

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 186 – October 9, 2014
Albany Country Club, Voorheesville, NY

Members and Alternates

in Attendance:

Mayer Sasson	Consolidated Edison Co. of NY. – Member - Chair
Curt Dahl	LIPA – Member – Vice Chair
Ray Kinney	New York State Electric & Gas/RG&E – Member - 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
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) - Alternate
Scott Leuthauser	Generation Sector – Alternate Member
Frank Pace	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

Other

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

Visitors- (Open Session)

Rich Brophy	New York State Electric & Gas/RG&E - Phone
Bob Boyle	New York Power Authority - Phone*
Mark Younger	Hudson Valley Economics
Chris Wentlent	Constellation – Phone*

“*” Denotes part-time

- I. **Executive Session** – An Executive Session was held to discuss a conference call with FERC regarding Physical Security.
- II. **Open Session**
- 1.0 **Introduction** – Vice Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No.186 to order at 9:30 a.m. on October 9, 2014. Chairman Sasson participated by after attending to other NYSRC matters.
- 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 held to discuss a conference call with FERC.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 185 (September 12, 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 #186-1.**
- 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>
179-6	Section B of the re-formatted Reliability Rules was completed on October 9, 2014.
184-2	Mr. Tarler confirmed the availability of the NYISO for the January 9, 2015 Executive Committee meeting.
185-3	The Executive Committee provided comments on the introductions to the RR&C Manual by September 26, 2014.

- 3.0 **Organizational Issues**
- 3.1 **NYSRC Treasurer’s Report**
- i. **Summary of Receipts & Disbursements** - Mr. Adamson introduced the Summary of Receipts and Disbursements which showed a surplus of \$198,000 at the end of September 2014 and a projected variance from budget of \$64,000 (surplus) at year-end. \$50,000 of the year-end projected surplus is unused contingency. Further, he noted that the 4th Quarter Call-for-Funds has been met in full.
- 3.2 **2015 Meeting Location** – Mr. Adamson reminded the Executive Committee that with the exception of the January 9, February 13, and July 10, 2015 meetings. All other meetings will be held at the Albany Country Club. The January 9, 2014 meeting will be held at the NYISO. Mr. Tarler was asked to confirm whether the February and July meetings may also be held at the NYISO – **AI #186-2.**

3.3 Other Organizational Issues – Nothing additional to report.

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

4.1 ICS Chair Report – Ms. Hogan reviewed the ICS Report for its October 1, 2014 meeting. She introduced the revised Preliminary Base Case (PBC) and associated Tan 45 curves. With the inclusion of PJM DR (4,112Mws Extended and 1,505Mws) the IRM is 17.4% with NYC and Long Island Locational Capacity Requirements of 85.0% and 106.5%, respectively. The revised PBC includes a slight increase in the peak load, a 197Mw increase in proposed new units and 37.0 Mw increase in the Retirements and Mothballed Units. The Sensitivity Cases are being run using the revised PBC. The Q/A review of topology by GE pointed out certain nomograms that could be removed without affecting the study period results. Ms. Hogan introduced the entire Base Case Assumption Matrix for 2015-16 showing the changes from the prior year. Mr. Bolbrock moved for approval of the Matrix. The motion was seconded by Mr. Clagett and unanimously approved by the Executive Committee – (13 to 0). Ms. Hogan presented a list of the sensitivity cases that are currently being run. There are changes to those cases concerning the PJM DR, and the ICS would like to remove the SCR case with a 6 hour obligation due to the length of time to make the run. The NYISO can make the SCR (6 hour) run early next year, if necessary. Mr. Ellsworth moved for approval of the sensitivity case list. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0). Ms. Hogan noted that GE and the TOs (masked data) have reviewed the data resulting in the need for four modeling updates which are included in the revised PBC. Mr. Younger informed the Executive Committee that as a result of the recent Court of Appeals decision on Order 745, the future of the ICAP DR program is uncertain. PJM has put out a “White Paper” indicating that one option is replacing its current program with Load Serving Entities getting credit for their load only. This would eliminate most of PJM’s DR program as it exists today. Mr. Dahl expressed the view that the Mws would still be there, but administered through an ISO program. The issue should be resolved in the first Quarter of 2015. Mr. Patka noted that the NYISO is discussing possible options with the PSC. Mr. Dahl requested that ICS follow the DR situation and report to the Executive Committee as appropriate – **AI #186-3**.

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 October 2, 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 – Mr. Clayton referred to the List of Potential Rule Changes and indicated that PRR #119, Review of NYCA Resource Adequacy received approval to Post for Review and Comment by the Executive Committee on August 8, 2014. Comments were due by September 25, 2014. No comments were received. Therefore, RRS is requesting final approval of PRR #119 by the Executive Committee. Mr. Clagett moved for final approval of PRR #119. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

Next, Mr. Clayton referenced the list of REPs that are in various stages of approval. The following REPs were approved by the Executive Committee to Post for Review and Comment on August 8, 2014 and comments were due by September 25, 2014.

- REP-14: A-R3 Review of Resource Adequacy
- REP-15: B-R1 Transmission System Planning Requirements
- REP-16: B-R2 Transmission System Performance Requirements
- REP-17: B-R3: List of NYS Bulk Power System Facilities

No comments were received and RRS recommended Executive Committee approval as final. Mr. Bolbrock moved for final approval of PRRs #REP-14, #REP-15, #REP-16 and #REP-17. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

2. **PRRs for EC Approval to Post** – Mr. Clayton noted that REP-18 through REP-29 were posted on September 17, 2014 and comments are due by November 3, 2014. If there are no comments, RRS will be requesting their approval at the November 7, 2014 Executive Committee meeting. This action will complete the REP.
3. **PRRs for EC Discussion** – Mr. Clayton directed attention to the draft Reliability Rules and Compliance (RR&C) Manual containing all the Rules and the main Introduction and the Introductions to each section. The guidelines for transmission assessments and the log of changes to the Rules are not included. RRS and the NYISO have until October 21, 2014 to provide any additional comments. An updated draft Manual (Guidelines and Log not included) is expected by the November 7, 2014 Executive Committee meeting. Dr. Sasson raised the question of posting the RR&C Manual Mr. Clayton expressed concern regarding a posting for comment since each Rule and Introduction have been through the posting process, albeit individually. Following further discussion, the Executive Committee agreed to post the final draft RR&C Manual for information purposes subsequent to the November 7, 2014 meeting. Also, RRS requested that any additional comments from the Executive Committee be provided by October 21, 2014 – **AI #186-4**.

5.3 NPCC/NERC Standard Tracking

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

5.4 Other RRS Issues – Nothing additional to report.

- i. Mr. Patka noted that if the NYISO Board of Directors approves the Black Start Tariff revisions at its October 2014 meeting, the Tariff will be filed by the end of October 2014.
- ii. Mr. Clayton asked whether TOs that are not explicitly identified in a Rule must comply with the Rule. Mr. Gioia responded that the NYSRC Agreement which is signed by all the TOs indicates that a signatory of the Agreement must abide by the Reliability Rules.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on October 2, 2014 following the RRS meeting.

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

- (a) C-M13, Certification that disturbance devices have been installed and data reported,
- (b) C-M15, Reporting SCR performance data to the NYISO, and
- (c) E-M7, MP evaluation of NYISO fault current assessment .

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Reliability Initiatives

7.1 Physical Security – Dr. Sasson indicated that a conference call was held with FERC earlier in the morning and that the results will be reported in Executive Session.

7.2 Defensive Strategies – Mr. Smith reported that there is no new information on the MDMS. EnerNex expects to hold the next meeting during the week of October 12, 2014.

Mr. Smith noted that he is tracking the NERC proposed standard PRC-026-01, Relay Response to Stable Power Swings. The comment period just closed, and he will be reviewing the responses. The final ballot is scheduled for December 2014. He will report on significant issues, if any, at the November 7, 2014 Executive Committee meeting.

7.3 Status of the PMUs – Messrs. Chao and Patka noted that Mr. Yeomans is preparing a presentation for the November 7, 2014 Executive Committee meeting – **AI #186-5**. Dr. Sasson expressed particular interest in how the new information is being used.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a summary of the Reliability Assurance Initiative (RAI) which was highlighted during the NPCC Compliance Committee Status Report presented to the NPCC Board of Directors on September 9, 2014. Questions should be directed to Dr. Sasson or Mr. Forte.

8.2 NPCC Report – Nothing new to report.

9.0 State/Federal Energy Activities

9.1 CARIS – NYISO staff initiated the development of the 2015 CARIS 1 database. No specific 2014 CARIS 2 project proposals have been submitted as of September 30, 2014. NYISO Staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

9.2 Order 1000 – In an order issued on July 17, 2014, FERC accepted the October 2013 Regional Compliance Filing in part and directed the Filing Parties to submit a further compliance filing to ensure additional tariff revisions are filed within sixty days, *i.e.*, by September 15, 2014 (“FERC Order”). Two comments were filed at FERC and are under review by the NYISO for possible response due by October 21, 2014.

The NYISO is currently working on updates to the 2014 Reliability Planning Process Manual. A status report will be presented to the Operating Committee on October 16, 2014. The report will include updates of the process for requesting, evaluating and selecting regulated transmission projects.

The new Public Policy Transmission Planning Process began on August 1, 2014 with a request for transmission needs driven by public policy requirements. Eight responses were received from the solicitation by September 30, 2014 and were provided to the NYPSC for determination of transmission needs, if any, driven by public policy requirements. The responses can be found on the NYISO and NYPSC websites. The NYPSC has opened a new proceeding; Case # is 14-T-0454.

9.3 2014 RNA – A public information session to communicate the findings of the 2014 RNA to the public was held on September 29, 2014. A letter to solicit proposed solutions for the Reliability Needs found in the RNA was issued on October 1 and can be found at

http://www.nyiso.com/public/webdocs/markets_operations/services/planning/PlanningStudies/Reliability_Planning_Studies/Reliability_Notices/nyiso_solicitation_letter_10012014.pdf

Developers planning to propose solutions to the 2014 RNA needs should submit Developer Qualification applications on or before November 29, 2014 and proposed solutions should be submitted to the NYISO on or before December 1, 2014. Guidelines for presenting qualifications and for

presenting solutions can be found in Attachments A and B of the Reliability Planning Process manual on the NYISO web site.

9.4 2014 CRP - All proposed solutions will be evaluated against the CRP base case, which will originate with the RNA base case and be revised to include all the generation that has returned or plans to return to service. The assumptions for the 2014 CRP base case will be presented to ESPWG/TPAS for discussion on October 10, 2014. The preliminary results of analyses showing the need year and the compensatory MW based on the CRP base case will be presented to the ESPWG/TPAS on October 23, 2014. The additional generation that is returning to service is expected to delay the Reliability Need Date (2019) that appears currently in the RNA. The evaluation of the viability and sufficiency of the proposed solutions begins on December 2, 2014.

9.5 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. A webinar was held on September 9, 2014 to discuss the most recent results.

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 12, 2015. The SSC webinar scheduled for October 10, 2014 has been delayed to provide more time for review of the consultants' draft report.

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.

9.6 Market Initiatives Impacting Reliability – Mr. Mukerji provided a written summary updating 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 NYISO is continuing its evaluation of comments received from stakeholders on the topic to determine what, if any, changes to the proposal are necessary. A number of stakeholders have requested the NYISO to slow this initiative down until the implications of the NYPSC's Reforming the Energy Vision (REV) proceeding are more clearly understood and uncertainty surrounding the Court of Appeals actions on FERC Order 745 have been resolved.

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 NYISO

initiated discussions with stakeholders in September 2014.

The Comprehensive Shortage/Scarcity/ 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. The NYISO stakeholders approved the enhanced Shortage/Scarcity pricing concepts at the Business Issues Committee in June 2014. Detailed market design discussions are continuing with the expectation of receiving stakeholder approval by the end of the year.

9.7 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans provided a written report entitled, “NYISO Operations Report for September 2014”. The annual peak load occurred on Tuesday, September 2, 2014 at 29,782Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 31,747Mws. There were no Major Emergencies declared during the month. Alert states were declared on 21 occasions - 4 times for system frequency. Seven Emergency Transfers were declared. There were no TLR Level 3s declared during the month for a total of 0 hours. There were no NERC/NPCC Reportable DCS Events.

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>
#187	Nov 7, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#188	Dec 5, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of the Executive Committee Meeting #186 was adjourned at 11:30PM.