

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 173 – September 12, 2013
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Chair
Curt Dahl	LIPA – Member – Vice Chair
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 - Phone
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) – Member
Peter Altenburger	National Grid, USA – Member
Tom Duffy	Central Hudson Gas & Electric – Member
George Smith	Unaffiliated Member
Chris LaRoe	Independent Power Producers of NY (IPPNY) – Member - Phone
Arnie Schuff	New York Power Authority – Alternate – Phone
Frank Pace	Central Hudson Gas & Electric – Alternate

Others:

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Henry Chao	New York Independent System Operator (NYISO)
Chris Sharp, 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
Bob Boyle	New York Power Authority – ICS Chair

Visitors – Open Session:

Herb Schrayshuen	Power Advisors, LLC - Phone
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Patti Caletka	New York State Electric & Gas/RG&E - Phone
Erin P. Hogan, P.E.	NYSERDA

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was requested by Chairman Sasson to discuss administrative issues.
- II. **Open Session**
 - 1.0 **Introduction** – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.173 to order at 9:30 A.M. on September 12, 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.
 - 1.2 **Visitors** – See Attendee List, page 1.
 - 1.3 **Requests for Additional Agenda Items** – Vice Chair Report
 - 1.4 **Declarations of “Conflict of Interest”** – None
 - 1.5 **Executive Session Topics** – Discussion of administrative issues.
 - 2.0 **Meeting Minutes/Action Items**
 - 2.1 **Approval of Minutes for Meeting No. 172 (August 12, 2013)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Following discussion, Mr. Ellsworth moved for approval of the revised draft minutes. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #173-1**.
 - 2.2 **Action Items List** – The Executive Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
170-3	Mr. Clayton brought PRR #116 to the Executive Committee at its August 12, 2013 meeting.
170-5	EnerNex forwarded a proposal to NYSERDA on August 14, 2013.
172-2	Mr. Adamson re-issued the Summary of Receipts & Disbursements August 14, 2013.
172-4	PRR #116 was posted for comment on August 19, 2013.
172-5	The email vote on the MDMS proposal was held on August 12, 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 \$224,000 at the end of August. There are no budget items projected to exceed budget at year end. The Summary indicates receipt of the last payment toward the 3rd Quarter Call-For-Funds of \$25,000 per TO.
 - ii. **4th Quarter Call-for Funds** – Mr. Adamson recommended a 4th quarter Call-for-Funds of \$25,000 per TO due on October 1, 2013. Mr. Bolbrock moved for approval of the recommendation. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee – (13 to 0).
 - iii. **2013 Audit** – Mr. Adamson indicated that he had contacted Slocum, DeAngelus & Associates,

P.C., the Executive Committee's current Auditor for a proposal for the 2013 Audit since the audit requirements have not changed. The proposal is for \$3,125, which is \$150 more than the 2012 Audit. Mr. Adamson recommended the retention of Slocum, DeAngelus & Associates, P.C. for the 2013 Audit. Mr. Bolbrock moved for approval of the recommendation. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee – (13 to 0).

3.2 Vice Chair Report – Dr. Sasson indicated that he had asked Mr. Dahl (Vice Chair) to investigate a number of specific issues. Mr. Dahl gave a status report on the items below:

- (a) RRS/RCMS Structure – Mr. Dahl spoke with Messrs. Clayton, Loehr, and Adamson regarding whether the two current Subcommittees should be combined. Mr. Clayton brought the question to RRS and RCMS which raised a number of valid issues. Therefore, the question will be discussed once again at the next RRS/RCMS meeting. A recommendation will be brought to the Executive Committee as early as its October 10, 2013 meeting – **AI #173-2**.
- (b) Role of Research – Mr. Dahl indicated that as a result of issues raised by Mr. Duffy and others at recent Executive Committee meetings, it was decided to review the NYSRC's participation in research. The initial thought was that a Policy may be appropriate. More recently, it is felt that a less formal document that addresses such things as schedules, deliverables and budgets is adequate. Messrs. Dahl, Smith, and Duffy will be meeting shortly to prepare a recommendation that will balance the comments received from Executive Committee members – **AI #173-3**. Mr. Bolbrock expressed support for the use of a "Guideline" rather than Policy since research projects are few in number and are addressed by the Executive Committee on a case-by-case basis. Mr. Clagett stated that the Executive Committee is a New York State reliability organization and should be taking a leadership stance on projects that could enhance the ability to provide reliable service to customers.
- (c) Subcommittee Governance – Mr. Dahl reported that in discussion with Dr. Sasson both felt it advisable to have Vice Chairs at the Subcommittee level. The intent is to have a designated person in place to support the Chair. Term limits would not be specified. The Executive Committee concurred.

Dr. Sasson reported that Mr. Boyle has indicated that he must step down as the ICS Chair once the Executive Committee approves the 2014 IRM. He will continue as an ICS member. Dr. Sasson discussed possible candidates to replace Mr. Boyle with Messrs. Dahl and Boyle. It was decided to offer the Chair position to Erin Hogan and the Vice Chair position to Greg Chu (ConEd). Both have received the support of their respective Managements and accepted the positions. Ms. Hogan will serve as Vice Chair of ICS until Mr. Boyle steps down as Chair.

3.2 Other Organizational Issues -

- i. 2014 Meeting Schedule** – The Executive Committee discussed moving the meeting day from Friday (generally) of each month to Thursday for 2014. It was noted, among other things, that a change would conflict with certain NYISO meetings. As a result the Committee decided not to make a change. Mr. Loehr will distribute the final 2014 schedule – **AI #173-4**. Also, Ms. Hogan will reserve a meeting room for the January 2014 Executive Committee meeting in the event the Executive Committee decides to meet at NYSERDA.
- ii. Policy 3 Revision** – Mr. Adamson presented a revised Policy 3 to include (a) the Treasurer's duties as an appendix and (b) the electronic payment option for paying dues to the NYSRC. In addition, Dr. Sasson felt that the back-up check signing authority (Chair, Vice Chair, and Counsel) should be included in the Policy. Mr. Ellsworth moved for approval of the revised Policy 3 contingent upon the back-up check signing authority being added. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13 to 0).

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

4.1 ICS Chairman's Report – Mr. Boyle reported that ICS met on September 4, 2013. He indicated ICS is on track to complete and present the 2014 IRM Report as scheduled. This is contingent upon the NYISO having no unforeseen delays in completing the IRM Study. He further addressed the items summarized below:

a. Tan 45

The results of a Tan 45 analysis is a preliminary base case IRM of 17.1%. The preliminary base case will be used to analyze the sensitivity cases. A Final base case assumptions will be locked down on at the October 2, 2013 ICS meeting. A “special sensitivity case” will be prepared to include any subsequent assumption changes through mid-November.

b. Parametric Studies

The NYISO indicated that they are reviewing some EFORD data that could reduce the IRM. This requires lengthy hand calculations on 10 units. The updated EFORD's and SCR/EDRPs are increasing the estimated IRM by 0.9 and 0.8 percentage points, respectively. The new Multiple Load Shape and updated Neighboring Control Area Models reduce the estimated Model by 0.9 and 0.7 percentage points, respectively. Using the 2012 Wind Shape reduces the IRM by 0.1 percentage points. In aggregate (17 parameters), the net change from the 2013 Study is 0.0 percentage points, e. g. result in the same 17.1% IRM as the 2013 analysis.

c. List of Proposed Sensitivity Cases

The Executive Committee did not offer any changes to the current sensitivity list.

d. Status of Initial Quality Assurance Reviews

General Electric and ConEd have sent their reviews to the NYISO. Their questions have not been considered in the preliminary base case.

e. Overhead Transmission Outage Rates

Mr. Boyle indicated that an ICS working group was formed (Messrs. Ahmed, Chu and Younger) to investigate whether the approach being used for the LIPA cables in the base case can be applied at overhead interfaces.

f. New Capacity Zone

Mr. Boyle reported that ICS is at an impasse on whether to address the new capacity zones in the IRM Report and, if so, in what way. Dr. Sasson expressed the view that the new capacity zone should be acknowledged via a paragraph in the IRM Report, but without any numbers. Mr. Chao agreed and felt it is premature to consider numbers. Mr. Adamson pointed out that if the new capacity zone is mentioned in the IRM Report, it should also be alluded to in Policy 5. After further discussion, the Executive Committee concurred with the views expressed by Dr. Sasson and Mr. Adamson – **AI #173-5**.

4.2 “Material Changes” Post Setting of the IRM – Dr. Sasson reminded the Executive Committee that in early January 2013 it became known that a 500MW unit had retired post the setting of the IRM by the NYSRC, but before the LCRs were established by the NYISO. Lengthy discussion at that time concluded that the Executive Committee should not change the IRM that had been previously agreed upon. The NYISO Operating Committee (OC) approved the LCRs taking into consideration the 500MW retirement, and agreed to re-visit the issue at a later date to document how the issue would be treated in the future. At the request of Dr. Sasson, Mr. Chao summarized the NYISO's “Locational Capacity Requirement Calculation Process” which has now been updated to include the treatment of a “Material Change” after the IRM is set but before the NYISO determines the LCRs. A “material change” for the purposes of the Process is defined as individual changes that would increase or decrease generation, CRIS MW, or transmission transfer capability by 200MW or greater. Mr. Chao indicated that post the setting of the IRM, but before the approval of the LCRs, the NYISO would notify the Executive Committee of any material capacity changes together with the corresponding change in IRM for the Executive Committee to

consider before deciding whether to confirm its original IRM or to approve a changed IRM. The IRM decided upon by the Executive Committee will then be used by the NYISO to finalize the LCRs, thereby maintaining consistency between the IRM and LCRs.

Following additional discussion, Dr. Sasson reiterated the feedback on the Process by the Executive Committee: (a) When making the changes to accommodate a “material change” all known changes should be included, (b) the NYISO should confirm that the process will not impact any regulatory timing obligation, and (c) Messrs. Adamson and Adams should confirm that the updated process is consistent with NYSRC Policy 5. The NYISO agreed to address items (a)-(c) – **AI #173-6(a),(b),(c)**.

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 5, 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 #116, System Restoration G-M1 & LRR, was approved by the Executive Committee for posting. It was posted on August 19, 2013 with comments due by October 2, 2013. No comments have been received to-date. PRR #117, B-4: Publication of NYS BPS Facility List, remains under development with the NYISO.

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 – Dr. Sasson indicated that on a recent NERC ballot the NYSRC voted YES while some TOs voted NO. It has been the practice of the NYSRC to vote with NPCC unless the NYISO and/or TOs indicate otherwise to Mr. Adamson. Dr. Sasson suggested developing a process whereby input to Mr. Adamson would be formalized. Following discussion, the Executive Committee agreed to a trial process whereby Mr. Adamson provides an email (one per week) to the Executive Committee and NYISO once he has been informed by NERC that a ballot is scheduled. In the circumstance that timing requires circumventing the process, the Chairman would determine the NYSRC position.

ii. NPCC Standards – Nothing new to report.

5.4 Other RRS Issues

i. Rules Enhancement Plan (REP) – Mr. Clayton has requested that Mr. Adamson prepare a template to be presented to the Executive Committee when requesting an “Approval to Post”. A sample template will be provided for review and comment by the Executive Committee – **AI #173-7**. Approved postings will be “banked” by RRS and formally posted for comment in blocks.

ii. NPCC Directory 1 - Mr. Clayton reported that the Directory 1 CP-11 and CO-07 Working Groups will complete their update at the end of September 2013. The draft Directory will be returned to TFCP and TFCO for consideration to “post for comment” through the NPCC open process by the end of 2013.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on August 1, 2013 following the RRS meeting.

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

- (a) C-M4, Requirements for Reporting & Reviewing Generating Unit Outage Data,
- (b) C-M5, Reporting Generating Unit Outage Data to the NYISO,
- (c) C-M11, Reporting Load Flow, Short Circuit and Stability Data to the NYISO,
- (d) J-M1, NYISO/MP Communications Requirements, and
- (e) J-M2, Performance Data for Control Center Communications Interfaces.

6.3 Other RCMS Issues – Mr. Clayton noted that a meeting was held with the NYSDEC on August 15, 2013. He asked the DEC to review the matrix of all the various environmental issues under review including their description, environmental impact, responsible entity, status, and compliance. Mr. Clayton will have the results distributed – **AI #173-8**.

7.0 Key Reliability Issues

7.1 Defensive Strategies – Mr. Smith reported that the Major Disturbance Mitigation Study (MDMS) was submitted by EnerNex to NYSERDA on Wednesday August 14, 2013. He expressed appreciation to the NYISO for their help in supporting the proposal, getting it completed on short notice, printing the final document and delivering it to NYSERDA prior to the deadline. Mr. Smith also thanked the Executive Committee members for their rapid review and support of the proposal. EnerNex is the prime contractor and will perform the Contract Administration duties as well as perform the study. The NYISO will provide modeling information and technical review. Messrs. Smith and Loehr will offer technical guidance. The Defensive Strategies Working Group (DSWG) will be updated periodically. The contract awards will occur in October 2013 and the time duration is 12 months beginning in January 2014. The cost of the proposal is \$285,000 of which \$210,000 would be provided by NYSERDA to EnerNex to perform its work. The NYISO and NYSRC will provide \$50,000 and \$25,000 “in kind”, respectively for planning and oversight resources. The NYSRC contribution will be mostly pro bono work by Messrs. Smith and Loehr.

Mr. Smith indicated that the Controlled System Separation Study (CSSS) identified coherent generation groups and uncontrolled separation scenarios, effective and ineffective control measure, and developed algorithms based on PMU measurements. However, CSSS did not adequately simulate uncontrolled separation caused by power swings and the load/transfer/generation scenarios were limited to extreme disturbances. Also, the time between observations and control action was very short. Mr. Loehr noted the difficulty in assuring that separation is not triggered by an event when the system would have been stable anyway. If the proposal is successful, the MDMS will develop enhanced CSSS scenarios, observation/detection/ algorithms, and control/stabilization measurements. The resulting detection/control schemes will be simulated and tested.

A Phase 2 MDMS may be proposed in February 2014. Some possibilities for consideration include: (a) Simulating the planned NY system upgrades resulting from the Governor’s Energy Highway and Indian Pt. replacement initiatives, (b) Determine item (a)’s base performance with the contingencies from Phase 1, and (c) Evaluate performance with detection/control schemes from Phase 1.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors – Mr. Forte provided a summary of NERC’s Preliminary 2015 Goals and Objectives. Questions should be directed to Mr. Forte or Dr. Sasson.

8.2 NPCC Report – Mr. Fedora reported that the Reliability Coordinating Committee met yesterday. Highlights of the meeting included that Task Forces must: (a) develop their 2014-2015 Work Plans, and (b) address the “lessons learned” from the Events Analysis program, and (c) decide on a mechanism to

bring forward the lessons as actionable items for the Board to consider.

An update was provided on recently released NERC transition guidelines for CIP 3-CIP 5. On November 13-14, 2013 there will be a NERC GridEx for the electric utility sector. The General Meeting of NPCC in conjunction with the Board and annual Members Meeting will be held on December 4, 2013 in Boston, MA. There is a meeting scheduled for October 23, 2013 for New York stakeholders in Troy, NY regarding the EIPC Gas/Electric Study. The next EIPC stakeholders' meeting is October 29-30, 2013 in Washington DC.

Mr. Fedora indicated that the last vote on the revised BES Definition failed by less than 1 percentage point (61.1% in favor). The comments from the failed ballot will be reviewed by the BES Phase 2 Standards Drafting Team (SDT) and presented at its September 24-25, 2013 meeting. It is likely that the BES Definition will be revised and re-posted in the first week of October 2013. This would maintain the schedule for BOT approval and a FERC filing by the end of 2013. The BESnet IT Tool will undergo User Acceptance Testing and should be signed-off next week. The user manual and design documentation are being finalized. The Regions want to run scenarios through the system before it is released to the registered entities for their training in the 1st quarter of 2014.

There will be a meeting in October 2013 of the BES Exceptions Process Working Group to: (a) Continue development of guidelines for evaluation of Exception requests, and (b) Address frequently asked questions. NPCC plans to have hands-on training sessions on use of the IT Tool at the spring 2014 Standards and Compliance Workshop in Cooperstown, NY.

- 8.3 State Energy Plan** – Ms. Hogan reported that the Energy Board met at the end of August, 2013 and a draft Plan should be available sometime in the fall of 2013. Public comments and hearings will take place in the fall and the final Energy Plan will be issued in the spring of 2014.

9.0 State/Federal Energy Activities

- 9.1 CARIS** – At the August ESPWG meeting, the NYISO presented cost estimates, as well as the primary and additional CARIS metrics, including Benefit/Cost ratios, for each of the identified Solutions. In addition, the NYISO reviewed the initial draft Report with the ESPWG.

In September, the NYISO will be presenting the final draft Report and appendices for review at ESPWG. The NYISO is also planning to present the CARIS report for BIC and MC approval.

- 9.2 Order 1000** – The FERC Order 1000 interregional compliance filing was submitted on July 10, 2013. On April 18, 2013 FERC “conditionally accepted” the NYISO regional compliance filing. Numerous conditions of the FERC Order required the NYISO to select the more efficient or cost effective transmission solutions in the reliability and public policy planning processes. The NYISO is holding frequent meetings with stakeholders to discuss the compliance issues. FERC has granted a filing extension to October 15, 2013.

- 9.3 2014 RNA** - The TOs have been asked to schedule presentations of their Local Transmission Owner Plans (LTPs) for the October 2013 ESPWG meetings. LTPs are the first step in preparing the base case for the 2014 RNA.

9.4 Interregional Transmission Studies

- i. EIPC Study** – Phase 2 will continue with the Gas-Electric System Interface Study. A draft baseline assessment of the existing system will be completed by December 20, 2013. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in draft form by March 28, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by September 12, 2014. A draft review of dual fuel capability is expected on May 5, 2014. The final draft report is scheduled for March 10, 2015.

- 9.5 Other Studies/Activities** – Nothing additional to report.

10.0 Other Items

- 10.1 Heat Wave: September 11, 2013** – Mr. Yeomans reported that the NYISO experienced a 1-day heat

wave on Wednesday, September 11, 2013. A peak load of 31,202 MW was recorded during HB16. The day-ahead load forecasting applications predicted 30,500 MW. Most of the transmission maintenance scheduled for Wednesday was cancelled.

Earlier in the week the South Canton 765-345 kV transmission substation was forced out of service which resulted in the loss of four 345 kV transmission lines. Unrelated to the South Canton substation outage, the 345 kV Erie-Perry transmission line was on forced outage. These outages together with generation outages in PJM resulted in heavy flows from NY to PJM on the western 230 kV NY South Ripley 69 and aggravated the western NY transmission constraints. Due to the high volume of non-ICAP imports from IESO and the “bottled” western NY transmission, the ISO scheduled an SRE of the Oswego 6 for Wednesday, September 11, 2013 to meet capacity requirements during peak load conditions. Three of the South Canton 345 kV circuits and the 345 Erie-Perry circuit returned to service early Wednesday morning. Wind performance was approximately 500MW over the Wednesday peak.

During the afternoon hours of Tuesday, PJM declared NERC EEA-1 and EEA-2, NERC TLR's-3's and TLR-5's (which resulted in transaction curtailments into NY), activated Demand Response, and late in the afternoon executed 150 MW of load shedding to secure local transmission thermal loadings.

The NYISO was able to meet operating reserve requirements and did not notify nor activate Demand Response. The return of the PJM transmission outages along with increased PJM generation reduced the heavy power flows from NY to PJM on the 230 kV South Ripley-Erie 69.

10.2 North American Energy Standard Board (NAESB) – Mr. Ellsworth reported that NAESB had its annual meeting last week focusing its future strategic direction. The consensus of attendees seemed to suggest that NAESB is view as an “honest broker” rather than having Standards established by the industry or the government. There was substantial interest in expanding NAESB’s responsibilities into such areas as Cyber Security and Renewables. Mr. Yeomans has replaced Mr. Castle as the NYISO representative on NAESB.

In discussion with Dr. Sasson and Mr. Dahl, it was agreed that at the October 10, 2013 Executive Committee meeting Mr. Ellsworth will give an overview on where the Executive Committee is with respect to NAESB and where it should be heading – **AI #173-9**.

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#174	Oct 10, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.
#175	Nov 8, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Committee Meeting No.173 was adjourned at 3:00 PM.

