

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 184 – August 8, 2014
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

Curt Dahl, P.E.	LIPA – Member – Vice Chair
Michael Forte	Consolidated Edison Co. of N.Y. – Alternate - Phone
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
George Smith, P.E.	Unaffiliated Member
Bruce Ellsworth	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Bob Loughney	Couch White, LLP (Large Customers’ Sector) - Alternate
Scott Leuthauser	Generation Sector – Alternate Member
Jim McCloskey	Central Hudson Gas & Electric – Member - Phone
Chris LaRoe	Independent Power Producers of NY – Member
Arnie Schuff	New York Power Authority – Member
Peter Altenburger	National Grid, USA - Member
Ray Kinney	New York State Electric & Gas/RG&E – Member

Other

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Erin Hogan, P.E.	NYSERDA – ICS Chair* - DOS - Phone
Henry Chao	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
Howard Tarler	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO)
Rob Pike	New York Independent System Operator (NYISO)*
Ed Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary

Visitors- (Open Session)

Phil Fedora	Northeast Power Coordinating Council (NPCC)
Rich Brophy	New York State Electric & Gas/RG&E - Phone
Herb Schrayshuen	Power Advisors, LLC.
Chris Wentlent	Constellation

“*” Denotes part-time

- I. **Executive Session** – An Executive Session was not held.
- II. **Open Session**
- 1.0 **Introduction** – Vice Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No.184 to order at 9:30 a.m. on August 8, 2014.
- 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** – An Executive Session was not held.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 183 (July 8, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. No additional comments were offered. Mr. Ellsworth moved for approval of the revised draft minutes. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #184-1**.
- 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>
179-2	The modification was approved at the July 11, 2014 Executive Committee meeting.
182-6	Mr. Smith indicated that the NYSRC would have direct input on MDMS based on the tenor of the technical kick-off meeting held on July 3, 2014.

- 3.0 **Organizational Issues**
- 3.1 **NYSRC Treasurer’s Report**
 - i. **Summary of Receipts & Disbursements** - Mr. Adamson discussed the Summary of Receipts and Disbursements which showed a surplus of \$202,000 at the end of July 2014. He added that the projected budget for year end 2014 is \$689,000, a surplus of \$72,000.
 - ii. **2015 Budget** – Mr. Adamson introduced the proposed budget of \$784,000 for 2015, a 3.0% increase over 2014. The proposal includes: (a) the 2015 compensation adjustment, (b) printing and web site maintenance for the NYSRC 2013-14 Biennial Report, (c) a 10% increase in insurance, (d) fees and expenses for the MDMS project and (e) removal of the web site maintenance budget item. Mr. Bolbrock moved for approval of the proposed budget. The motion was seconded by Mr. Smith and

unanimously approved by the Executive Committee – (13 to 0).

- iii. **2015 Funding Mechanism** – Mr. Adamson introduced the proposed Funding Mechanism for 2015. The Funding Mechanism has not changed over the last few years whereby each member pays a \$5,000 membership fee and the TOs provide the remainder in equal amounts. Mr. Smith moved for approval of the proposed Funding Mechanism. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee – (13 to 0).

- 3.2 **Election of Officers** – Mr. Gioia indicated that the Executive Committee Chair and Vice- Chair are elected for one year terms. It has been the practice of the Executive Committee to re-elect the Officers for a second consecutive year. He has confirmed that Dr. Sasson and Mr. Dahl are willing to serve another year. There have been no other nominations. Mr. Ellsworth moved for approval of Dr. Sasson and Mr. Dahl for a second one year term as Chair and Vice Chair, respectively. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13 to 0).
- 3.3 **2015 Meeting schedule** – Mr. Loehr introduced the proposed meeting schedule for 2015. Generally, the meeting dates are the second Friday of each month. However, exceptions have been made for long week-ends, religious holidays and instances in which the time between meetings would be less than four weeks or greater than 5 weeks. Mr. Ellsworth requested that the February 13, 2015 meeting date be changed to February 6, 2015. The Executive Committee concurred. Mr. Tarler and Ms. Hogan will check the availability of the NYISO and NYSEERDA, respectively as potential locations for the January 9, 2015 meeting – **AI #184-2**. Mr. Loehr moved for approval of the proposed meeting schedule with the exception that the February 2015 meeting will be on Friday February 6, 2015. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).
- 3.4 **Other Organizational Issues**
- 4.0 **Installed Capacity Subcommittee (ICS) Status Report/Issue**
- 4.1 **ICS Chair Report** – Ms. Hogan reviewed the ICS Report for its July 29, 2014 meeting which summarizes the Summer Maintenance Schedule, Preliminary Parametric Analysis, and the List of Sensitivity Cases. Summer maintenance will be modeled using the historical method of 50Mws divided equally between upstate and downstate. ICS will complete its review of the final parametric analysis and present the results to the Executive Committee at its September 12, 2014 meeting. Executive Committee discussion focused on the ICS recommendation of nine sensitivity cases for consideration when selecting the 2015-16 IRM. Mr. Dahl suggested inclusion of a SCR sensitivity case limiting the calls to 6 per month. Also, it was the consensus of the Executive Committee Members that an Indian Point 2 and 3 sensitivity case be included, but only reporting the LOLE result. Mr. Clagett moved for approval of the nine sensitivity cases recommended by ICS plus the SCR and Indian Point 2 and 3 sensitivity cases (only reporting the LOLE for the Indian Point case). The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).
- 4.2 **Other ICS Issues** – Nothing additional to report.
- 5.0 **Reliability Rules Subcommittee Status Report/Issues**
- 5.1 **RRS Status Report & Discussion Issues** – Mr. Clayton reported that the joint RRS/RCMS meeting was held on July 31, 2014. Two separate meetings were held, each with its own agenda and minutes.
- 5.2 **Status of New/Revised Reliability Rules**
 - i. **Proposed NYSRC Reliability Rules Revision**
 - a. **List of Potential Reliability Rules (“PRR”) Change**
 - b. **Status of New/Modified Reliability Rules**
 - 1. **PRRs for EC Final Approval** – None
 - 2. **PRRs for EC Approval to Post** – Mr. Clayton reported that the five PRRs below are offered for approval by the Executive Committee to be posted for review and comment.

PRR #119, Review of NYCA Resource Adequacy, was discussed at the July 11, 2014 Executive Committee meeting and the NYISO requested additional time for review. Messrs. Clayton and Adamson met with the NYISO later in July 2014 and resolved all the issues. Mr. Clagett moved for approval of PRR #119 to post for comment. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

PRR #REP-14, Review of Resource Adequacy, is the re-formatted rule associated with PRR #119 with identical words. Mr. Clagett moved for approval of PRR #REP-14 to post for comment. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

PRR #REP-15, Transmission System Planning Requirements, PRR #REP-16, Transmission System Assessments, and PRR #17, List of Power System Facilities are the re-formatted Transmission Planning Rules created from (a) B-R1, Transmission System Planning Performance Requirement, (b) B-R2, Transmission System Planning Assessments, and (c) B-R3, List of NYS Bulk Power System Facilities in re-formatted text discussed in detail at the July 11, 2014 Executive Committee meeting. The PRRs include resolution of the comment raised by Mr. Altenburger at the July 11, 2014 Executive Committee meeting and additional comments from Mr. Gioia and RRS.

Mr. Clayton reviewed PRR #REP-15, 16, and 17 in detail with the Executive Committee. Each of the PRRs was recommended by RRS for posting for comment. Following the review, Mr. Smith moved for approval of PRRs #REP-15, 16, and 17 to post for comment. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee – (13 to 0).

3. **PRRs for EC Discussion** – Mr. Clayton summarized Sections E: Transmission Operations and I: Local Area Planning and Operations, of the existing Reliability Rules as they appear in re-formatted text. Both sections were reviewed by RRS and the NYISO. Mr. Schrayshuen raised the question of whether all entities within the NYC zone should meet the proposed Local Area rule or just ConEd. Messrs. Clayton and Gioia agreed to address the question before the September 12, 2014 Executive Committee meeting – **AI #184-3**. The associated PRRs for Sections E and I will be offered for approval to post for comment at the September 12, 2014 Executive Committee meeting. Mr. Clayton requested that any comment be provided to him by August 15, 2014.

5.3 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Mr. Adamson noted that the NYSRC voted “yes” on a number of Standards being balloted in July 2014. He received recommendations from NGrid and ConEd. The NPCC position was also taken into consideration.

5.4 Other RRS Issues –

- i. **NYSRC/DEC/IPPNY Meeting** – Mr. Clayton noted that comments are due on the new EPA Carbon Dioxide Rule in mid-October 2014. It is unclear whether the new more stringent CO₂ requirements will have an adverse impact on NYS. The impact is dependent upon the base year selected.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

- 6.1 **RCMS Status Report & Discussion Issues** – Mr. Clayton reported that RCMS met on July 31, 2014 following the RRS meeting.

- 6.2 **2014 New York Reliability Compliance Program (NYRCP)** – RCMS found the NYISO to be in full compliance for the following Measurements:

- (a) F-M4, TO Load Shedding Capability,
- (b) F-M6, Voltage Reduction Testing,

(c) I-M7, Black Start resources needed for identifying an effective SRP, and

(d) I-M8, Con Edison requirements for identifying black start resources needed for an effective SRP.

Regarding F-M6, the initial tests were unsuccessful for two TOs due to storms at the time of the scheduled tests. The NYISO will report the results of the re-scheduled tests for the two TOs.

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Reliability Initiatives

7.1 Physical Security – Mr. Loehr introduced the proposed letter he drafted at the request of the Executive Committee. The letter requests from FERC the analytical techniques (models) utilized in the conduct of the FERC/DOE study following the Metcalf incident. The study addresses the vulnerability of the synchronous electric power interconnections in North America to physical attack. Mr. Loehr agreed to prepare a second draft incorporating the comments of the Executive Committee and Mr. Gioia. Any additional comments should be sent to Mr. Loehr by August 15, 2014.

7.2 Defensive Strategies – Mr. Smith reported on observations from his follow-up item assigned at the MDMS technical kick off meeting on July 3, 2014. The report relates to determining the status of a Standard, under development by NERC, on stable power swings. Mr. Tatro (NERC) sent a report to Mr. Smith entitled "Protection System Response to Power Swings" prepared by NERC's System Protection and Control Subcommittee. The report was prepared to inform the group working on the Standard in response to a directive by FERC Order 733. The Order requires that NERC develop a Standard on the protection system's ability to differentiate between faults and stable power swings. Mr. Smith stated that the report contains a wealth of information on system protection related to power swings. The report includes an analysis of major outages or blackouts on the power system starting with the 1965 blackout. A major conclusion is that none of the blackouts were caused by the misoperation of protective relay systems responding to a stable power swing. Therefore, the report concludes that the Standard relating to relay performance on stable power swings is not needed. Mr. Loehr indicated that he also reviewed the report at the request of Mr. Smith and agreed with its findings. Mr. Loehr added that existing fault protection relaying is relied upon to separate power systems when they are becoming unstable. When systems become unstable, the electrical angle between groups of coherent generators increases beyond 90 degrees; when the angle reaches 180 degrees, zero voltages occur on the lines connecting the coherent generator groups. Existing protective relaying on those lines interprets these zero voltages as faults, and trips the lines. Failure to thereby isolate systems in a timely manner can lead to more widespread blackouts.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte noted that the NPCC BOD met on August 5, 2014.

Therefore, he provided the NERC Five-Year Electric Reliability Organization Performance Assessment Report for the Executive Committee's information.

8.2 NPCC Report – Mr. Fedora reported on the status of Self-Determined Notifications (SDN) received by NPCC for the new definition of the Bulk Electric System (BES). For NERC action, there are 29 SDNs for exclusions and 61 for inclusions. NPCC has received, processed and sent to NERC 15 SDNs of exclusions and 41 inclusions. An additional 88 SDNs for exclusions and 69 inclusions were received in the last two days.

9.0 State/Federal Energy Activities

9.1 CARIS – Mr. Tarler reported that the NYISO completed the initial work on the 2014 CARIS 2 data base and conducted an initial review with the ESPWG on June 30, 2014. Additional discussions were held at the July 24, 2014 ESPWG meeting. A presentation will be made at the August 2014 Business Issues Committee (BIC) meeting. NYISO Staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

9.2 Order 1000 – Mr. Patka reported that on Oct. 15, 2013, the NYISO and the NYTOs (the “Filing Parties”) jointly submitted a supplemental compliance filing (“Oct. 2013 Filing”) to further revise the NYISO’s regional transmission planning process in response to an earlier Order regarding Order No. 1000’s regional planning and regional cost allocation directives. In an order issued on July 17, 2014, FERC accepted the October 2013 Filing in part and directed the Filing Parties to submit a further compliance filing to make certain additional tariff revisions are filed within sixty days, *i.e.*, by September 15, 2015 (“FERC Order”). FERC also addressed requests for rehearing of its earlier Order.

FERC generally accepted the joint compliance filing by the NYISO and the NYTOs and required relatively limited additional compliance changes.

9.3 2014 RNA –The complete draft of the 2014 RNA was released to the ESPWG and TPAS for review and comments in June 2014. With load growth at 0.8% and resource additions and retirements occurring over the next 10 years, the NYISO identified Reliability Needs based on transmission security violations beginning in 2015 and throughout the 10 year study period. Resource adequacy violations are projected to begin in 2019 and increase through 2024. A more detailed draft of the Executive Summary was presented to the ESPWG on July 10, 2014. The Reliability Needs Assessment (RNA) Report was reviewed again with ESPWG near the end of July 2014 and has been posted for the August 14, 2014 Operating Committee meeting. It will go to the August Management Committee meeting and then to the NYISO Board in September 2014. Upon Board approval and release of the report, there will be a public information meeting at which the NYISO will request proposals for solutions to the Reliability Needs identified in the RNA report. The Executive Committee requested that the NYISO report on the RNA and the request for solutions at its September 12, 2014 meeting – **AI #184-4**.

9.4 Interregional Transmission Studies

i. EIPC Study – EIPC members created 2018 and 2023 roll-up integration summer peak power flow cases for the Eastern Interconnection. The roll-up Model Report discusses the gap analysis, gap solutions (enhancements), and linear transfer analysis. The Report was posted February 14, 2014 at <http://www.eipconline.com/non-DOE-Documents.html>.

Non-DOE-Grant Scenario Analysis - In 2014, EIPC is performing power flow analyses of two scenarios that were selected with input from stakeholders. The scenarios include an updated base case with firm transmission and generation plans, and the TOTS project. Also, the ability of the system to transfer power among Eastern Interconnection Regions during a heat wave/drought under summer conditions will be assessed.

The Gas-Electric System Interface Study will be performed by Levitan & Associates. The Study timeline includes a baseline assessment of the existing system completed in draft form on April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in final draft form by September 9, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by December 2, 2014. A review of dual fuel capability is expected on October 24, 2014. The draft report is scheduled for a February 17, 2015 delivery to stakeholders. A final report is scheduled to be delivered to the DOE on June 4, 2015.

ii. IPSAC – An IPSAC webEx meeting was held on March 28, 2014. The final 2013 Northeastern Coordinated System Plan (NCSP) is posted on the NYISO website at: http://www.nyiso.com/public/markets_operations/services/planning/groups/ipsac/index.jsp. The NYISO Staff is waiting for the FERC Order on the interregional compliance filing.

The Stakeholder Steering Committee (SSC) held a webinar on August 1, 2014 to discuss Target 2 results and review the status of Targets 3 and 4. The NYISO Interregional Planning Task Force meetings are scheduled throughout 2014 to provide updates.

9.5 Market Initiatives Impacting Reliability – Mr. Pike summarized three Operating initiatives that are felt to have significance from a reliability perspective. The SCR Performance Obligations project will

revise the performance obligations of Special Case Resources (SCRs) and Energy Limiting Resources (ELRs) that sell into the NYISO's Capacity market. It is proposed to move the performance obligation of SCRs from 4 to 6 hours. Aggregation options are being considered to avoid losing some SCR providers. The Behind the Meter: Net Generation project addresses generators whose primary purpose is onsite load, but would like to sell any excess generation into the wholesale electricity markets. The Comprehensive Fuel Assurance initiative will encourage resource performance during critical operating conditions by identifying improvements in shortage and scarcity pricing that will increase the financial incentive to perform. Scarcity pricing is applicable to external locations through the modeling of a scarcity reserve product in the optimization during reliability Demand Response (DR) calls. Implementation is expected in 2016.

9.6 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans provided the NYISO Operations Report for July 2014. The peak load occurred on Tuesday, July 1, 2014 at 29,331Mws. The Operating Reserve requirement at the time was 1965MWs resulting in a minimum Operating Capacity requirement of 31,296MWs. There were no Major Emergencies declared during the month. Alert states were declared on 11 occasions - 3 times for system frequency. There was one TLR Level 3 declared during the month for a total of 1 hour. A NERC/NPCC Reportable DCS Event occurred at 19:47 on July 2, 2014. A RPU was initiated for loss of Astoria Energy 2 loaded at 556Mws. The ACE crossed zero and the RPU was terminated at 19:57. On July 12, 2014 at 21:21, a RPU was initiated for loss of the Astoria Energy 2 loaded at 540Mws. Ace crossed zero and the RPU was terminated at 21:29.

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

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#185	Sep 12, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#186	Oct 9, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Executive Committee Meeting No. 184 was adjourned at 12:15 PM.