

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 176 – December 6, 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
Ray Kinney	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
Rich Brophy	New York State Electric & Gas/RG&E - Phone

Visitors – Open Session:

Mark Younger	Hudson Valley Economics*
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Dave Johnson, Esq.	Reed & Laniado, LLC for IPPNY
Erin Hogan, P.E.	NYSERDA
Kevin Jones, Esq.	Hunton & Williams, LLC for NYISO

“*” 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.176 to order at 9:30 A.M. on December 6, 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. 175 (November 8, 2013)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. There being no additional comments, 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 #176-1**.
- 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>
171-2	The Assumption Matrix was “locked down” during the October 2013 Executive Committee Meeting.
173-2	Mr. Clayton provided a RRS/RCMS Subcommittee structure during the November 2013 Executive Committee Meeting.
173-5	The final 2014 IRM Report discusses the Capacity Zones.
173-7	A template was presented at the October 2013 Executive Committee Meeting.
174-2	Mr. Dahl presented the R&D Guideline during the November 2013 Executive Committee Meeting.
174-4	Mr. Gioia provided the response to IPPNY comments on November 4, 2013.
174-5	The NYISO provided the facilities list prior to the December 4, 2013 RRS meeting.
175-4	Final comments on the 2014 IRM Report were provided at the December 6, 2013 Executive Committee Meeting.

3.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

- 3.1 **ICS Chairman’s Report** – Mr. Boyle reported that ICS met on November 29, 2013. He reported that

the ICS discussed at length the number of iterations that are necessary for the Monte Carlo simulation to determine that the standard error of the LOLE Index is \leq to 0.05 per Policy 5. At 883 iterations, an IRM of 17.0% met the Policy 5 confidence limit. However, the distribution was not well centered around the proposed 17.0% IRM. For 1000 iterations the confidence level was equally distributed around the IRM at a confidence level of 96.4%. Next year the ICS will investigate the “number of iterations” issue and if necessary, propose changes to Policy 5 – **AI #176-2**.

Also, ICS finalized the 2014 IRM Report which included a new Multiple Load Shape model and reduced SCR effectiveness. The Indian Point 2 & 3 sensitivity was performed by simply removing both Units from service in the base case for 2014 to determine the impact on LOLE. The LOLE is increased from .1days/year to .92days/ year, suggesting a 9 fold increase in the number of firm load disconnects.

Mr. Boyle presented the Report and expressed his appreciation to the NYISO and ICS for their excellent work. The Executive Committee approved the base case IRM of 17.0% at its November 6, 2013 meeting. The commensurate MLCRs were 84.7% and 106.9% for New York City and Long Island, respectively. The final MLCRs will be determined by the NYISO in early January 2014 via a different methodology which ICS feels does not create a reliability issue.

Following additional discussion, Mr. Mager moved that the IRM Report for 2014 be accepted contingent upon inclusion of changes to Table 7.1 regarding wind capacity and the retirement of Indian Point 1 & 2. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee - (13 to 0).

- 3.2 Vote on 2014 IRM** – Mr. Gioia summarized the voting procedure (Policy 5-7, Section 5.2) which calls for a secret straw poll to specify the starting point for up/down votes on specific IRMs. Nine favorable votes for a specific IRM are required.

The Executive Secretary announced that an IRM of 17.0% received the most votes in the straw poll. Therefore, a 17.0% IRM was subjected to an up/down vote of the Executive Committee members. The Executive Secretary and Counsel counted the votes and indicated that a 17.0% IRM had received at least the minimum number of votes for acceptance.

- 3.3 2014 IRM NYSRC Resolution** – Mr. Adamson provided the 2014 Resolution, Approval of New York Control Area Installed capacity Requirement for the Period May 1, 2014 Through April 30, 2014. Mr. Clagett moved for approval of the Resolution at 17.0% IRM. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0). It was agreed that Mr. Gioia would prepare a letter to Mr. Whitley, an informational filing with FERC, and a press release – **AI #176-3**. Mr. Adamson will have the 2014 IRM Report placed on the NYSRC website. Dr. Sasson commended Mr. Boyle, ICS, NYISO, and Messrs. Adams, Drake and Adamson for their considerable efforts culminating with the outstanding 2014 IRM Report. Also, he recognized Mr. Boyle for his strong leadership of ICS over the last two years. Ms. Hogan will become Chairperson beginning January 1, 2014.

- 3.4 Other ICS Issues** – None

4.0 Reliability Rules Subcommittee Status Report/Issues

- 4.1 RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on December 3, 2013. Two separate meetings were held, each with its own agenda and minutes. He indicated that RRS reviewed PRR #116, System Restoration G-M1 & LRR (Black Start), and continues to believe that the PRR should be approved from a technical point of view. 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.

4.2 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

- **NYSRC Response to IPPNY Comments** – Mr. Gioia indicated that the IPPNY comments were primarily legal and questioned the ability of the NYSRC, NYISO and FERC to require a generator to provide a service it did not wish to provide. Mr. Gioia expressed the opinion that the IPPNY viewpoint is in conflict with the Agreements and Tariffs approved by FERC which states that the NYSRC has the right to establish Reliability Rules that are applicable to the NYISO and Market Participants and implemented through the NYISO. Mr. Gioia concluded that if the NYSRC is otherwise comfortable with the proposed PRR #116, he does not believe that the IPPNY comments should impede approval of the Rule.

Mr. David Johnson, Esq., representing IPPNY, indicated that there is a basic issue regarding what is the service being provided and the role of the NYSRC. First, there is no requirement in any FERC Order or precedent requiring a generator to provide black start service. The difference for independent generators is that they do not have a regulatory compact to assure adequate compensation. The Market should be designed to incentivize the attainment of the necessary amount of black start capability.

Mr. Mager suggested that this requirement is very similar to the PSC's requirement of six month notice prior to retiring. Mr. Gioia added that the fact that the generator does not have a service territory is irrelevant. As a requirement to participate in the NYISO Market, the generators are required to provide certain services, some of which are not Market based. An existing generator with Black Start capability, which is reasonably necessary to maintain reliable service, is subject, in Mr. Gioia's opinion, to a FERC Order to provide the service. The proposed Rule is limited to generators that have black start capability and limited situations in which a material benefit can be demonstrated. There is provision for an exemption for a wide range of reasons including environmental and economic subject to NYISO approval.

- **Vote on PRR #116** – Dr. Sasson indicated receipt of a TransCanada Informational Filing and Notice of Retirement – Ravenswood, LLC – Spot Black Start Service which refers to the fact that Con Ed through the NYISO is no longer taking Black Start service in the winter months from Ravenswood Units 10, 20, and 30. Therefore, Mr. Clayton requested that RRS receive an explanation of why Black Start Service from Ravenswood is no longer required. Mr. Gioia suggest that the RRS review should be completed before the vote on PRR #116 takes place. Dr. Sasson briefly explained that ConEd has recently changed its procedures to recognize the influx of gas turbines on its system especially over the last 10 years. This prompted ConEd to revise its restoration procedures which went into effecting June of last year. The effect has been to improve upon the time to restore the system as a result of the shorter start time of gas turbines (10mins. To 2.0 hours.) versus the steam units (8 hours to 24 hours). Some members questioned the relevance of a ConEd procedural change on the need for altering the black start rule in the proposed PRR #116. At the request of the Chairman, it was agreed to delay the vote on PRR #116 until the January 10, 2014 Executive Committee meeting. ConEd will present its latest Black Start analysis at that meeting – **AI #176-4**.

2. PRRs for EC Approval to Post

- None

3. PRRs for EC Discussion

- Mr. Clayton reported that RRS continues to discuss PRR #117, B-4: Publication of NYS BPS Facility List. The NYISO has provided RRS with a list of facilities which are 230V and above but not on the A-10 list. There are 92 facilities at 230kV and 345kV. A possible resolution of the issue is to adopt the NPCC A-10 list for the Operation Rules and for the other Rules (short circuit, planning, IRM) use the A-10 list as the base and supplement it as appropriate, i.e. for the generators it would be all generator, for short circuit it would be all

facilities including generators, and for planning it would be primarily the existing 230kV and above list. The TOs have taken this approach back to their respective companies for internal company review.

4.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson noted that the NYSRC abstained from the vote on PER-005-2, Training because he had noticed that NPCC, the NYISO, and ConEd had different voting preferences on this ballot and her had not received any Balloting Preferences Forms from the Executive Committee members. Dr. Sasson asked that the NERC Standards balloting preferences be placed on the agenda for the January 10, 2013 meeting – **AI #176-5**.

ii. NERC Ballot Preferences – Nothing additional to report

4.4 Other RRS Issues – Mr. Clayton reported that: (a) REP-01 and 02 have been posted and no comments have been received as of yet, (b) Five new REPs will be presented for posting next month, (c) The website issue has been resolved to the extent possible on the NYSRC end with the help of Mr. Dewey (NYISO). The portal providers still must refresh their websites. In the interim, inquiries should be made directly through a browser, and (d) Roy Pfleiderer (National Grid) will serve as the RRS secretary for 2014 and the Vice Chair is Larry Hochberg (NYPA).

Also, RRS voted to remove Section H of the Reliability Rule Manual pertaining to System Protection rules issues as it is not more stringent or specific than the NPCC requirements in Directories 3 and 4 requirements.

5.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

5.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on December 3, 2013 following the RRS meeting.

5.2 2013 New York Reliability Compliance Program – RCMS found the NYISO to be in full compliance for the following Measurements:

(a) I-M5, ConEd Procedures for Operating its System per Local Rule I-R1, R2 and R-4 Requirements, and

(b) I-M6, LIPA Procedures for Operating its System per Local Rule I-R5.

Mr. Clayton indicated that the NYISO was found to be compliant on all Measurements under review in 2013.

5.3 Other RCMS Issues – Mr. Clayton introduced the 2014 NYSRC Reliability Program and reasons for each of the 40 assessments. Following discussion, Mr. Clagett moved for approval of the proposed 2014 Reliability Program. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

RCMS and the NYISO will meet to establish compliance documentation requirements and due dates.

6.0 Organizational Issues

6.1 NYSRC Treasurer's Report

i. Summary of Receipts & Disbursements - Mr. Adamson provided the Summary of Receipts and Disbursements which showed a balance of \$160,000 at the end of November 2013. An end year budget surplus of about \$109,000 is anticipated.

ii. 2014 Cash Flow – Mr. Adamson reviewed the 2014 Monthly Cash Flow Estimate used to provide estimates for the 2014 Quarterly Call-for-Funds estimated to be a total of \$705,000 for the year. For the 1st Quarter 2014, Mr. Adamson recommended a \$5,000 Membership Fee and a TO assessment of \$20,000 each due January 1, 2014. Mr. Clagett moved for approval of the Call-for-Funds as recommended. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee – (13 to 0).

6.2 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 report(s) were given on the item(s) below:

- i. **Role of Research** – Mr. Dahl indicated that he will be working with Mr. Smith over the next 2-3 weeks to develop and test the R&D template. He expects to present the template at the January 10, 2014 Executive Committee meeting – **AI #176-6**.

6.3 Other Organizational Issues – None

7.0 Key Reliability Issues

7.1 Defensive Strategies – Mr. Smith reported that he, the NYISO and EnerNex participated in a conference call with NYSERDA on the MDMS proposal. Within approximately 2 weeks, Mr. Razanousky, the NYSERDA Project Manager, will be generating a Statement of Work with milestones and terms and conditions. The Statement will be reviewed and negotiated between EnerNex and NYSERDA. It is expected to take eight weeks to finalize a signed contract. Actual work will begin in early February, 2014. There will be a kickoff at NYSERDA at that time.

Mr. Smith indicated that the NPCC SS-38 Working Group is embarking on a three year study of involving load behavior during large disturbances. It will examine the impact of various load models and simulation tools on transfer capability. The SS-38 Working Group intends to benchmark the various load models against actual system events to gain credibility in the models and provide for recommendations. The completion date is anticipated to be December 2016. Mr. Smith agreed to track the progress of the Working Group.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors – Mr. Forte provided the FERC final Rule approving version 5 of the CIP Reliability Standards. Questions should be directed to Mr. Forte or Dr. Sasson.

8.2 NPCC Report – Mr. Fedora reported that the NPCC Board of Trustees met this week along with the Annual Members Meeting, and the NPCC General Meeting. The newly approved CIP Standards were presented at the General Meeting. All General Meeting presentations will be posted on the NPCC website. The BES Phase II Definition final ballot received a quorum on November 8, 2013 of 81.68% and 74.38% voted for approval. On November 21, 2013, the Board of Trustees approved the Definition. The NERC Staff will be filing the Phase II Definition with FERC by the end of December 2013. It is expected that FERC will act sometime in the 1st Quarter of 2014 in order to accommodate the July 1, 2014 implementation date.

At the General Meeting Peter Hiedrich, Chair of the Standards Drafting Team, gave a presentation on the new Definition, and Messrs. Fedora and Ken Lotterhos presented on the IT “Tool” that NERC and the Regions have developed based on the Rules of Procedure for implementing the BES Exceptions. There will be functional testing scheduled in the 1st Quarter of 2014 on the “Tool” before it is released to the Registered Entities. NPCC is planning workshops for it Registered Entities at the next Standards and Compliance Workshop in Cooperstown, NY in the last week of May 2014.

8.3 State Energy Plan – Nothing new to report.

9.0 State/Federal Energy Activities

9.1 CARIS – The NYISO Board of Directors (BOD) approved the draft 2013 CARIS Phase 1 at its November 2013 meeting. A public forum on the CARIS will be held in mid-December 2013. Next the NYISO will work with the ESPWG to define “Lessons Learned” from the 2013 CARIS 1 process, update the Economic Planning Manual and develop the 2014 CARIS 2 data base.

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 were 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** – EIPC members are creating a 2018 and a 2023 roll-up integration summer peak powerflow case for the Eastern Interconnection. A roll-up Model Report will discuss gap analysis, gap solutions (enhancements), and linear transfer analysis. The Report will be posted in December 2013. Powerflow analysis will be performed on scenarios to be selected with input from stakeholders. The analysis will begin in April 2014.

The Gas-Electric System Interface Study will be performed by Levitan & Associates. The Study timeline includes a baseline assessment of the existing system to be completed by April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in draft form by July 11, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by December 13, 2014. A draft review of dual fuel capability is expected on September 5, 2014. The draft report is scheduled for a February 17, 2015 delivery to stakeholders.

A Webinar is scheduled for December 13, 2013 to discuss the roll-up and scenarios. The Stakeholder Steering Committee webinar is scheduled for December 20, 2013 to discuss the Gas-Electric Study.

- 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 November 2013. The peak load occurred on Tuesday, November 25, 2013 at 22,316Mws. There were no Major Emergencies declared during the month. Alert states were declared on 34 occasions; 3 times for system frequency. There were no TLR Level 3s declared. There was one NERC/NPCC Reportable DCS event on November 20, 2013 beginning at 06:06. The Chateauguay-Beauharnois line tripped resulting in a loss of 550Mws. New York was synchronized to the 7040 Chateau-Massena line at the time. SAR was initiated and then terminated at 06:30.

- 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>
#177	Jan 10, 2014	NYISO, 10 Krey Blvd, Rensselaer, NY	9:30 A.M.
#178	Feb 14, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Committee Meeting No.176 was adjourned at 2:30 PM.