

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 190 – February 12, 2015
Conference Call

Members and Alternates

in Attendance:

Mike Forte	Consolidated Edison Co. of New York, Inc. - Alternate
Curt Dahl, P.E.	LIPA – Member – Vice Chair
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
George Smith, P.E.	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) – Alternate
Frank Pace	Central Hudson Gas & Electric – Alternate
Arnie Schuff	New York Power Authority – Member
Peter Altenburger	National Grid, USA – Member
Ray Kinney	New York State Electric & Gas/RG&E

Other

Paul Gioia, Esq.	Counsel
Erin Hogan, P.E.	NYSERDA – ICS Chair – DOS*
Wes Yeomans	New York Independent System Operator (NYISO)
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)*
Robert Pike	New York Independent System Operator (NYISO)*
Diane Barney	NYS Department of Public Service
Ed Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary
Al Adamson	Treasurer, Consultant

Visitors- (Open Session)

Phil Fedora	NPCC
Rich Brophy	New York State Electric & Gas/RG&E

“*” Denotes part-time

- I. **Executive Session** – None were requested.
- II. **Open Session**
- 1.0 **Introduction** – Vice Chairman Dahl called the NYSRC Executive Committee (Committee) Meeting No.190 (Conference Call) to order at 9:30 a.m. on February 12, 2015.
- 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance with the exception of Messrs. Ellsworth and LaRoe.
- 1.2 **Visitors** – See Attendee List, page 1.
- 1.3 **Requests for Additional Agenda Items** – Mr. Dahl requested an additional agenda item regarding a request from the Vermont Energy Investment Corporation to participate on an Electric Vehicle study funded by NYSERDA.
- 1.4 **Declarations of “Conflict of Interest”** – None.
- 1.5 **Executive Session Topics** – An Executive Session was not requested.
- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 189 (January 9, 2015)** – Mr. Raymond introduced the revised draft minutes which include all comments received to date. There were no additional comments. Mr. Clagett moved for approval of the revised draft minutes. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members in attendance – (11 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #190-1**.
- 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>
189-3	Executive Committee members provided Mr. Adamson with issues and achievements for inclusion in the 2013-14 Biennial Report by February 12, 2015.
189-5	The cover was designed by Dr. Sasson and Mr. Adamson prior to January 19, 2015.
189-6	Mr. Adamson presented the Reliability Compliance Program Highlights Report at the February 12, 2015 Executive Committee meeting.

- 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 balance of \$206,800 at the end of January 2015. He noted that this included payments of \$55,000 toward the 1st Quarter 2015 Call-For-Funds of \$165,000. The Call-For-Funds is now complete.
- ii **2014 Audit** – Mr. Adamson indicated that the Auditor (Slocum, DeAngelus & Assoc., PC.) has begun work on the 2014 audit. He has provided information including invoices and the bank statements. Ms.

Campoli has also provided the accounting records. The Auditor has sent out letters to the Affiliated Members requesting payments made to the Reliability Council in 2014. Mr. Adamson requested that the Members expedite their responses to the Auditor. Also, letters requesting information were sent to Mr. Gioia and our bank. Mr. Adamson added that copies of the completed audit should be received in March 2015.

3.2 Other Organizational Issues

i. **2013-14 Biennial Report Topics** – Mr. Adamson provided a list of topics for the Biennial Report in outline form. He requested the following inputs:

- a) A Letter from the Chair, photograph of the Chair and Black Start rule accomplishments – Dr. Sasson
- b) NAESB write-up – Mr. Ellsworth (Mr. Adamson will confirm)
- c) NYSRC/DEC Working Group write-up – Mr. Clayton
- d) Defensive Strategies write-up – Mr. Smith
- e) New York City photos – Mr. Loehr, Mr. Forte

Mr. Adamson requested receipt of the write-ups before the March 6, 2015 in order to provide a draft at the March meeting.

The Executive Committee picture will be taken at the April 10, 2015 Executive Committee meeting and the completed Report is tentatively scheduled for May 2015. Two hundred and fifty copies will be printed.

ii. **Compensation Issue** – Following the change of the February meeting to a conference call, Mr. Loehr inquired that if there is a normally scheduled meeting that is changed to a conference call, does the call-in fee or regular attendance fee apply for the unaffiliated members. Mr. Dahl discussed the issue with the Compensation Committee. It is their opinion that the call-in fee would apply.

Mr. Loehr asked that the March 13, 2015 Executive Committee meeting agenda include a discussion of “under what circumstances should the NYSRC consider moving a regularly scheduled meeting to a conference call”. The Executive Committee concurred.

4.0 Capacity Subcommittee (ICS) Status Report/Issue

4.1 **ICS Chair Report** – Ms. Hogan focused attention on the table, Draft Inventory of Issues for Consideration in the 2015 IRM Study. The list includes items that are over and beyond the normal IRM study requirements. The Table categorizes each issue as either: (1) Required by the Executive Committee or needed for the IRM base case, (2) No impact on the base case, but can improve sensitivities or future analysis, and/or (3) On-going effort.

Ms. Hogan highlighted the following issues;

	<u>Compl. Date</u>	<u>Category</u>
a) Outside World EOP Study	4/1/2015	1
b) Conduct MARS analysis to test inclusion dates	4/28/2015	1/2
c) Multiple year wind shape	8/5/2015	1
d) Align base case vs. with final IRM (app. D of Policy 5)	7/1/2015	1
e) Alternate approaches to shift capacity (sensitivities)	8/5/2015	2
f) Review other Area studies on resource adequacy	9/11/2015	2/3

Regarding Issue (f), Ms. Barney (DPS) reiterated her request for a review of the assumptions used by the NYSRC and surrounding Areas for consistency and validity. She referenced the apparent

differences in both FERC and Eastern Interconnection States' Planning Council (EISPC) studies versus the NYSRC IRM study. The referenced studies were forwarded to the Executive Committee in December 2014. Following further clarification, the Executive Committee agreed to ask ICS to thoroughly review the EISPC study from a "best practices" perspective by the September 11, 2015 Executive Committee meeting. Ms. Hogan asked that any further comments on the Issues Table be provided by March 4, 2015 – **AI #190-2**.

Also, Ms. Hogan noted that the NYISO has initiated formation of a new task force to investigate whether the current practice of estimating the LCRs when performing the IRM sensitivity cases is adequate. ICS is well represented on the task force.

4.2 2016-17 IRM Schedule and Milestones – Ms. Hogan introduced the 2016-17 IRM Schedule and Process Milestones and noted that the format is the same as past years. The NYISO concurred with the due dates for compliance documentation. Mr. Claggett moved for approval of the IRM schedule. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members in attendance – (11 to 0).

4.3 Other ICS Issues –

i. EOP Modeling - Ms. Hogan noted that the scope for Modeling of Emergency Operating Procedures and Demand Resources (DR) in the Outside World Areas is on the NYSRC website for the Executive Committee's information.

ii. EV Study - Mr. Dahl summarized a letter from Stephanie Morse representing the Vermont Energy Investment Corporation (VEIC) requesting participation on a comprehensive analysis of the market and regulatory landscape in New York to better understand the opportunities and barriers to grid-interactive vehicles.

The term grid-interactive vehicles is defined as plug-in EVs that leverages smart grid systems to allow for optimal timing for charging and the use of these vehicles to provide grid services, i.e., demand resources and/or reserve capacity. The study will be funded by NYSERDA and be completed by the end of 2015.

Mr. Dahl suggested that if the NYISO is participating as thought, the Executive Committee could ask the NYISO to keep it informed. Mr. Patka will confirm NYISO participation – **AI #190-3**. Also, it was agreed that Mr. Dahl would contact Ms. Morse to ascertain whether the TOs have been contacted and, if not, suggest that she do so – **AI #190-4**.

5.0 Reliability Rules Subcommittee Status Report/Issues

5.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that a joint RRS/RCMS conference call was held on February 5, 2015. Two separate meetings were held, each with its own agenda and minutes. He highlighted several items from the table of "Candidates for Changes to NYSRC RR&CM Manual" (a.k.a. the Bucket List);

(a) B-R1 & B-R2 (Transmission Planning) – RRS is well along with the revision to be consistent with NPCC Directory 1. There are two PRRs in development. The plan is to adopt Tables 1-3 from NPCC Directory 1 and make them part of the NYSRC RR&C Manual. Also, the more specific or stringent NYSRC contingency criteria will be added to the adopted Tables 1-3 and delineated in italics. The PRR will be submitted to the Executive Committee once the NPCC Directory 1 is approved; probably this coming summer.

(b) C-R1 (Operating Transfer Capabilities) – Discussion will begin at the March 5, 2015 RRS meeting.

(c) B-R3 List of BPS Facilities – RRS will also be addressing the differences between the NYISO BPS list (NPCC A-10) and the NYSRC list to determine the facilities that will appear in the RR&C Manual. A "straw man" proposal will be presented to RRS at its March 5, 2015 meeting.

- (d) Self and Market Participant Certification Forms – Completed.
- (e) PRR Template Form – Completed.

RRS has discussed revisions to Policy 1. Mr. Adamson is preparing a draft for consideration at the next RRS meeting.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

- a. **List of Potential Reliability Rules (“PRR”) Change** – Mr. Clayton introduced the List of Potential Reliability Rule Changes. He noted that PRRs #120 and #121 which will revise B-R1 and B-R2 of the RR&C Manual respectively, may be ready for discussion at the March 13, 2015 Executive Committee meeting.

5.3 Proposed NYSRC Reliability Rule Revisions

a. Status of New/Modified Reliability Rules

- 1. **PRRs for EC Final Approval** – Nothing new to report.
- 2. **PRRs for EC Approval to Post** - Nothing new to report.
- 3. **PRRs for EC Discussion** - Nothing new to report.

5.4 NPCC/NERC Standard Tracking

- i. **NERC Standards Development** – Mr. Adamson indicated that the NYSRC voted “yes” on PRC-001,019, and 024, Standards Applicability for Dispersed Generation, various TOP and IRO Standard, CIP-003-7, 004-7,007-7010-3,and 0011-3, Critical Infrastructure Protection, PRC-005-5, Dispersed Generation Standards, and CIP, Physical Security Standards. Preferences on voting are regularly received from NGrid and ConEd. These preferences together with the NPCC recommendation are taken into consideration in developing the NYSRC position. Mr. Adamson encouraged additional input from the other Executive Committee members.

5.5 Other RRS Issues –

- i. **Status of the NYISO Tariff (Black Start)** – Mr. Gioia report that FERC issued an Order approving the NYISO’s Tariff to implement the NYSRC’s supplement to the Black Start Rules. The Tariff has very clear language confirming that the Market Participants who agree to participate in the NYISO markets must conform to the Reliability Rules and that the NYISO should enforce compliance with the Tariff through its procedures and service agreements. Mr. Patka added that the NYISO is going to propose an insert in the System Restoration Manual regarding the inclusion of Black Start resources in the ConEd System Restoration Plan and cross references back to the Tariff.
- ii. **RRS Highlights** - Mr. Clayton noted that in 2016, RRS will be preparing a RRS 2015 Highlights Report as is currently done by RCMS – **AI-190-5**.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

- 6.1 **RCMS Status Report & Discussion Issues** – Mr. Clayton reported that RCMS met following the RRS meeting.
- 6.2 **2014 New York Reliability Compliance Program (NYRCP) Highlights** – Mr. Clayton introduced the NYRCP Highlights Report for Executive Committee information. He noted that RCMS found the NYISO to be in full compliance with all Measurements in the 2014 NYRCP.
- 6.3 **2015 New York Reliability Compliance Program (NYRCP)** – Mr. Clayton introduced the 2015 NYRCP indicating that the form is the same as prior years. However, the Program will be referencing the new RR&C Manual. Following questions, Mr. Clagett moved for approval of the 2015 NYRCP. The motion was seconded by Mr. Loehr and unanimously approved by the Executive Committee members in attendance – (11 to 0).

6.4 Other RCMS Issues – Nothing additional to report.

7.0 Reliability Initiatives

7.1 Physical Security – the Executive Committee is waiting for direction from FERC.

7.2 Defensive Strategies – Mr. Smith reported that he contacted Mr. Fardnesh (NYPA) who is working with Mr. Meliopoulos (Georgia Tech & PSERC) on Gilboa’s system protection. Mr. Fardnesh agreed to send him information on the Gilboa out-of-step protection research. Also, Mr. Smith sent Mr. Fardnesh a description of the hybrid protection concept being considered as part of the MDMS. Mr. Fardnesh agreed to provide comments.

EnerNex has released the draft report on Task 2 of the MDMS. It will be placed on the NYISO’s e-planning site once the details regarding sharing of CEII information are worked out. EnerNex is now working on Phase 3, Algorithm Development.

Mr. Dahl asked whether PMUs will be used for observation only or for both observation and actual control. If used in a control mode, the PMUs would need to be NERC SIP compliant, which is costly. Mr. Yeomans believes the question of PMUs use is mixed among the TOs at this time.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a summary of the NERC Reliability Standards Development Plan for 2015-17. He will be tracking progress and keeping the Executive Committee informed.

Questions should be directed to Dr. Sasson or Mr. Forte.

8.2 NPCC Report – Mr. Fedora indicated that the BOD approved the 2015 corporate goals at its February 4, 2015 meeting. The NPCC RCC agenda is currently being developed. At the next RCC meeting, March 4, 2015, there will be a discussion on how well the current projects align with the corporate goals. Mr. Fedora added that the NPCC 2016 Business Plan and budget are under development..

9.0 State/Federal Energy Activities

9.1 CARIS – The NYISO staff continues the development of the 2015 CARIS 1 database. No specific 2014 CARIS 2 project proposals were submitted as of February 5, 2015. NYISO Staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.

9.2 Order 1000 – The 2014 Reliability Planning Process Manual was revised, approved, and is posted on the NYISO web site at “Planning Manuals”.

The new Public Policy Transmission Planning Process Manual is being drafted. On August 1, 2014 the NYISO issued a solicitation for transmission needs driven by public policy requirements. Eight responses were received from the solicitation by September 30, 2014 and were provided to the NYPSRC for determination of transmission needs, if any. The eight responses can be found on the NYISO web site at:

http://www.nyiso.com/public/webdocs/markets_operations/services/planning/documents/index.jsp.

Solicitation of Public Policy solutions and technical analyses may occur in the spring of 2015, as needed.

9.3 2014 RNA – Requests for Developer Qualification applications were received from both NYCA TOs and out-of-state companies. The applications have been reviewed by the NYISO for completeness.

They are now being evaluated by the NYISO for approval.

9.4 2014 CRP – The NYISO announced on November 14, 2014 that the NYISO is no longer requesting or accepting reliability projects for the 2014 planning cycle. It remains for the NYISO to re-assess system reliability, consider risk factors, and complete the report. The initial draft of the 2014 CRP is scheduled for review and discussion at the February 18, 2015 ESPWG/TPAS meeting.

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 final report is posted 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 are: (a) an updated base case with firm transmission and generation plans, and the TOTS projects and (b) the ability of the system to transfer power among Eastern Interconnection Regions during a heat wave/drought under summer conditions. A draft study report was posted on December 30, 2014 at:

<http://epiconline.com/Non-Doe-Documents.html>.

The Gas-Electric System Interface Study is being performed by Levitan & Associates. The Study timeline including a baseline assessment of the existing system was completed on April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system was posted on January 30, 2015. The identification of gas-side contingencies that could impact electric reliability will be in draft form by the end of February 2015. A review of dual fuel capability is posted on the EIPC web site.

The draft report of the Study is scheduled for an April 2015 delivery to stakeholders. A final report is scheduled to be delivered to DOE on June 12, 2015.

A SSC webinar was held on February 12, 2015 to discuss the capability of the gas system to satisfy the needs of the electric system. The NYISO Interregional Planning Task Force meetings will be scheduled as needed in 2015.

ii. **IPSAC** – An IPSAC WebEx meeting was held on December 12, 2014. The agenda included discussion of system needs, interconnection queue projects, and production cost database updates. The NYISO Staff is waiting for the FERC Order on the interregional compliance filings.

Mr. Loehr requested the NYISO make a presentation at the March 13, 2015 Executive Committee meeting on the Southern Tier Series Capacitor Project – **AI #190-6**. Mr. Chao agreed.

9.6 **Market Initiatives Impacting Reliability** – Mr. Pike (NYISO) provided an update of four Market 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 to determine what, if any changes are necessary. The NYISO has received requests from a number of stakeholders to slow the initiative until the implications of the NYPSC’s “Reforming the Energy Vision” (REV) proceeding and the uncertainty surrounding the Court of Appeals action on FERC Order 745 are better understood. The Order has been taken to the Supreme Court. Therefore, the initiative to change the performance obligation of SCRs is on hold.

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. For example, Fort Drum would like to sell 20Mws in the capacity market. Another is the Rochester Kodak Industrial Park which has 200Mws of generation and would like to sell its excess. NYISO has initiated discussions to determine how they can earmark a certain amount of capacity and energy to fall under the NYISO’s energy and capacity market rules. Also, the NYISO Marketing staff is working with the Planners to determine ways to model the new rules. Initially, a straight forward generation/load combination is being analyzed. There have been discussions with stakeholders on the energy side and similar discussions will be held on the capacity side later this month. The NYISO would like to have

the Tariff approval by the end of June 2015 and implementation completed in twelve months. The Comprehensive Shortage/Scarcity/ Fuel Assurance initiative encourages resource performance during critical operating conditions by identifying improvements in shortage and scarcity pricing. This will increase the financial incentive to perform and maintain price consistency with NYCA neighbors (PJM, NE) to insure that power is not drawn from a neighbor when the neighbor has a reliability need. The NYISO stakeholders approved the enhanced Shortage/Scarcity pricing Tariff changes at the December 2014 Management Committee meeting. Expectations are that the project will increase the New York 30 minute control area reserve requirement from 1.5 times the largest unit to 2.0 times and make adjustments to the reserve shortage pricing levels. Also, the NYISO is creating a new reserve zone in SENY (Long Island, NYC and the Lower Hudson). Detailed market design discussions are scheduled with the expectation of receiving stakeholder approval by the end of the year. The NYISO has engaged the Brattle Analysis Group to undertake a Forward Capacity Market Evaluation at the request of stakeholders to determine the potential benefits and drawbacks of a forward capacity procurement market structure to improve signals addressing fuel assurance, resource performance and stabilization of investment incentives. There is a scheduled meeting on February 25, 2015 to discuss the Analysis Group’s findings. Preliminarily, the NYISO does not expect the Analysis Group to recommend implementing a Forward Capacity Market.

9.7 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans discussed “NYISO Operations Report for January 2015.” The monthly peak load occurred on Wednesday, January 7, 2015 at 24,648Mws. The Operating Reserve requirement at the time was 1965Mws resulting in a minimum Operating Capacity requirement of 26,613Mws. No Major Emergencies were declared. Alert states were declared on 1 occasion - 4 times for system transfers. There was one TLR Level 3s declared during the month for a total of 4 hours. A NERC/NPCC Reportable DCS Event occurred at 15:30 hours on January 15, 2015. A SAR and RPU were initiated for loss of Oswego 6 loaded at 750Mws. ACE crossed zero and the RPU was terminated at 15:36. The SAR was terminated at 15:45. Also, Mr. Yeomans reported that January 2015 was unusually cold, but still the system did not reach the gas design day. The performance of the electric infrastructure was excellent. In January 2014 gas prices exceeded that of oil on 21 days. January 2015 gas prices were lower than oil on all but 5-7 days even with oil at \$45.00 per barrel. Related to this, there has been substantially more LNG delivered to the northeast coast than in the past. The LNG appears to have relieved some of the gas pipeline constraints and price volatility. The low oil prices add urgency to the scarcity pricing work being done by Rob Pike (NYISO).

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

11.0 Visitors’ Comments – None

12.0 Meeting Schedule

Mtg.

<u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
191	Mar 13, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.
192	Apr 10, 2015	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Executive Committee Meeting adjourned at 12:00 PM.

