National Grid, USA – Member
Frank Pace	Central Hudson Gas & Electric – Alternate Member
Chris LaRoe	IPPNY (Wholesale Sellers) – Member
Ray Kinney	New York State Electric & Gas/Rochester Gas & Electric

**Others:**

Paul Gioia, Esq.	Dewey & LeBoeuf, LLP - Counsel
Al Adamson	Consultant – Treasurer - Phone
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chairman
Henry Chao	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Kristin Bluvass, Esq.	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
John Adams	New York Independent System Operator (NYISO)
Edward Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary

**Visitors – Open Session:**

Phil Fedora	Northeast Power Coordination Council – Phone*
Erin P. Hogan P.E.	NYSERDA
Jim DeAndrea	TC Ravenswood

“\*” Denotes part attendance

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

**I. Executive Session – None**

**II. Open Session**

**1.0 Introduction** – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.151 to order at 9:30 A.M. on November 10, 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** – None

**2.0 Meeting Minutes/Action Items**

**2.1 Approval of Minutes for Meeting No. 150 (October 14, 2011)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Messrs. Gioia and Clayton provided additional clarifying comments. Following further discussion, Mr. Bolbrock moved for approval of the draft minutes contingent upon inclusion of comments of Messrs. Gioia and Clayton. The motion was seconded by Mr. Clayton and unanimously approved by the Executive Committee Members in attendance – (13 to 0). The Executive Secretary will post the minutes on the NYSRC web site – **AI #151-1.**

**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>
149-2	The Compensation Policy was circulated in October 2011.
150-1	The final minutes were posted on November 12, 2011.
150-2	Policy 3 was posted on October 20, 2011.
150-3	A copy of the RLC Agreement was provided to Mr. Gioia on October 10, 2011.

**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 \$160,000 at the end of October, 2011. He noted that the 4<sup>th</sup> Quarter Call-for-Funds is complete. The cash flow projection for 2012 will be presented at the December 2, 2011 Executive Committee meeting to assist in determining the 1<sup>st</sup> Quarter 2012 Call-for-Funds.

**3.2 Other Organizational Issues – Nothing additional to report.**

**4.0 Key Reliability Issues**

**4.1 Defensive Strategies** – Mr. Smith reported that the NYISO hosted a webinar on November 27, 2011 during which EnerNex gave an update on its Controlled Separation System Study (CSSS). Boundary simulation cases were identified from MAPS and Gridview production cost cases for 2015 including: (a) Summer Peak Load June 6 @15:00, Winter Peak Load October 21 @ 21:00, Light Load

May 18 @ 06:00, High Imports March 6 @13:00 and High Exports August 12 @18:00. The combined program to automatically perform dynamic simulation and coherency assessments is completed. Preliminary coherency results were obtained for a bus fault at Marcy Station causing system collapse under summer peak conditions. Three coherency groups were identified, but after review it was decided that the fault is too severe to identify coherency patterns. More thought will be given to this issue by EnerNex with input from NYISO Staff.

The next step is a November 22, 2011 CSSS webinar to: (a) continue to tune the boundary cases and determine generalized coherency patterns, (b) continue coherency analysis and determine patterns from simulation results, (c) verify extreme disturbances, (d) identify weak transmission connections looking first at major zonal interfaces, and (e) determine separation strategies.

The December 20, 2011 face-to-face meeting at NYISO will focus on allowing for technical review of approach and early results by NYISO and presentation of interim results.

**4.2 NPCC Defensive Strategy Activities** – Mr. Fedora reminded the Executive Committee that the SS-38 Working Group is performing the NPCC Blackout Study which includes Task 5 pertaining to defensive strategies. The Working Group is reviewing its draft report and recommendations which are due to the NPCC-RCC for its November 29, 2011 meeting. A status report should be available for the NYSRC Executive Committee’s meeting on December 2, 2011.

**4.3 TransCanada Blackstart Status** – Mr. Gioia reported that TC Ravenswood has filed a complaint against the NYISO and NYSRC regarding its Blackstart status. The basic issue raised by TC Ravenswood is whether the PSC can issue an Order that the NYISO and NYSRC can then use to require TC Ravenswood to participate in the Blackstart Program under the NYISO Services Tariff. Reference is made to a letter sent by the NYISO on October 28, 2011 to TC Ravenswood stating that the NYSRC continues to view it as part of the NYISO Blackstart Program based on the PSC Declaratory ruling. The complaint states that the NYISO and NYSRC treatment of the TC Ravenswood units as Blackstart facilities is in direct contravention of a FERC Order on September 2011 in which FERC refused to require TC Ravenswoods to continue in the Blackstart Program.

Mr. Gioia advised that a NYSRC response to the TC Ravenswood Complaint should include: (a) background on the NYSRC and its responsibilities and relationship to the NYISO and Market Participants including TC Ravenswood, (b) point out that the NYSRC Rules require that the NYISO have a Restoration Plan that identifies the participants in the Plan and that each TO must identify the resources in their Restoration Plans, (c) indicate that the NYSRC Compliance Measurements require testing procedures for Blackstart Program participants identified by the NYISO and TOs, and (d) that the NYSRC has not rendered any opinion regarding the PSC Order nor issued any directives to TC Ravenswood. Further, Mr. Gioia suggests that the NYSRC request FERC dismiss the proceeding with respect to the NYSRC since the NYSRC sets the Rules requiring an effective Blackstart Program, but it is up to the NYISO and TOs to implement the Program. Further, the NYSRC should indicate a strong interest in the NYISO being able to provide an effective restoration program since the consequences of a blackout are particularly severe in Metropolitan NYC. Mr. Gioia agreed to circulate a draft for comment. The comments should be provided “as soon as possible” since TC Ravenwood has requested an expedited proceeding – **AI #151-2**.

**4.4 Definition of Bulk Electric System and Exceptions** – Mr. Clayton reminded the Executive Committee that once the BES Definition and the Technical Criteria to Support an Exception Request is approved, all the NYSRC Reliability Rules will need to be reviewed. Mr. Fedora pointed out that once the project is approved by FERC, the Drafting Team will initiate Phase 2 and begin responding to all the industry comments that were delayed from Phase 1.

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

- 5.1 NPCC Report** – Mr. Forte circulated the NPCC Board of Directors policy input to the NERC Member Representatives Committee on November 2, 2011 and the NERC Board of Trustees meeting on November 3, 2011. He focused attention to the status of the Bulk Electric System (BES) Definition. NPCC members have submitted their individual comments. NPCC acknowledged the proposed NERC BES Definition as being responsive to the FERC Order and reiterated its view that cost effectiveness should be a consideration in the implementation, including the exception process. Also, he noted that NPCC, consistent with its commitment to reliability, will continue to utilize a risk based analysis to define facilities for which its more stringent Regional criteria apply.
- Mr. Fedora added that a re-circulation ballot opened November 10, 2011 on the BES definition and closes on November 21, 2011. Further, Mr. Fedora reminded the Executive Committee that the NPCC General Meeting will be held in Toronto, CAN on November 30, 2011. On November 29, 2011 the NPCC Government and Regulatory Affairs Committee will be discussing FERC Order 1000, gas and electric interdependence, and the reliability impact of EPA regulations.
- Mr. Yeomans noted that the NYISO is preparing a draft Transition Plan to be provided to NPCC by mid-December 2011 regarding NYISO implementation of the “BES Definition and the Technical Criteria to Support an Exception Request”. NPCC will file the Transition Plan as part of its filing with NERC. NERC must then file with FERC by January 25, 2012.
- 5.2 FERC RFP – Economics of Resource Adequacy Standards** – Mr. Gioia reported that FERC has not yet selected a consultant to evaluate the economic implication of the Resource Adequacy Standards.
- 5.3 NYSRC/DEC Meeting** – Mr. Clayton reported that the next meeting with DEC will be at the end of November 2011.

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

- 6.1 ICS Chairman’s Report and Discussion Issues** – Mr. Dahl reported that ICS’s regular meeting was held on November 2, 2011 following a conference call on October 25, 2011. He directed Executive Committee attention to the draft report “New York Control Area Installed Capacity Requirements for the Period May 2012 Through April 2013”. The results of the technical study indicate that the required NYCA IRM for the 2012 Capacity Year is 16.1% under base case conditions, an increase of .6% over the prior Capacity Year. The study also determined Minimum Locational Capacity Requirements (MLCRs) of 83.9% and 99.2% for New York City (NYC) and Long Island (LI), respectively. The principal drivers that increased the required IRM by 1.3% are: (a) A 337 MW increase in wind-powered generation, (b) Updated NYCA purchase and sale capacity projections and (c) Reduced availability of NYCA generating units. A revised SCR model, new generation with higher availability relative to the fleet, and an updated load forecast uncertainty model reduced the IRM culminating in a net increase in IRM of .6%. Although new environmental (particularly the Cross State Air Pollution Rule) requirements will start in 2012, a NYISO analysis showed that the NYCA can operate reliably with the new environmental requirements in 2012 without impacting IRM requirements.
- The draft Report also indicated the results from evaluating the IRM impacts of several sensitivity cases. Those cases showing large impacts include: (a) no load forecast uncertainty (-8.8%), (b) no wind capacity (-4.7%), (c) lower outside world reserve margins (+6.5%) and (d) the retirement of Indian Point Units 2 and 3 (+5.5%)
- Dr. Sasson raised concern that ConEd had not been given the generator shift data until less than one week ago which hampered its ability to perform Q/A analysis. Mr. Patka noted that the NYISO had not heard of the issue before the Executive Committee meeting and asked that it be noted in the minutes of the meeting that the NYISO requests that before an issue related to the IRM study is raised to the Executive Committee, it first be raised to the NYISO at the Installed Capacity Subcommittee, so the NYISO can respond to the issue.

Following further discussion, Dr. Sasson moved to approve the base case IRM of 16.1%. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

Mr. Dahl also indicated that the NYISO provided ICS with performance information on SCRs during SCR events and testing. This information was requested at the October ICS meeting. In response the NYISO provided ICS two presentations on SCR performance.

The first presentation was based on data the NYISO collects from individual SCR suppliers that request energy payments. Detailed analysis was not completed due to delays in reporting and the need to resolve screening validity of the actual data. The data shows the performance of EDRP resources to be significantly lower than that modeled.

The second presentation employed a “top down” approach for reconstructing the peak day and computing SCR performance during the 2011 peak day. The analysis was based on a statistical model of each hour of the summer weekdays. The model produced a high degree of correlation with the actual peak. From the model the NYISO is able to determine with high accuracy the contributions of the SCRs on the system during peak period. The results of the NYISO analysis show a very close correlation with NYSRC assumptions for SCR peak day performance.

### **6.3 IRM Sensitivity Cases – See Section 6.1**

**6.4 Other ICS Issues** – Mr. Dahl indicated that ICS agreed on the need for a rule requiring Installed Capacity Providers to submit SCR performance data to the NYISO. Also, Mr. Dahl attended an NPCC CP-8 meeting to discuss NY/NE transfer limit assumptions appropriate in NPCC studies.

## **7.0 Reliability Rules Subcommittee Status Report/Issue**

**7.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting occurred on November 3, 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 PRR #8, Reactive Load and Resource Power Factor, PRR #97, BPS Facilities, PRR #109, SCR Performance Data, and PRR #110, B-R1 Post Contingency Thermal Criteria are under development. PRR #107, Revision of Compliance Elements, and PRR #108, Revision of Major Emergency Declaration in F-B1, will be presented to the Executive Committee for approval today.

Also, Mr. Clayton noted that the Marcy-Coopers Corner 345kV line was taken out of service for high voltages during light load periods on September 23, 26, 30 and October 1-3, 2011. The NYISO is preparing a report for SOAS. Mr. Yeomans noted that the NYISO is putting together a team including NYPA and New York State Electric & Gas to address potential solutions. RRS will continue to monitor the situation – **AI #150-5**.

## **7.2 Status of New/Revised Reliability Rules**

### **i. Proposed NYSRC Reliability Rules Revision**

#### **a. List of Potential Reliability Rules (“PRR”) Changes**

#### **b. Status of New/Modified Reliability Rules**

##### **1. PRRs for EC Final Approval**

- Mr. Clayton introduced PRR #107, Revision of Compliance Elements, which was approved by the Executive Committee for “review and comment” on September 12, 2011. Since no comments were received during the 45 day comment period, Mr. Clayton requested final approval. Following discussion, Mr. Ellsworth moved for approval of the PRR. The motion was seconded by Mr. Clayton and approved unanimously by the Executive Committee – (13 to 0).
- Similarly, Mr. Clayton introduced PRR #108, Revision of Major Emergency Declaration in F-B1, which was approved by the Executive Committee for “review

and comment” on September 12, 2011. Since no comments were received during the 45 day comment period, Mr. Clayton requested final approval. Following discussion, Mr. Smith moved for approval of the PRR. The motion was seconded by Dr. Sasson and approved unanimously by the Executive Committee – (13 to 0).

## **2. PRRs for EC Approval to Post**

- Mr. Clayton introduced PRR #110, B-R1 Post Contingency Thermal Criteria, and reminded the Executive Committee that the PRR had been discussed in detail at the October 14, 2011 Executive Committee meeting. The PRR will include HVDC as a post contingency action. Mr. Schuff expressed concern regarding the wording of the proposed change and requested a one month delay with the support of Dr. Sasson and Mr. Yeomans. The Executive Committee concurred.

## **3. PRRs for EC Discussion**

- None

### **7.3 NPCC/NERC Standard Tracking**

i. **NERC Standards Development** – Mr. Adamson reported TPL-001-2, Assess Transmission Future has been adopted by the NERC Board of Trustees, but FERC has not given final approval. Also, there will be a re-circulation ballot on BES Definition and the Information to Support BES Exception Requests.

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

### **7.4 Other RRS Issues** – Mr. Clayton indicated that RRS is monitoring the issue regarding the taking of facilities out of service for high voltages during light load periods. He noted that the Marcy Statcom had been taken off automatic and placed on manual control on several occasions. Mr. Yeomans indicated that the Fraser and Leeds SVCs are in automatic mode, therefore placing the Statcom in neutral position is not necessary. The NYISO is preparing a report for SOAS on the voltage issue. Mr. Yeomans added that the NYISO is putting together a team including NYPA, New York State Electric & Gas and the PSC to address potential solutions. RRS will continue to monitor the situation – **AI #150-5**.

Mr. Clayton indicated that RRS wishes to add specificity to the glossary by redefining the definition “contingency” to include electric or gas since some of basic contingencies include examining gas outages. Following discussion, the Executive Committee requested that comments be provided to Mr. Clayton by November 22, 2011 for consideration by RRS – **AI #151-3**.

Regarding the issue of new facility impact on thermal transfer limits, Mr. Clayton indicated that RRS has requested a copy from Steve Cory (NYISO) of the draft revised Transmission Expansion and Interconnection Manual. Secondly, RRS would like to see what the actual trend have been. Mr. Adams has agreed to provide that data separated by thermal, voltage and stability limits. RRS is confident that the issue can be resolved without the need for stating a specific limit threshold.

### **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 found the following Measurements in full compliance:

- (a) A-M3, Certify LSE Icap Obligations are Met,
- (b) B-M4, List of NYS Bulk Power System Facilities.
- (c) C-M8, NYCA Load Forecasts, and
- (d) G-M2, Transmission Owner Restoration Plan Requirements.

A NYISO certification form for Measurement G-M3 was tabled at the request of Mr. Patka given the uncertain regulatory issues. The RCMS initiated a 30 day grace period to receive a revised certification to avoid a non-compliance finding. Also, a question was raised as to whether the phrase “prompt and adequate” regarding the time to restore the system from a blackout state is specific enough. The Executive Committee asked RRS to review the question and bring a recommendation to the Executive Committee – **AI #151-4**.

**8.3 Policy 4-5** – Mr. Clayton introduced the revised Policy 4, Procedure for Monitoring Compliance with the NYSRC Reliability Rules which has been discussed during previous Executive Committee meetings. RCMS has worked closely with the NYISO to develop the revised Procedure which has their concurrence. Mr. Gioia noted that the proposed Policy is a major effort in restructuring and clarifying the Policy. For example, it is clear that NYSRC responsibilities are to “monitor” compliance versus exercising oversight for NPCC and NERC compliance reviews and that the Executive Committee is given the discretion to “waive” a non-compliance letter under mitigating circumstances in which the NYISO has taken all reasonable steps to attain a MP’s compliance. Following further discussion, Mr. Bolbrock moved for approval of the revised Policy 4. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0). Mr. Gioia added that Mr. Adamson expressed concern that the NYISO failed to “promptly” inform the NYSRC of a rule violation as required by the NYSRC. It took several months for the NYISO to notify the NYSRC of a potential blackstart generator rule violation. The Executive Committee remanded the issue to RCMS suggesting that a proposal for a change to Policy 4 be treated as a new revision.

**8.4 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 to the developer with the results of the benefit/cost analysis for the proposed CARIS 2 Leeds-Athens PARs project. The developer requested additional supporting information for that analysis and it was provided. The developer has been asked for a decision on whether to proceed.

The 2011 CARIS I MAPS congestion results for 2011-2020 were reported to the ESPWG on October 6, 2011 together with generic transmission, generation, and demand response solution costs. The NYISO also provided the descriptions of the eight scenarios that it intends to study. Additional results plus a first draft of the report are expected at the November 2011 meeting.

## **9.2 Interregional Transmission Studies**

**i. EIPC Study** – Mr. Chao reported that all results from the Phase I MRN-NEEM macroeconomic analysis (Task 5) are now posted at [http://eipconline.com/Modeling\\_Results.html](http://eipconline.com/Modeling_Results.html). Three final scenarios were recommended to the Stakeholder Steering Committee (SSC) on September 26-27, 2011: (a) national carbon constraint with increased energy efficiency/demand response/distributed generation, (b) regionally implemented national RPS, and (c) “business as usual”. Draft 3 of the Phase I report is posted at [http://epiconline.com/Resource\\_Library.html/](http://epiconline.com/Resource_Library.html/) for comment by October 14, 2011. The report is expected to be finalized by the end of 2011.

The Phase II schedule is posted at [http://epiconline.com/Phase\\_II\\_Resources.html/](http://epiconline.com/Phase_II_Resources.html/). The three future resource scenarios will be evaluated with fully developed transmission build-out options that meet reliability requirements (Tasks 7 & 8). Production cost analysis will be performed for each scenario based upon the power flow modeling and transmission expansion options developed under Tasks 7 & 8. High-level estimates of the capital costs of the interregional generation resources and transmission expansion options will be developed. A Phase II report is scheduled for October 2012. A Transmission Options Task Force (TOTF) has been formed as a forum for stakeholders to review and comment on the development of transmission build-out alternatives during Phase II. The initial TOTF

webinar was held on Friday, November 4, 2011. A face-to-face meeting is scheduled for January 10-11, 2012.

**ii. IPSAC Study** – Mr. Chao indicated that IPSAC will meet via WebEx on November 29, 2011. The agenda will include an update of: (a) production cost studies, (b) environmental issues, (c) the Northeast Coordinated System Plan, and (d) the RERC Order 1000.

The next steps include: (a) coordination of 2011 ISO-NE/NYISO/PJM production cost models and development of 2017 models, (b) production cost analysis with IREMM and Gridview (ISO-NE), MAPS (NYISO), and PROMOD (PJM), and (c) a draft 2011 Northeast Coordinated System Plan to be available by the 1<sup>st</sup> Quarter of 2012.

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

## **10.0 Other Items**

**10.1 NYISO Operations Report** – Mr. Yeomans reported that for October 2011, the peak load occurred on Monday October 10, 2011 at 21,441Mws versus the all time summer peak of 33,939Mws on August 2, 2006. Off-peak loads were as low as 12,500Mws. Alert states were declared on 22 occasions, 17 for system frequency. There were 18 hours of Thunder Storm Alert spread over three events. No major emergencies were declared during the month. Six TLR Level 3s were declared in the month of October 2011 for a total of 24 hours. Loop flows have averaged about 150Mws. There were NERC/NPCC reportable events on October 11, 2011 and October 27, 2011.

**10.2 North American Energy Standard Board (NAESB)** – Mr. Ellsworth reported that the NAESB Management Committee met during the week of October 30, 2011. The primary issue is NAESB’s part in the gas-electric issue that has been unresolved for some time, i.e, NAESB has been asked to develop the Standard before the Rules have been set. Mr. Yeomans noted that the NYISO is developing a work scope for NYISO stakeholder examination of the coordination issue. Also, Mr. Ellsworth advised that Cyber Security is becoming a major issue on a number of government and industry fronts.

**11.0 Visitors’ Comments** – None

## **12.0 Meeting Schedule**

<u>Mtg.</u> <u>No.</u>	<i>Date</i>	<i>Location</i>	<i>Time</i>
#152	Dec 2, 2011	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#153	Jan 6, 2011	TBD.	9:30 A.M.

The open session of Committee Meeting No.151 was adjourned at 2:30 P.M.