

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 170 – June 13, 2013
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

Mike Mager, Esq.	Couch White, LLP (Large Customers' Sector) – Member - Chair
Curt Dahl	LIPA - Alternate
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Scott Leuthauser	HQ US - Alternate
Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Vice Chair
Joe Hippius	National Grid, USA – Member
Arnie Schuff	New York Power Authority – Member - Phone
Tom Duffy	Central Hudson Gas & Electric – Member - Phone
George Smith	Unaffiliated Member

Others:

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
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:

Herb Schrayshuen	Power Advisors, LLC - Phone
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Peter Altenburger	National Grid, USA

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was requested to discuss compensation.

II. Open Session

1.0 Introduction – Chairman Mager called the NYSRC Executive Committee (Committee) Meeting No.170 to order at 9:30 A.M. on May 10, 2013 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. 169 (May 10, 2013) – 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. Bolbrock and unanimously approved by the Executive Committee Members in attendance – (12 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #170-1**.

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>
166-3	The Compensation Committee Report was provided May 31, 2013.
166-7	The General Liability Insurance was bound May 31, 2013.
168-4	The letter was sent to Mr. Ning on April 16, 2013.
168-5	Mr. Gioia provided a description of the Election Procedure on April 25, 2013.
169-4	The Executive Secretary received letters specifying TO Membership by May 31, 2013.
169-5	Nominations for Vice-Chair were provided by June 13, 2013.

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 \$120,000 at the end of May 2013. He requested a 3rd Quarter Call-For-Funds of \$25,000 per TO. The Executive Committee concurred. Also, Mr. Adamson indicated that the Call-for-Funds letter will include an electronic payment option requiring the name of the bank, routing # and the NYSRC account #. Mr. Adamson requested that the TOs (Executive Committee members) using the electronic payment option send him an email after each payment indicating the date and amount of the payment –**AI #169-2**. ConEd, NYSEG/RG&E and NYPA have indicated their possible use of the option.

3.2 Other Organizational Issues -

i. General Liability Insurance - Mr. Gioia indicated that the new Liability Insurance policy was bound at the same premium. Some coverage exclusions were added by the insurer. Our broker

advised that no other insurer would provide more favorable coverage and that insurers are reluctant to write policies for the NYSRC because of its unique functions and responsibilities. The change in terms is not expected to impact the NYSRC.

ii. Membership Selection

(a) **Affiliated Members** – Messrs. Mager and Raymond summarized the affiliated members roster for the two year term beginning August 1, 2013.

<u>Organization</u>	<u>Membership</u>	
	<u>Member</u>	<u>Alternate</u>
CHG&E	T. Duffy	F. Pace
ConEd	M. Sasson	M. Forte
LIPA	K. Dahl	P. DeCotis
National Grid	P. Altenburger*	R. Pfleiderer*
NYPA	A. Schuff	L. Hockberg
NYSEG/RGE	R. Kinney	D. Kimiecik
Wholesale Sales	C. LaRoe	S. Leuthauser C. Wentlent R. Roby
Large Customers Munis & Coops	M. Mager R. Bolbrock	R. Loughney M. Cordeiro

* Mr. Altenburger will also complete the current term of Mr. Hipius upon his retirement on June 30, 2013, and Mr. Pfleiderer will serve as alternate replacing Ms. Sedewitz for the remainder of the current term.

(b) Unaffiliated Members

Mr. Gioia reported that he canvassed the current unaffiliated members (Messrs. Clagett, Ellsworth, Loehr and Smith) and each is willing to serve another term.

iii. Officer Selection – Mr. Mager indicated that one individual has been nominated for each the Chair and Vice-Chair positions, Dr. Sasson and Mr. Dahl, respectively. Mr. Ellsworth moved for approval of the slate. The motion was seconded by Mr. Clagett and approved unanimously by the Executive Committee members in attendance – (12 to 0). Their one year terms will begin August 1, 2013.

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

4.1 ICS Chairman’s Report – Mr. Boyle reported that ICS met on June 5, 2013. He highlighted the ICS discussion including the following topics:

i. 2013-14 Base Case Assumptions Matrix

(a) Environmental Model

Mr. Carney (NYISO) discussed upcoming changes in the Environmental Model. He was asked by ICS to produce the amount of generation at risk of closing or mothballing.

(b) Load Forecast Uncertainty Model

Mr. Maniaci (NYISO) will provide preliminary lockdown load assumptions at the July 2013 ICS meeting.

(c) Renewable Generation Projects

Ms. Hogan (NYSERDA) presented the preliminary list of renewable projects to the ICS and the NYISO. She asked the ICS members to assist in verifying the list of projects to be included in the IRM study this year.

(d) Transmission Topology

A special meeting of TPAS will be held on June x, 2013 to review the topology. Once the

review is completed, the results will be presented to ICS via a conference call.

ii. IRM Study Model Development

(a) Multi-Year Load Shape Model

Mr. Adams presented the draft white paper “Modeling Multiple Load Shapes in Resource Adequacy Studies” prepared by the NYISO. ICS approved the white paper assuming no unexpected results will be forthcoming subject to report revisions and recommended approval by the Executive Committee. Dr. Sasson noted that in actuality entire multiple load shapes will not be modeled. Rather, the different bins of the single Load Forecast Uncertainty model will be populated by loads taken from multiple load shapes.

Mr. Mager moved for approval of the Multi-Year Load Shape Model subject to no unexpected changes from any additional testing. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee members in attendance – (12 to 0).

(b) Wind Shape Model

Mr. Drake (NYISO) presented a draft white paper recommending that the wind shape be based on the 2012 NYISO data rather than the GE random wing feature. A sensitivity study will also be done with the GE feature to quantify the impact – **AI #170-2**.

(c) Policy 5 – Outside World

The application of Policy 5 rules for external control areas results in a LOLE value that is much higher than 1.0 days/10 years for the PJM external area. The reason is that external area EOPs to assist NYCA are excluded by Policy 5 in the external area LOLE calculation. Since SCRs are now a much greater proportion of the resource base for areas such as PJM, their exclusion from EOPs results in a LOLE as high as 4.5 days/10 years. Therefore, the NYISO is proposing to bring the outside area’s LOLE closer to 1.0 day/10 years.

The NYISO presented language for inclusion in Policy 5 which would limit the LOLE value to no worse than 1.5 nor better than 1.0 days/10 years. ICS asked the NYISO to run sensitivity cases to provide ICS to have better understanding of the impact of the proposed Policy 5 change.

(d) Demand Response

Ms. Pratt reported that the NYISO is working on questions raised at the May ICS meeting. She did indicate that it would be reasonable to reduce the translation factor by 5.0%.

(e) EFORd Methodology Review

Dr. Singh has reviewed the new APA method and found it to be valid. Deviations from GADS data were found to be attributable to missing and overlapping event data. The missing data will be cleared up since GADS data is now required versus being optional. Dr. Sasson stated that ConEd was still waiting to receive and review the NYISO report on the subject before offering its final concurrence.

Mr. Boyle assured the Executive Committee that the current status does not place the IRM Study schedule in jeopardy.

4.2 Other ICS Issues – Nothing additional to report.

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 June 6, 2013. Two separate meetings were held, each with its own agenda and minutes. Mr. Clayton introduced the List of Potential Reliability Rule Changes and reported that PRR #97, BPS Facilities; B-R6 & B-M4 is under development. He added that there is a draft template for PRR #116, System Restoration G-M1 & LRR. It is under going review by Mr. Gioia before going to the NYISO for comment. Mr. Clayton indicated that he expects to bring PRR #116 to the Executive Committee’s August 9, 2013 meeting for its review – **AI #170-3**.

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**
 - None

5.3 NPCC/NERC Standard Tracking

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

5.4 Other RRS Issues

- i. Rules Enhancement Plan** – Mr. Clayton indicated that three sections of the Rules Enhancement Plan (REP) were discussed at RRS. It is hoped that sample templates will be available by the Executive Committee’s August 9, 2013 meeting.
Also, Mr. Clayton noted that a meeting has been scheduled with the NYSDEC on June 20, 2013.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on June 6, 2013 following the RRS meeting.

6.2 2013 New York Reliability Compliance Program – Mr. Clayton reported that RCMS found the NYISO to be in full compliance for the following Measurements:

- (a) E-M6, Pre-seasonal Fault Duty Assessment,
- (b) G-M1, NYISO Requirements for Maintaining the NYCA System Restoration Plan, and
- (c) K-M2b 2013 NYCA Resource Adequacy Assessment.

The documentation for E-M6 and K-M2b were found to be in full compliance. Supplemental information was provided for Porter, Astoria West, and North Port Stations for E-M6. The NYISO will supplement K-M2b with the impact of the retirement of Indian Pt 2 by the next RCMS meeting.

The G-M1 compliance documentation received from the NYISO on 4/25/2013 was revised by the NYISO and returned on 5/1/2013. The documentation was again found to be incomplete and in error. In accordance with the NYSRC lateness policy, the NYISO was given 30 days to correct the documentation to avoid a non-compliance finding. Revised documentation was received on 5/17/2013 and found to be complete.

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Key Reliability Issues

7.1 Defensive Strategies – Mr. Smith summarized opportunities for attaining additional funding for the Controlled System Separation Study (CSSS). He indicated that the primary opportunity is most likely through NYSERDA. It has Smart Grid funding opportunities referenced as PON 2715 to supplement control actions and reliability of the grid. Another opportunity is the Governor’s Super “Energy Highway” in which the DPS is leading the process regarding **permitting associated with transmission reinforcements**. The reinforcements will change system dynamic behavior of the New York transmission system, but while it is generally believed that adding transmission improves reliability under heavy load conditions, the reinforced system may not respond as well to extreme disturbances or beyond criteria events. Mr. Smith expressed the belief that any future DSWG studies should take the “Energy Highway” into consideration - **AI #170-4**. The configuration of transmission reinforcements are not likely to be finalized until the end of 2013.

Mr. Mager indicated that there may be another NYSERDA opportunity as a result of FERC's investigation of Constellation's trading group. A settlement was reached with Constellation for a penalty of about \$150M. Of this amount, FERC approved a \$20M allocation to NYSERDA for development of Advanced Transmission Technology. DSWG will explore this opportunity – **AI #170-5**.

DSWG will also hold a brainstorming exercise on August 8, 2013 to further the development of a study scope. Regarding PON 2715 there is a first round proposal due August 14, 2013 and a second round is due in February 2014. Mr. Smith hopes that with the assistance of the NYISO a proposal can be submitted for the first round – **AI #170-6**.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors – The next NPCC Board of Directors meeting is scheduled for June 25, 2013. However, Mr. Forte provided two documents in lieu of a Board report:

(a) 1st Quarter 2013 NERC Compliance Violation Statistics – CIP-007, Cyber Security – Systems Security Management, continues to be the most frequently violated standard. 7 CIP and 8 non-CIP standards comprise the top 15 violated standards. PRC-005 "Transmission and Generation Protection System Maintenance and Testing" has maintained its spot as the most violated non-CIP standard. The number of non-CIP violations appears to be leveling off, while the self-identification of possible violations continues to increase.

(b) NPCC Compliance Guidance Statement (CGS-005) - NPCC issued this Compliance Guidance Statement (CGS-005) associated with the NPCC Disturbance Monitoring Regional Standard PRC-002-NPCC-01 for the purpose of clarifying the monitoring and enforcement of the standard. The intent of PRC-002-NPCC-01 is to ensure that sufficient disturbance monitoring equipment exists on the system to effectively record faults in order to analyze reportable disturbances and events (as defined in NERC Reliability Standards EOP-004-1 and EOP-004-2) on the Bulk Electric System (BES).

NPCC has initiated a Regional Standard Authorization Request (RSAR) to effectuate a revision to PRC002-NPCC-01 that is expected to clarify the technical requirements of disturbance monitoring equipment (recognizing NERC Standard Development activities on this issue) and to result in the development of a separate implementation plan related to newly identified BES elements resulting from the application of the revised BES definition.

CGS-005 does not supersede the MVA qualifications clarified in CGS-004, Revision 0. Rather, CGS-005 works in concert with CGS-004, Revision 0 to clarify the PRC-002-NPCC-01 compliance obligations of the effected Registered Entities.

8.2 NPCC Report – Mr. Fedora reported that the RCC approved the Winter Probabilistic Multi-Area Reliability Assessment, Directory 12, Automatic Load Shedding Program Requirements and Directory 7, Special Protection Systems.

NERC has filed a petition with FERC to delay filing of the Definition of BES to July 1, 2014. The request was out for expedited comment and a FERC decision is expected shortly. NERC is moving full speed ahead until such time that a FERC decision is forthcoming. NERC has developed a new web site, BES Notification and Acceptance Process, which contains training dates for registered entities and the materials necessary to move forward with filing.

The Standards Drafting Team (SDT) is working on a second revised Definition of BES within its Phase II including items such as generator thresholds left over from the Phase I work. There were also several directives that came out of the FERC Orders approving the revised Definition of BES which will be addressed in Phase II. FERC will be asked to delay implementation until the Phase II work is completed. The proposed filing would go to the Board of Directors in December 2013 in anticipation of a formal filing with FERC before 2014. The filing is out for industry comment by July 12, 2013. There is a SDT meeting at the end of July 2013 to review the comments and provide answers. Once completed, the proposed filing will be balloted in time for Board review. If the delay is granted, NERC will need to

develop a new plan for presenting the requirement to the registered entities.

The NERC Project Management Organization has been working with the Regions to develop a “tool” that allows submittals of the self-notifications and exception requests. The proposed “tool” went out for user acceptance testing this week. Today, detailed Regional training on administrative use of the “tool” is taking place. A series of webinars regarding use of the “tool” is planned over the next two weeks. Also NPCC held several classroom sessions at the Standards and Compliance workshop in Cooperstown, NY. Messrs. Lotterhos and Schrayshuen will assist NPCC in evaluating exception requests.

9.0 State/Federal Energy Activities

9.1 CARIS – The Base Case for 2011 is complete including benchmarking the model results to 2011 actual congestion, LBMPs, power flows, and generator outputs. Modeling assumptions are now finalized. The next step is to complete the 10-year forecast of congestion and identify the congested elements. Market Participants have concerns with the NYISO’s proposed treatment of units submitting mothball and retirement notices post-CRP. The Market Participants and the NYISO have agreed to postpone any discussions on the alternative proposal until after the conclusion of the CARIS 1 process.

9.2 Interregional Transmission Studies

- i. EIPC Study** – On April 29, 2013, EIPC announced it has completed the transmission analyses as part of an electric system transmission planning effort funded by the U.S. Department of Energy (DOE). Phase II continues with a natural gas study that contemplates investigating the increasing reliance on natural gas for generating electricity. An RFP for the gas study will be issued by the end of the 2nd Quarter. Stakeholder webinars will be held on June 20 and 26, 2013 to discuss the gas study’s Statement of Work. Materials are posted at: <http://www.eiconline.com/Gas-Electric Documents.html>.
- ii. IPSAC Study** – The FERC interregional compliance filing deadline is July 10, 2013. On April 18, 2013 FERC “conditionally accepted” the NYISO regional compliance filing. Numerous conditions and revisions to the compliance filing are due August 16, 2016.

9.3 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 2013 Summer Capability Outlook – Mr. Yeomans presented a snapshot Load and Capacity Table for the forecast 2012 and 2013 Summer Capability Period at the baseline load forecast and the 90th percentile load forecast. For the baseline forecasts, the Operating Capacity Margin (available capacity less load and operating reserves) was 2882Mws and 1262Mws for 2012 and 2013, respectively. The Operating Capacity Margin forecast for 2013 Summer Capability Period at the 90th percentile load forecast was -1236Mws meaning that while all load would be served, 1236Mws would come from an operating reserve of 1965Mws.

Mr. Yeomans noted that (a) a total of 1694Mws have been retired since the 2012 Gold Book was issued, (b) the peak demand forecast decreased by 16Mws relative to the 2012 summer load forecast, and (c) an increase in retirements was a major factor causing the decreased NYISO Operating Capacity Margin compared to 2012.

10.2 NYISO Operations Report – Mr. Yeomans provided the NYISO Operations Report for May 2013. The peak load occurred on Friday, May 31, 2013 at 27,935Mws versus the all time summer peak of 33,939Mws on Wednesday, August 2, 2006. There were no Major Emergencies declared during the month. Alert states were declared on 10 occasions; 5 times for system frequency. There were 0 TLR Level 3s declared for a total of 0 hours. On 11 occasions reserves were activated, 2 for ACE. On May 30, 2013 a RPU/SAR was initiated for loss of Bowline 1 loaded at 530Mws. ACE crossed zero at 08:34 and the RPUs were terminated at 08:35.

10.2 North American Energy Standard Board (NAESB) – Nothing new to report.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#171	July 12, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.
#172	Aug. 9, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Committee Meeting No.170 was adjourned at 2:30 PM.