

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 175 – November 8, 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
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 – Member
Rich Brophy	New York State Electric & Gas/RG&E

Others:

Al Adamson	Consultant & Treasurer - Phone
Jim McCluskey	Central Hudson Gas & Electric
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Henry Chao	New York Independent System Operator (NYISO)
Carl Patka, 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:

Liam Baker, Esq.	US Power Generation – Phone*
Jim D'Andreas, Esq.	T. C. Ravenswood - Phone*
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Sean Johnson	NRG - Phone
Erin Hogan, P.E.	NYSERDA

“*” Denotes part-time

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – None

II. Open Session

1.0 Introduction – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.175 to order at 9:30 A.M. on November 8, 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 – None

1.4 Declarations of “Conflict of Interest” – None

1.5 Executive Session Topics - None

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 174 (October 10, 2013) – Mr. Raymond introduced the revised draft minutes which included all comments received to date. Mr. Clagett moved for approval of the revised draft minutes. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #175-1**.

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>
166-8	The biennial filing with the NY Dept. of State was filed by Mr. Gioia in September 2013.
168-3	Electronic payments was included in the Sept. 2013 revised Policy 3.
170-2	An IRM run was made in Aug. 2013 using the GE random wind shape feature.
172-3	At its September 2013 meeting, the Executive Committee decided to continue meeting on Friday.
173-4	Mr. Loehr distributed the 2014 meeting schedule at the September 2013 Executive Committee meeting.
173-6 a,b,c	Messrs. Chao and Adams responded to each issue at the October 2013 Executive Committee meeting.
173-7	Mr. Adamson presented the “Post for Approval” at the Executive Committee’s September 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 \$174,000 at the end of October 2013. An end year budget surplus of about \$94,000 is anticipated. He further noted that the last TO payments toward the 4th Quarter Call-For-Funds were received in October 2013. Four of the six TO payments were made using the electronic payment method. He reminded those TOs using the electronic

payment method to send him an email shortly after each payment indicating the date and amount of the payment.

3.2 Vice Chair Report – At the September 12, 2013 Executive Committee meeting, Dr. Sasson indicated that he had asked Mr. Dahl (Vice Chair) to investigate a number of specific issues. Status reports were given on the items below:

i. NAESB Membership – Mr. Ellsworth summarized the options available to the Executive Committee when considering 2014 membership in NAESB: (a) discontinue membership, (b) pay the dues only in order to receive NAESB documents and reports, (c) pay the dues and ask Mr. Ellsworth to represent the NYSRC on at least one of the formal NAESB meetings, and (d) continue the existing membership arrangements. After discussion, Mr. Claggett moved for selection of option (c). The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee – (13 to 0).

ii. Role of Research – Mr. Dahl presented a “R&D Guideline – Draft 5” prepared by Messrs. Smith, Duffy, and himself. The purpose of the guideline is to provide for a more rigorous administration and coordination of R&D projects. Document requirements for the Executive Committee to consider involvement in a particular R&D project include: (a) project goals/ milestones, (b) estimated benefits, (c) schedule and completion dates, (d) budget reporting, and (e) project closeout.

A Project Coordinator would be assigned to be responsible for the coordination activities including: (a) development and submittal of a proposed Project to the NYSRC Executive Committee, (b) provision of monthly status reports, (c) submittal of all invoices to the Executive Committee Chairman per Policy 3, and (d) provide explanation of significant budget variations. Dr. Sasson requested that comments be sent to Messrs. Dahl, Smith, and/or Duffy soon to accommodate document updating and preparation for a vote at the December 6, 2013 Executive Committee meeting – **AI #175-2**.

3.3 Other Organizational Issues -

i. February 2014 Meeting Date – Mr. Adams indicated that the Albany Country Club does not reopen for 2014 until February 12, 2014. The Executive Committee agreed to postpone its February meeting until February 14, 2014.

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

4.1 ICS Chairman’s Report – Mr. Boyle reported that ICS met on October 29, 2013. He indicated that the Tan45 curves for the Final IRM Base Case have been completed. The results are an IRM of 17.0% and MLCRs of 84.7% and 106.9% for NYC and Long Island, respectively. The sensitivity case for Indian Pt. retirement has not yet been run. After discussion, the Executive Committee requested that the run be made to determine the impact on LOLE from removing Indian Pt. from the final IRM base case. The Data Quality Assurance Report is being provided by GE and will be discussed in the Final IRM Report. Also ICS approved the modeling of external CRIS rights with associated capacity contracts as it is currently modeled for Chateauquay.

Mr. Boyle indicated that ICS held a special meeting on November 5, 2013 to approve the draft IRM Report for presentation to the Executive Committee. He introduced the “Draft 2014 IRM Report Body – November 5, 2013” which includes the Tan45 curves for NYC and Long Island. Discussion regarding the acknowledgement in the Report of the new capacity zone (NCZ) concluded with agreement to incorporate the follow statement as a footnote:

“The Federal Energy Regulatory Commission has ordered the creation of a new capacity zone (NCZ) within the NYISO’s ICAP market starting in 2014. The NCZ encompasses Load Zones G, H, I, and J. The NCZ was triggered by a NYISO study that identified a deliverability constraint across the UPNY/SENY interface. The creation of the NCZ does not impact the current Unified

and IRM Anchoring Methodologies and NYSRC's calculation of the NYCA IRM.”

Mr. Boyle also noted that the Monte Carlo error analysis provided 95% confidence limits for the IRM of 15.7% to 17.1%. The Executive Committee asked ICS to investigate why the range is not symmetrical with respect to the Report's 17.0% IRM – **AI #175-3**.

The projected 2014 NYCA summer load forecast is 33,655MWs, an increase of 377MWs from the 2013 IRM Report. The increased load forecast decreased the NYCA IRM by 0.1 percentage points (ppts) because downstate load growth diminished relative to upstate. Other parameters decreasing the IRM include the Multiple Load Shape Model and Updated Neighbor Control Area Model by 0.9 and 0.8 ppts, respectively. Parameters increasing the IRM include the Updated SCR/EDRP and Updated Generation Unit EFORD's by +0.8 and +0.7 ppts, respectively. In combination, the impact of the eighteen key parameters is a 0.1 ppt decline in the 2014 IRM versus the 2013 IRM Study from 17.1% to 17.0%. The most significant of the ten sensitivity cases used when the Executive Committee develops the Final NYCA IRM for 2014 are: (a) exclusion of load forecast uncertainty (-8.8ppts), (b) Higher Neighbor Reserve Margins (-5.9 ppts), (c) Lower Neighbor Reserve Margins (+7.4 ppts), and (d) Limit SCRs to Five Calls Per Month (+0.6 ppts).

Mr. Clagett moved for approval of the 17.0% base case 2014 IRM. Mr. Bolbrock seconded the motion which was unanimously approved by the Executive Committee – (13 to 0).

ICS will update the IRM Report per today's Executive Committee comments. Any additional comments should be provided within 7 days to Messrs. Boyle and/or Adamson – **AI #175-4**.

- 4.2 Other ICS Issues** – Mr. Smith raised a question regarding whether the NYSRC IRM Voting Procedure, Policy-5-7, Section 5.2 should be changed to eliminate the requirement that all votes with the exception the base case IRM should be rounded to the nearest whole or half integer. Mr. Mager expressed sympathy with Mr. Smith's concern. However, most of the Executive Committee preferred that no change be made at this time.

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 October 31, 2013. Two separate meetings were held, each with its own agenda and minutes. In conjunction with the NYISO, PRR #117, B-4: Publication of NYS BPS Facility List, remains under development to clarify the process for publication of the NYS BPS list and review the NYS BPS glossary.

The NYISO has agreed to provide the Bulk Power Transmission Facilities (BPTF) and Augmented A-10 (A-10 list + generators) Lists. The NYISO will also identify those facilities that are greater than or equal to 230kV that are not on the A-10 List and provide the reasons why by the next RRS meeting – **AI #175-5**.

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 -

- **Rules Enhancement Plan** - Mr. Clayton introduced PRRs for the first two reformatted Rules REP-01 and REP-02. The purpose is to reformat all NYSRC Rules to be consistent with the NERC format and combine the RRS Rules and RCMS Compliance Template Manuals into a single Manual. The highlighted portion of REP-01, Item 5, Section A1, is the statement of the new Rule: An Installed Reserve Margin Requirement for the NYCA for each Capacity Year shall be Established. All remaining information on the Rules template is

taken from the existing NYSRC Reliability Rules and Compliance Template Manuals. The same is true for REP-02.

The newly formatted Rules will be posted and then “banked” and acted upon in logical groups at a later date. The new Reliability Rules and Compliance Manual will not be implemented until all the new formatted Rules are approved.

Mr. Clagett moved for the approval to “Post for Comment” REP-01 and REP-02.

The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

3. PRRs for EC Discussion

- **Response to IPPNY Comments on PRR #116 (Black Start Provision) – Dr.**

Sasson reminded the Executive Committee that PRR #116, System Restoration G-M1 & LRR, was posted on August 19, 2013 with comments due by October 2, 2013. One response was received from IPPNY. Mr. Gioia had indicated that the comments required Counsel review and that he would endeavor to provide a report prior to the next Executive Committee meeting –**AI #174-4**. Mr. Gioia’s comments were distributed on November 4, 2013. He concluded, “I do not believe that the IPPNY comments provide a sufficient basis for the Executive Committee to refrain from approving the proposed Reliability Rule, if it is otherwise satisfied with the need for the Rule and its specific provisions”. Mr. Clayton stated that RRS has not changed its position on the technical merits since recommending PRR #116 for posting.

In Mr. Gioia’s absence, Dr. Sasson chose to focus discussion on two key items mentioned in Mr. Gioia’s comments:(a) IPPNY’s comments on PRR #116 contest the legal authority of the NYSRC, the NYISO and FERC to impose requirements on generators when necessary to maintain the reliability of the NYS Power System and (b) if adopted, the position taken by IPPNY would fundamentally undermine the current reliability structure in the New York Control Area as established by FERC approved agreements and tariffs. Dr. Sasson asked the NYISO for its views on the issues raised by IPPNY. Mr. Patka stated that the NYISO was not opining on the legal issues raised by IPPNY and that these matters are for NYSRC’s counsel to address.

Dr. Sasson acknowledged that in accordance with the proposed rules PRR #116 provides a generator owner has the right to challenge a finding of need through the NYISO. The NYISO will make the final decision. He noted also that PRR #116, pertaining to participation in the System Restoration Plan (SRP), applies only to existing generators with black start capability (and not new units).

Mr. Baker (US Generating Co.) expressed the view that the proposed PRR #116 creates an “obligation” but with only an opportunity to recover costs. Further he asked the question, “What will happen if regardless of being told to provide black start a generator refuses to do so?” Dr. Sasson suggested that the question is an issue between the generator and the NYISO and outside the purview of the NYSRC. Mr. Clayton reminded the participants that within the exclusion clause the term “unduly burdensome” is very broadly defined to the benefit of the generator. While agreeing with Mr. Clayton, Mr. Baker remarked that in the end reasonable people can still disagree over what is or is not burdensome.

Mr. D’Andrea expressed the view that the NYSRC is trying to hide an obligation inside a Rule. He further said the Market should be designed to provide for the necessary level of reliability.

The Executive Committee decided to hold off voting for approval of PRR #116 until the December 6, 2013 Executive Committee meeting when Mr. Gioia will be in attendance. Any additional comments on Mr. Gioia’s response to IPPNY’s comments should be provided by November 22, 2013 – **AI #175-6**.

5.3 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Nothing new to report.
- ii. **NERC Ballot Preferences** – Mr. Adamson referred to the new form, NYSRC Member NERC Standard Ballot Preferences. The form is sent to the Executive Committee Members once each month containing: (a) the known current and upcoming NERC Standard Ballots, (b) the ballot start and end dates, and (c) space to specify a Member’s preference, and (d) comments, if necessary. Negative preferences must be accompanied with an explanation. The form must be returned to Mr. Adamson no later than five (5) days before the end of balloting. An affirmative vote will be assumed for Member not providing a response. A link is provided to NERC’s website for review of the history behind the development of the Standard being balloted.

Mr. Adamson noted that there are a number of ballots coming up shortly. He received just two voter preferences for last month. He recommended that the Executive Committee members look carefully at Project 2010-1 – “Training” which has been controversial in the past. Balloting ends next Tuesday, November 12, 2013. The NYISO has not decided its position, but the TOs voted “against” in the last ballot.

- 5.4 Other RRS Issues** – Mr. Clayton reported that: (a) a NYISO Black Start Task Force met on November 6, 2013. The agenda and material is available, (b) the search engine issue still exists. Mr. Clayton is working with Mr. Dewey (NYISO) to gain resolution. In the interim, inquiries should be made directly through a browser, (c) IPPNY has been asked to provide an RRS representative, (d) Larry Hochberg (NYPA) has agreed to become the Vice Chair of RRS, and (e) there is a joint NYSRC/DEC meeting scheduled for November 14, 2013 at the Broadway Offices of the DEC.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

- 6.1 RCMS Status Report & Discussion Issues** – Mr. Clayton reported that RCMS met on October 31, 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) A-M3, Certifying LSE ICAP Obligations Are Met,
- (b) G-M2, Transmission Owner System Restoration Plan Requirements,
- (c) G-M3, Black Start Provider Requirements, and
- (d) G-M4, NYISO System Restoration Training Requirements.

- 6.3 Other RCMS Issues** – Mr. Clayton reported that at the request of Dr. Sasson, RCMS is reviewing the Introduction to the Reliability Rules to assure consistency with the re-structured NPCC Standards. Also, RCMS has begun work on the 2014 Reliability Compliance Program. The Measurements have been completed and agreed upon by RCMS. The Measurements will be submitted to the Executive Committee for review at its December 6, 2014 meeting. Next, RCMS and the NYISO will jointly establish the Compliance Document due dates.

7.0 Key Reliability Issues

- 7.1 Defensive Strategies** – Mr. Smith reported that the proposal to NYSERDA was accepted. He thanked all involved in the submittal process, i.e. the NYISO and Mr. Loehr. Mr. Smith provided a written summary of the proposal and asked that any questions be directed to him. There is a preliminary meeting scheduled with NYSERDA for November 12, 2013. Mike Razanousky will be the NYSERDA Project Manager.

8.0 State/NPCC/Federal Energy Activities

- 8.1 NPCC Board of Directors** – Mr. Forte provided the “NERC Annual Report on Wide-Area Analysis of Technical Feasibility Exceptions (TFE)”. Questions should be directed to Mr. Forte or Dr. Sasson.

- 8.2 NPCC Report** – Mr. Fedora reported that the third revision to the BES Definition ballot just passed with a 72.55% voting in favor and a quorum of 75.3%. There were 48 sets of comments from 98 different

people representing 9 of the 10 Regions. The Standard Drafting Team found no arguments that were sufficiently compelling to make a change in the posted BES Definition. The BES Definition will soon be posted for a recirculation ballot. Following the recirculation ballot, the Board of Trustees will hold a special Board teleconference to decide what they will file with the BES Definition by the December 31, 2013 deadline.

NERC will be announcing in the 1st Quarter 2014 training on how the entities will submit their self-determined notifications of facilities that are not currently on the BES list or any exceptions.

The BES Definition will be discussed at the NPCC General Meeting in Boston, MA during the 1st week in December 2013. Also, Mr. Fedora will provide an overview on the BES process tool developed by NERC for submitting requests and how they will be processed. The Standards and Compliance Workshop in the end of May 2014 will include classroom and hands-on sessions.

Dr. Sasson noted that Mr. Forte will be representing the NYSRC at the NPCC General Meeting in early December 2013.

8.3 State Energy Plan – Nothing new to report.

9.0 State/Federal Energy Activities

9.1 CARIS – With the Business Issues and Management Committees’ approval, the NYISO Board of Directors (BOD) is reviewed the draft 2013 CARIS Phase 1 report in October 2013 and will take action at its November 2013 meeting.

At the November 13, 2013 ESPWG meeting, the NYISO will initiate discussions on “Lessons Learned” from the 2013 CARIS 1 process, updates to the Economic Planning Manual, and the development of the 2014 CARIS 2 database. Working Group activities were delayed due to the presentation of Local Transmission Plans by the Transmission Owners at the ESPWG/IPTF meetings in October 2013.

9.2 Order 1000 – The FERC Order 1000 interregional compliance filing was submitted on October 15, 2013 as granted by a FERC extension. On April 18, 2013 FERC “conditionally accepted” the NYISO regional compliance filing.

Numerous conditions of the FERC Order primarily focused on requiring the NYISO to select the more efficient or cost effective transmission solutions in the reliability and public policy planning processes. The NYISO held frequent meetings with stakeholders to discuss the compliance issues.

9.3 2014 RNA - The Local Transmission Owner Plans (LTPs) were presented by Central Hudson, National Grid, and Orange & Rockland on October 11, 2013 and by Con Edison, LIPA, NYSEG, and RGE on October 24, 2013 at joint meetings of the TPAS and ESPWG. The plans and planning procedures are posted on the TO websites and links to those websites are available on the NYISO website. Copies of the plans are also posted on the NYISO website. Comments may be provided by stakeholders to the TOs within 30 days from the presentation dates.

LTPs are the first step in preparing the base case for the 2014 RNA. TOs and stakeholders will receive requests in December 2013 to provide updated modeling information by January 2014 for the 2014 Gold Book and for use in the 2014 RNA. The 2014 RNA will be the first RNA to be performed according to the new Order 1000 planning requirements.

9.4 Interregional Transmission Studies

i. EIPC Study – The Gas-Electric System Interface Study vendor selection is in progress. The Study timeline includes a baseline assessment of the existing system to 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 NYISO Operations Report – Mr. Yeomans provided the NYISO Operations Report for October 2013.

The peak load occurred on Friday, October 4, 2013 at 22,316Mws. There were no Major Emergencies declared during the month. Alert states were declared on 21 occasions; 7 times for system frequency.

There were no TLR Level 3s declared or NERC/NPCC Reportable DCS events.

10.2 North American Energy Standard Board (NAESB) – See item #3.2(c).

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#176	Dec 6, 2013	Albany Country Club, Voorheesville, NY	9:30 A.M.
#177	Jan, 10, 2013	NYISO, 10 Krey Blvd, Rensselaer, NY	9:30 A.M.

The open session of Committee Meeting No.175 was adjourned at 2:30 PM.