

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 161 – September 14, 2012
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
George Loehr	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
William H. Clagett	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
George Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Vice Chair
Joe Hipius	National Grid, USA – Member
Arnie Schuff	New York Power Authority – Member - Phone
Scott Leuthauser	HQ US(Wholesale Sellers) – Alternate
Chris Wentlent	Wholesale Seller - Alternate

Others:

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chairman
Greg Campoli	New York Independent System Operator (NYISO)*
John Adams	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Kristin Bluvas, Esq.	New York Independent System Operator (NYISO)
Edward Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Bob Boyle	New York Power Authority – ICS Chairman

Visitors – Open Session:

Phil Fedora	Northeast Power Coordinating Council (NPCC)
M. Younger	Slater Consulting

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was held to discuss the FERC Black Start Settlement Conference.

- II. **Open Session**
 - 1.0 **Introduction** – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.161 to order at 9:30 A.M. on September 14, 2012 at the Albany Country Club, Voorheesville, NY.
 - 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. Loehr noted consulting work he has been asked to perform services for a National Grid affiliate, New England Power Co., regarding the next stage of the New England East-West Solution (NEEWS) Interstate Reliability Project. He agreed to send a description of the work to Messrs. Mager and Gioia to confirm that there is not a “conflict of interest”.
 - 1.5 **Executive Session Topics** – See item I above.
 - 2.0 **Meeting Minutes/Action Items**
 - 2.1 **Approval of Minutes for Meeting No. 160 (August 10, 2012)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Following discussion, Mr. Clagett moved for approval of the draft minutes. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee Members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #161-1**.
 - 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>
159-3	The statement was provided by Mr. Clayton at the August 10, 2012 Executive Committee meeting.
159-4	Mr. Duffy monitored the NPCC position on cranking power through August 2012.
159-5	The letter was sent by ConEd to rescind Exection 14.
159-7	The letter was sent by Mr. Mager in July, 2012.
160-2	Messrs. Duffy and Dahl were unable to resolve their cranking issues.
160-3	Mr. Dahl circulated the LIPA position on cranking path inclusion in BES prior to the August 10, 2012 Executive Committee meeting.

3.0 Organizational Issues

3.1 NYSRC Treasurer’s Report

- i. **Summary of Receipts & Disbursements** - Mr. Adamson provided the Summary of Receipts and Disbursements which showed a balance of \$94,000 at the end of August 2012. The projected year end budget variance is \$67,000 below the budget for the 2012. Mr. Adamson requested approval of a 4th Quarter Call-For-Funds of \$30,000 per TO. Following discussion, Mr. Loehr moved for approval of the Call-For-Funds. The motion was seconded by Mr. Hipius and unanimously approved by the Executive Committee – (13 to 0). Also, Mr. Adamson reported that RFPs were sent to two Auditing firms (the current Auditor and

one other who has expressed interest) for 2012. The responses are due by September 20, 2012.

3.2 Other Organizational Issues – Nothing additional to report.

4.0 Installed Capacity Subcommittee Status Report/Issues

4.1 ICS Chairman’s Report – Mr. Boyle summarized the major topics from the September 5, 2012 ICS meeting as shown below:

(a) 2012-13 Sensitivity Cases

The ICS made a small number of changes to the sensitivity cases approved by the Executive Committee. First, ICS had a placeholder for a limit on the number of SCR calls per month per zone that the MARS program would allow. Currently, the MARS program calls SCR as needed without limitations. ICS adopted 5 as the number of SCRs that could be called per month per zone. Secondly, the NYISO asked and ICS approved an additional 17th sensitivity case. The 17th case will update the external forecasts that change after the model is locked down. PJM normally updates its forecasts after NY’s cutoff date. Lastly, ICS reordered the sensitivities to ensure that those cases that the Executive Committee focuses on the most in the IRM determination process are completed first.

(b) IRM Parametric Results

Mr. Boyle presented and discussed Table 1, Parametric IRM Impact Comparison 2013 IRM Study (Preliminary Base Case) vs. 2012 IRM Study. The largest increases are due to updated SCR modeling (0.7%), LFU (0.5%), external assistance (0.5%), and outage cable rates (0.4). The largest decreases were an updated EFORd Model (-0.8%), the Hudson Transmission Project and updated Cross Sound Capacity (-0.3%), and an updated load forecast (-0.3%). The net impact of all parameter changes is an increase of 1.1% leading to a 17.2% IRM.

(c) Preliminary IRM Based on Tan 45 Analysis

The NYISO’s proposed IRM for running sensitivity cases was 17.1%. LIPA’s IRM analysis, using the same data, was 17.2%. ICS believes that the differences between the two are due to rounding. ICS selected 17.2% as the IRM for sensitivity runs. The Tan 45 curves were presented for Long Island and New York City and showed Locational Capacity Requirements (LCRs) of 101.0% and 85.4%, respectively.

Following discussion, Dr. Sasson moved for approval to use the preliminary 17.2% IRM base case to perform the sensitivity analysis. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

5.0 Reliability Rules Subcommittee Status Report/Issue

5.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that the joint RRS/RCMS meeting was held on September 6, 2012. Two separate meetings were held, each with its own agenda and minutes.

There was one new addition to the List of Potential Reliability Rules – Outstanding, PRR #112, System Restoration G-M1, G-M3.

5.2 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** – Mr. Clayton introduced PRR #112, System Restoration G-M1, G-M3, which was reviewed at the August 10, 2012 Executive Committee meeting. It has been reformatted and the Sections on testing requirements for gas turbines, combined cycle, hydro units and steam units were added to G -M1 for clarity and preciseness. In addition, the Compliance Elements, Implementation Plan and Comment Sections are included. The NYISO white paper, NYISO Description and Justification for Black Start Steam Unit Testing Changes, which was discussed at the last meeting provides the advantages of these rule changes and is attached to the PRR. Mr. Clayton added that RRS has reviewed the PRR fully and unanimously recommends its approval.

Mr. Gioia indicated that there is a timing issue in that the NYISO has submitted its filing to FERC to revise its Tariff on black start requirements with an effective date of November 1, 2012. In order to meet this date, a normal (45 day) or expedited (15 day) posting by the NYSRC must be addressed as the posting period under a normal process would not be over until October 29, 2012. An expedited posting would provide time to address any comments and complete the necessary RRS review. However, a rule approved on an ~~the~~ expedited process cannot be in place for no more than one year in accordance with Policy 1. Mr. Mager added that his current understanding is that while the NYISO requested normal posting with a special Executive Committee call on October 29, 2012 to vote on the PRR, it would also support the Executive Committee's decision to use the expedited process if it could shortly thereafter resubmit PRR #112 for permanent approval. Dr. Sasson moved to approve PRR #112 for "posting for review and comment" on an expedited basis. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

5.3 NPCC/NERC Standard Tracking

- NERC Standards Development** – Mr. Adamson indicated that RRS is preparing a plan to revise the Reliability Rules to recognize the NERC TPL-001, the NPCC Directory 1, and the revisions to the NERC BES Definitions.
- NPCC Standards** – Nothing new to report.

5.4 Other RRS Issues

- Black Start – FERC Settlement** – The discussion was held in Executive Session.
- Request to Rescind Con Ed Exception 14** – Mr. Clayton reminded the Executive Committee that at the last Executive Committee meeting, it received a presentation by Dr. Sasson regarding the rescission of Exception 14 from the Exceptions to the NYSRC Reliability Rules. The NYISO Operating Committee approved the rescission on August 16, 2012. RRS discussed Exception 14 and recommends Executive Committee approval to remove it from the Exceptions List. Dr. Sasson moved for approval of the rescission of Exception 14. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13 to 0). Mr. Gioia noted that a letter will be prepared and sent to the NYISO and ConEd indicating the Executive Committee's decision and the reasons for it – **AI #160-6**.
- Formatting of the Rules** – Mr. Clayton indicated that RRS discussed reformatting of the Rules. A small group will meet with the NYISO to convey use of the NERC and NPCC format.
- Exceptions Review** - Mr. Clayton added that RRS has begun reviewing all the existing Exceptions with particular attention to Exceptions that are out of date or single contingencies that result in the exceeding of STE ratings. Four more Exceptions (all legacy) meeting this criteria, out of a total of 21 were found. The TOs are required to review the status of its Exceptions each year and report to the NYISO. It was agreed to note their existence but expend efforts on higher priority issues at this time.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton indicated that RCMS met following the RRS meeting.

6.2 2012 New York Reliability Compliance Program – Mr. Clayton reported that at its September 6, 2012 meeting RCMS found the following Measurements to be in full compliance:

- (a) C-M5, Reporting generation unit outage data to the NYISO,
- (b) C-M11, Certification that disturbance recording devices have been installed and data reported as required
- (c) K-M1, Compliance of NYISO Manual procedures with the NYSRC Reliability Rules, and
- (d) K-M2a 2012 NYCA transmission review.

Regarding C-M14, Procedure for reporting SCR performance data to the NYISO and calculating SCR performance, the PRR 109 implementation plan does not require a compliance finding in 2012. The documentation provided by the NYISO will be forwarded to ICS for review at its next meeting. RCMS will receive and review the ICS findings by October 4, 2012 – **AI #161-2.**

6.3 Other RCMS Issues – Nothing additional to report.

7.0 State/NPCC/Federal Energy Activities

7.1 NPCC Report – Mr. Fedora reported that the Reliability Coordinating Committee (RCC) met on September 12, 2012 and approved the posting for NPCC membership balloting of the Reliability Reference Directory #5, Operating Reserve with a RCC recommendation for approval. Also, the RCC retired the Milestone Sever Line Overload Detector (SLOD) Type 1 SPS and approved the New England – New Brunswick Reserve sharing agreement per Directory #6. Mr. Schwerdt gave an overview of the comments received on the BES NOPR at the RCC meeting. It is thought that FERC will issue a final ruling by the 4th Quarter of this year.

The NPCC General Meeting will be held on November 28, 2012 at the Omni Mount Royal in Montreal, Quebec. The sessions will include an introduction by Jerry Cauley, the President of NERC, an update on Phase 2 of the Standards Drafting Team’s activities pertaining to the BES, and NERC progress on the development of a process to track and document BES Exceptions submitted following the NERC Rules of Procedure. There will be several Standards and Compliance workshops to explain the process. The second half of the General Meeting will be a panel session addressing the interdependency between the gas and electric industries with representatives from ISO-NE, NYISO, IESO, NERC, and the Northeast Gas Association. Mr. Richard Levitan of Levitan Associates will moderate the session. The session will close with a summary of CIP version 5 by Greg Goodrich of the NYISO.

7.2 BES Definition – Cranking Path - Mr. Clayton reminded the Executive Committee that he was requested to prepare a statement that could be sent to NPCC for consideration in its response to FERC’s request for comments on its NOPR. The issue is whether the cranking path, which is currently excluded from the BES Definition, represents a “reliability gap”. The statement was developed with the assistance of Mr. Duffy and presented at the August 10, 2012 Executive Committee meeting. At the meeting, Mr. Dahl expressed the view that in terms of a “reliability gap”, the cranking paths which are critical to reliability are or will be covered with the implementation of the 100kV BES Definition under the EOP Restoration Plan. Since the meeting, Messrs. Clayton, Duffy, and Dahl were unable to resolve their differences in time to provide comments.

8.0 Key Reliability Issues

8.1 Defensive Strategies – Mr. Smith reported that a Workshop on the Controlled System Separation Study (CSSS) was held at the NYISO on September 6, 2012. EnerNex provide a comprehensive

review of all project work to date including coherent generation groups within New York and separation scenarios (where the system is likely to separate and under what conditions this is likely to happen).

Indicators derived from phase angle measurements (PMU data) that provide an early indication of impending separation of the New York system include: (a) Angle, (b) Angle rate, (c) Accumulation of angle rate changes relating to kinetic energy changes of coherent groups, and (d) Trajectories of angle acceleration vs. angle rate. Recommended thresholds associated with the various indicators were developed during the project and reviewed. The rationale for their recommended values was presented. Candidate separation interfaces and concepts were identified including isolation of Oswego complex, and total East interface. Several other concepts including widespread generation tripping and isolation of the entire New York control area were tested and found unsuccessful.

Performance of controlled separation for the above interfaces required lead time to maintain stability, and coordination with UFLS. Preliminary conclusion indicates possible success for approximately half of the extreme scenarios tested. Success/failure relates to which interfaces are stressed prior to the event for the heavy load extreme contingencies. Timing is extremely tight.

Extreme disturbances within PJM were not a problem for New York nor were faults at Millbury (New England) with delayed clearing. Delayed clearing at Clairville, Ontario causes separation in New York. Future actions include: (a) Development of a proxy for the 2003 blackout, (b) Simulations to determine the impact of potential application of out-of-step block relaying, (c) Further testing of separation concepts for within criteria faults to demonstrate security and extreme disturbances to determine dependability, (d) Focus on all remaining incomplete items in the project scope, and (e) Holding a final workshop in early December 2012. Mr. Smith is preparing a follow-on scope of work – **AI #161-3**.

8.2 NYSRC/DEC Meeting – Mr. Clayton indicated that the NYSRC/DEC Group met on August 27, 2012. He reported that the Greenhouse Gas Performance Standard became effective on July 12, 2012 pursuant to Article 10, the power plant siting law. Article 10 now includes an Environmental Justice Rule addressing the placement of new plant in disadvantaged areas. Also, Mr. Clayton noted the Cross-State Air Pollution Rule (CSAPR) was vacated. The fallback regulatory position is the existing Clean Air Interstate Rule (CAIR) which is not as severe. The DEC is reviewing the courts decision to decide what to do next.

The discussion on the Regional Greenhouse Gas Initiative (RGGI) is on-going. Emissions are 18-20% lower than in the 2011 reference case. It is felt that the cause is not RGGI, but instead the slowing economy. Some stakeholders are suggesting that the emissions caps should be lowered.

9.0 State/Federal Energy Activities

9.1 NYISO 2012 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams reported that the preparation for CARIS 2 studies began upon completion of the CARIS 1 Report. The Assumption Matrix was sent to the BIC prior to the August 15, 2012 meeting. Requests for further clarification were made. Further information was provided to the ESPWG for its August 24, 2012 meeting and additional information was provided for the September 4, 2012 meeting.

A final draft of the 2012 RNA Report was approved by the Operating Committee on August 16, 2012 and by the Management Committee on August 29, 2012. The report will be forwarded to the NYISO Board for review and approval. After the report is released, a public information meeting will be held and requests for solutions to Reliability Needs will be issued. Solutions will be evaluated during the Comprehensive Reliability Plan study and report.

The 2012 Load and Capacity Report (Gold Book) was completed and released on April 27, 2012. It can be found on the NYISO web site at http://www.nyiso.com/public/webdocs/services/planning/planning_data_reference_documents/2012_GoldBook.pdf.

9.2 Interregional Transmission Studies

i. **EIPC Study** – The final Phase I report is posted at <http://eipconline.com/Resource Library.html/>. The three final scenarios selected were: (a) national carbon constraint with increased energy efficiency/demand response/distributed generation, (b) regionally implemented national RPS, and (c) “business as usual”.

The Phase II schedule is posted at <http://eipconline.com/Phase II Resources.html/>. The three future resource scenarios are being evaluated with fully developed transmission build-out options that meet reliability requirements (Tasks 7 & 8). The reliability review (Task 8) of Scenarios 1 & 3 is nearly complete. Transmission options are being developed for Task 2. The results and draft map of constraints and transmission build-outs are posted at <http://eipconline.com/PhaseII Modeling Results.html>. Production cost analyses will be performed for each scenario based upon the power flow modeling and transmission expansion options developed under Tasks 7 & 8 (Task 9). Analysis has begun; initial results are due in early September 2012. High-level estimates of the capital costs of the interregional generation resources and transmission expansion options will be developed (Task 10). A Phase II report is scheduled for completion by the end of December 2012.

The Modeling Working Group (MWG) is a forum for stakeholders to review inputs to the production cost analysis. WebEx meetings are scheduled for September 5, 10 and 12, 2012. The next Stakeholder Steering Committee meeting is September 20-21, 2012 in Detroit, Michigan.

ii. **IPSAC Study** – Mr. Adams indicated that a WebEx/teleconference was held on August 27, 2012 which focused on the scope of work for the 2012 NCSP: coordinated production cost database, and updates on the interregional gas study, environmental regulations and the FERC Order 1000

9.3 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – For August 2012, the peak load occurred on Friday, August 3, 2012 at 30,989Mws versus the all time summer peak of 33,939Mws on August 2, 2006. There were no Major Emergencies declared. Alert states were declared on 4 occasions; once for system frequency. Storm Alerts were declared 7 times during the month for a total of 35 hours. There were no TLR Level 3’s declared during the month. On 15 occasions reserves were activated; and 6 of the pickups were for ACE.

10.2 North American Energy Standard Board (NAESB) – Mr. Ellsworth reported that the North American Energy Standards Board (NAESB) Gas and Electric Harmonization Study will go to the NAESB Board next week. He agreed to provide copies for distribution – **AI #161-4**.

10.3 NYSERDA T&D Study – Mr. Loehr reported that the State Energy Planning Board approved the T&D Reliability Study and Report on August 30, 2012 and it was delivered to the Governor and Legislature on August 31, 2012. The document can be found on the New York State Energy Plan website: <http://www.nysenergyplan.com/reliabilitystudy.html>.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#162	Oct. 12, 2012	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#163	Nov. 8, 2012	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No.160 was adjourned at 1:20 P.M.

