

**Final Minutes**  
**New York State Reliability Council, L.L.C. (NYSRC)**  
**Executive Committee**  
**Meeting No. 162 – October 12, 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 - Phone                                    |
| George Loehr              | Unaffiliated Member                                         |
| Bruce Ellsworth           | Unaffiliated Member                                         |
| William H. Clagett        | Unaffiliated Member                                         |
| Richard J. Bolbrock, P.E. | Municipal & Electric Cooperative Sector – Member – Phone*   |
| George Smith              | Unaffiliated Member                                         |
| Peter Yost                | Consolidated Edison Co. of N.Y. – Phone                     |
| Joe Hipius                | National Grid, USA – Member                                 |
| Arnie Schuff              | New York Power Authority – Member - Phone                   |
| Scott Leuthauser          | HQ US(Wholesale Sellers) – Alternate                        |
| Tom Duffy                 | Central Hudson Gas & Electric - Phone                       |

**Others:**

|                  |                                                   |
|------------------|---------------------------------------------------|
| Al Adamson       | Consultant & Treasurer                            |
| Paul Gioia, Esq. | Counsel                                           |
| Roger Clayton    | Electric Power Resources, LLC – RRS/RCMS Chairman |
| Henry Chao       | New York Independent System Operator (NYISO)      |
| John Adams       | New York Independent System Operator (NYISO)      |
| Carl Patka, Esq. | New York Independent System Operator (NYISO)      |
| Wes Yeomans      | 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.162 to order at 9:30 A.M. on October 12, 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 with the exception of New York State Electric & Gas/RG&E.
  - 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** – See item I above.
  - 2.0 **Meeting Minutes/Action Items**
    - 2.1 **Approval of Minutes for Meeting No. 161 (September 14, 2012)** – 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. Clagett and approved by the Executive Committee Members in attendance – (12 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #162-1**.
    - 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>                                                                                                  |
|----------------------|------------------------------------------------------------------------------------------------------------------|
| 70-8                 | Duplicated by AI # 80-11.                                                                                        |
| 159-6                | No longer relevant.                                                                                              |
| 160-4                | Resolved by an expedited PRR approval process.                                                                   |
| 160-5                | RRS recommended the NYISO approach to Black Start testing at the September 14, 2012 Executive Committee meeting. |
| 160-6                | A letter was sent by Mr. Gioia on September 17, 2012.                                                            |
| 161-2                | The ICS comments were reviewed at the September 14, 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 \$118,000 at the end September of 2012. The projected year end budget variance is \$66,000 below the budget for the 2012. Mr. Adamson indicated that \$60,000 were received in September and October 2012 toward the 4<sup>th</sup> Quarter Call-For-Funds of \$30,000 per TO.
- ii. **2012 Audit** - 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 were due by September 20, 2012. The responses were reviewed by the NYSRC Accountant, Colleen Campoli, and found to meet general accounting practices. However, current Auditors’ (Slocum, DeAngelus & Assoc.) proposed costs were about 25% lower. Given NYSRC satisfaction with Slocum, DeAngelus & Assoc., its preparation of certain tax forms and the cost difference, Mr. Adamson recommended retaining

Slocum, DeAngelus & Assoc. for \$2,975 to perform the 2012 audit. Following discussion, Mr. Ellsworth moved to retain Slocum, DeAngelus & Assoc. for the 2012 audit. The motion was seconded by Mr. Claggett and approved by the Executive Committee Members in attendance – (12 to 0).

### 3.2 Other Organizational Issues

- i. **2013 Meeting Dates** – The NYSRC was informed that the April 12, 2013 meeting date could not be accommodated by the host. Therefore, it was decided to set the meeting back one day to April 11, 2013. Mr. Adamson agreed to update the meeting schedule to include this change.
- ii. **Conflict of Interest** – Mr. Gioia reminded the Executive Committee that Mr. Loehr has been retained by a National Grid affiliate, New England Power Co., to assist in a matter before the Massachusetts Commission Siting Board regarding the New England East-West Solution (NEEWS) Interstate Reliability Project. On September 20, 2012, Mr. Gioia sent an email to all Executive Committee members and alternates asking whether any member of the Executive Committee was concerned regarding Mr. Loehr’s engagement with New England Power Co. from a “conflict of interest” perspective. Mr. Gioia’s email included the relevant provisions from the NYSRC Code of Conduct and attached a description of the work distributed by Mr. Loehr on September 14, 2012. There were no expressions of concern raised by the Executive Committee members. Thus this engagement by Mr. Loehr is deemed not to violate the “conflict of interest” provisions of the Code of Conduct.
- iii. **Retention Agreement** – Mr. Gioia informed the Executive Committee that he has joined the law firm, Whitman Osterman & Hanna LLP. Therefore, he requested that the Executive Committee approve a revision to the current Retention Agreement reflecting this change. Mr. Loehr moved for approval of the revision. The motion was seconded by Mr. Clayton and approved by the Executive Committee Members in attendance – (12 to 0) – **AI #162-2**.

### 4.0 Key Reliability Issues

**4.1 Defensive Strategies** – Mr. Smith reported that a Controlled System Separation Study (CSSS) webinar was held on September 27, 2012. Mr. Smith discussed several areas in which progress has been achieved:

1. A proxy case for the 2003 blackout was developed and analyzed. Although the major power swings are similar to those of the actual 2003 disturbance, out-of-step tripping sequences could not exactly match those occurring in 2003. Further testing is planned.
2. Further testing of the delayed clear fault at Claireville, Ontario was performed. This testing caused separation of NY from western PJM and separation at Total East in NY. It was noted that the separation indicators responded differently prior to the separation and that the thresholds identified for the Marcy emergency contingencies may not be appropriate for all cases.
3. An additional separation indicator was developed and tested for two of the extreme contingencies and showed some promise with regard to differentiating between stable and unstable cases. Further evaluation for additional cases is planned.
4. Several tests were performed for light load cases since all the testing to date has been for heavy load cases with extreme contingencies internal to NY. Although large oscillations were observed, no uncontrolled separations resulted.
5. Additional testing was performed for one of the internal extreme contingencies to determine the impact of an out-of-step protection system in addition to a controlled separation scheme. The results indicate that this mode of system protection may not afford any benefit for the condition under test. Further review by Jim Ingleson is needed to confirm this preliminary indication.

In addition to reviewing the recent CSSS (Controlled Separation System Study) webinar held by the NYISO, Mr. Smith discussed possible plans to continue research on defensive strategies after completion

of the CSSS by year end 2012. He reported on conversations with NYISO engineers working on the project, Mr. Zach Smith and Mr. Henry Chao. In addition, Mr. Smith talked with Dejan Sobajic, NYISO's lead consultant on the project noting that Mr. Sobajic was instrumental in helping him develop the original scope of the CSSS and obtain DOE funding for the project. Also Mr. Smith communicated with Mr. Loehr and Mr. Clagett who are also monitoring the CSSS. The focus of these discussions was to determine if follow-on work could be formulated and pursued immediately following completion of the CSSS and if potential funding sources could be identified.

The CSSS results obtained to date, while promising, are not definitive enough at this point to define a clear path forward. Therefore, based on the discussions cited above, Mr. Smith recommended waiting until conclusion of the CSSS at year end. With full review of the final report, a discussion of possible areas of focus could best be undertaken. Tentatively, Mr. Smith will organize a presentation to the EC at its February 2013 meeting – **AI #162-3**.

Regarding potential funding, Mr. Smith contacted Mr. Michael Razanouski of NYSERDA and found that "Smart grid research" funds were available based on a proposal due October of this year. This is too soon based on the present status of the CSSS. Mr. Razanouski did indicate that funding opportunities will be available with proposals due in April and October of 2013.

**4.2 Black Start – FERC Settlement Conference** – The discussion was held in Executive Session.

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

**5.1 ICS Chairman's Report** – Mr. Boyle summarized the major topics from the October 3, 2012 ICS meeting as shown below:

### (a) Load Shape – Zone Probabilities

Mr. Boyle indicated that the goal is to develop the data necessary to utilize the probabilistic load shape modeling capability that recently became available within MARS.

Mr. Boyle asked Mr. Adams to present A Proposed Methodology for Assigning Load Shapes to Load Uncertainty Bins developed by the NYISO. The methodology entails developing an Index based on the 30 highest load days for each year of data. Thirty days has been found to capture a large portion of the LOL in a given year. A per unit measurement is then calculated by dividing the 30 highest load days for each year by the normalized peak load for each year. The thirty per unit values for each year are then averaged to create a single Index (per year). The probabilistic load shape may then be determined by mapping the Index per year to the seven load uncertainty bins modeled in MARS. The methodology has been demonstrated for New York State, but similar results for external areas remain to be developed. Mr. Boyle indicated that the NYISO methodology will be considered after further testing and review for application in the 2014 IRM Study.

### (b) EFORd Review

Mr. Boyle reported that Dr. Singh is performing a review of the implementation of the AVA EFORd model in the approved MARS base case. Mr. Yost suggested that a "backup" base case be developed using the EFORd model in the 2012 IRM Study. Both Mr. Adamson and the NYISO felt strongly that there is not sufficient time to develop another base case and still meet the 2013 IRM Study's schedule. The Executive Committee concurred.

### (c) New Capacity Zones

Mr. Boyle reported that at the October 1, 2012 ICAP working group meeting, the NYISO presented assumptions and inputs that are needed to determine if creation of a new capacity zone is necessary. Among the assumptions was a need for indicative LCRs. Due to the importance of this issue, the NYISO and ICS will work together in determining how the LCRs should be determined.

An ICS Subcommittee was formed including Mark Younger (Supply Side Consultant), Glenn Haake (Demand Response Consultant), Scott Leuthauser (Supply Side Consultant), Greg Chu (Con Ed), Kelvin Chu (Con Ed), Mr. Luting (Con Ed), Rick Roby (Supplier), and Polina Adelson (LIPA).

(d) 2013-14 Sensitivity Cases

Mr. Boyle presented a table which among other things summarized some of the results of the sensitivity cases relative to the preliminary 2013 IRM base case. The largest changes included: (i) NYCA isolated (+7.7%), (ii) No forecast Uncertainty (-9.3%), (iii) No wind (-4.6%), (iv) Retirement of IP 2&3 (+5.0%), and limited SCRs to 5 calls per month per zone (+3.1).

Mr. Adamson noted that ICS items for the November 8, 2012 Executive Committee meeting include approval of the 2013 base case and discussion of the draft 2013-14 IRM Study Report. The NYISO will be providing the Environmental and Transmission sections of the 2013 IRM Report.

**6.0 Reliability Rules Subcommittee Status Report/Issue**

**6.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on October 4, 2012. Two separate meetings were held, each with its own agenda and minutes. Mr. Clayton introduced the List of Potential Reliability Rule Changes and noted that the Reactive Power Working Group will give RRS a status report on PRR #8, Reactive Power and Resource PF Requirement, at its next meeting. PRR #113, System Restoration G-M1 & G-M3 was added to the list to add specificity to the present rules for establishing adequate black start capacity to reduce restoration time.

**6.2 Status of New/Revised Reliability Rules**

**i. Proposed NYSRC Reliability Rules Revision**

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

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

**1. PRRs for EC Final Approval** – Mr. Clayton indicated that PRR #112, System Restoration G-M1, G-M3, was approved for “expedited posting” at the September 14, 2012 Executive Committee meeting. There were no comments received. RRS has reviewed the final PRR #112 and recommends final approval by the Executive Committee. Mr. Claggett moved for approval of PRR #112. The motion was seconded by Mr. Loehr and approved by the Executive Committee members in attendance – (12 to 0). Mr. Yeomans assured the Executive Committee that a new PRR identical to PRR #112 would be requested by the NYISO for normal processing (vs. expedited which is in effect for only one year).

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

- None

**3. PRRs for EC Discussion**

- None

**6.3 NPCC/NERC Standard Tracking**

- NERC Standards Development** – Nothing new to report.
- NPCC Standards** – Nothing new to report.

**6.4 Other RRS Issues**

**i. Formatting of the Rules** – Mr. Clayton indicated that he and Mr. Adamson met with Paul Kiernan and Jim Grant (NYISO) to discuss the formatting changes. It was their view that it is much easier to work with Reliability/Compliance requirements that are in a format similar to that of NERC and NPCC and in a single document. Mr. Adamson has developed two approaches: (a) bring the Rules and Compliance templates into one template and adapt the format (to the extent possible) to that of

NERC without any Rule and Compliance Element changes and (b) Re-write the Rules and Compliance Elements totally in the NERC format. RRS believes that the latter approach could lead to a new PRR for each Rule due to the necessary textual changes.

Mr. Hipius expressed support for approach (a) because altering the text will raise numerous new questions regarding interpretation of many of the textual changes. Mr. Clayton reminded the Executive Committee that eventually the Rules will need re-writing to accommodate the new BES Definition. RRS will provide examples and hopefully a recommendation at the November 8, 2012 Executive Committee meeting – AI #162-4.

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

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

**7.2 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-M13, Certification that disturbance recording devices have been installed and data reported as required
- (b) C-M14, Procedure for reporting SCR performance data to the NYISO and calculating SCR performance,
- (c) E-M7, MP evaluation of NYISO fault duty assessments, 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 was forwarded to ICS for review on October 3, 2012. On October 4, 2012 RCMS reviewed and agreed with ICS' findings.

**7.3 Other RCMS Issues** – Nothing additional to report.

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

**8.1 NPCC BOD Report** – Mr. Forte provided a written report summarizing the NPCC Board of Directors meeting held on Wednesday, September 19, 2012. Among the highlights noted by Mr. Forte were the following:

- (1) **Southwest Outage:** On August 30, 2012, NPCC sent NERC a summary assessment prepared by the NPCC Task Forces of Regional activities taken to address applicable lessons learned from the joint FERC-NERC Summary Report on the Southwest Outage of September 8, 2011. Also, a fundamental assessment of the WECC corporate structure is underway that will most likely lead to an organizational separation of the Regional Entity and Reliability Coordinator functions by June 2013.
- (2) **NERC's Compliance Enforcement Initiative:** As an extension of NERC's initial Find, Fix, Track and Report filing with FERC last September 2011, NERC will begin exploring with the industry a proposal to expand the risk-based focus introduced in its compliance enforcement initiative so that there is more discretion within the monitoring of compliance with standard requirements. It is expected that the implementation of NERC's proposed approach will encourage registered entities to take proactive measures to reduce risk by rewarding those registered entities that established internal controls and compliance programs.

**8.2 NPCC Report** – Mr. Fedora indicated that the agenda has been set for the NPCC General Meeting on November 28, 2012 at the OMNI Mount Royal in Montreal, Quebec. Also, the BES Definition draft

Guidance Document has been posted for public comment. A notice was sent out regarding a NERC informational webinar on October 18, 2012 concerning the draft Guidance Document.

- **9.0 State/Federal Energy Activities**

**9.1 NYISO 2012 Comprehensive Reliability Planning Process (CRPP)** – Mr. Chao reported that the

latest CARIS Phase 2 base case results were presented to the ESPWG at its October 24, 2012 meeting.

Also, Four TOs presented updated Local Transmission Plans at the October 24 ESPWG/TPAS meeting. These updates will be used for the 2012 Comprehensive Reliability Plan modeling effort.

The 2012 RNA Report was approved by the NYISO Board on September 17, 2012 and released to the public. It is available at [www.nyiso.com](http://www.nyiso.com). A public information meeting was held on September 24 and requests for market-based and regulated solutions to Reliability Needs were issued on September 25, 2012. Solutions were requested by November 15, 2012 and 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](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/](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/](http://eipconline.com/Phase_II_Resources.html/). The transmission build-out options and reliability review are complete (Tasks 7 & 8).

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). The results are posted as available, and reviewed by the Modeling Working Group. Results and a map of constraints and transmission build-outs are posted at: [http://eipconline.com/PhaseII\\_Modeling\\_Results.html](http://eipconline.com/PhaseII_Modeling_Results.html).

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 and results of the production cost analysis. WebEx meetings are scheduled for the week of October 1, 2012. The Stakeholder Steering Committee was held on September 20-21, 2012 in Detroit, MI.

**ii. IPSAC Study** – Mr. Chao indicated that a WebEx/teleconference was held on August 27, 2012 which focused on the scope of work for the 2012 NCSP and the coordinated production cost databases. In addition, the WebEx/teleconference included 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** – Mr. Yeomans reported that for September 2012, the peak load occurred on Friday, September 7, 2012 at 28,127Mws versus the all time summer peak of 33,939Mws on August 2,

2006. There were no Major Emergencies declared. Alert states were declared on 8 occasions; four times for system frequency. Storm Alerts were declared 4 times during the month for a total of 19 hours. There were no TLR Level 3s declared for the second consecutive month. On 14 occasions reserves were activated; and 7 of the pickups were for ACE. Lake Erie circulation was light with the four Phase shifter in operation. NYSEG and ConEd are studying potential low voltage conditions at Coopers-Corners.

**10.2 North American Energy Standard Board (NAESB)** – Mr. Ellsworth mentioned the July - September 2012 NAESB Bulletin which was distributed by email on October 6, 2012. He noted that the first page of the Bulletin provides a good summary of the NAESB Gas and Electric Harmonization Study. He agreed to provide copies of the Study for distribution – **AI #161-4.**

**11.0 Visitors’ Comments** – None

**12.0 Meeting Schedule**

| <u>Mtg.</u><br><u>No.</u> | <u>Date</u>  | <u>Location</u>                         | <u>Time</u> |
|---------------------------|--------------|-----------------------------------------|-------------|
| #163                      | Nov. 8, 2012 | Albany Country Club, Voorheesville, NY. | 9:30 A.M.   |
| #164                      | Dec. 8, 2012 | Albany Country Club, Voorheesville, NY. | 9:30 A.M.   |

The open session of Committee Meeting No.162 was adjourned at 2:30 P.M.