

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 80 – December 9, 2005
Albany Country Club, Voorheesville, NY.

Members and Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Joseph C. Fleury	New York State Electric & Gas/Rochester Gas & Electric- Phone
Bart Franey	National Grid –Alternate Member –
Richard J. Bolbrock	Long Island Power Authority
Thomas C. Duffy	Central Hudson Gas & Electric -
Curt Dahl	LIPA – Alternate Member – ICS Chairman - Phone
William H. Clagett	Unaffiliated Member
Michael B. Mager	Couch White, LLP (Retail Sector)
Timothy R. Bush	Muni. & Elec. Cooperative Sector – Alternate Member
George C. Loehr	Unaffiliated Member, RCMS Chairman
Glenn Haake, Esq.	IPPNY (Wholesale Seller Sector)
George E. Smith	Unaffiliated Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc.

Others:

Alan M. Adamson	Consultant & Treasurer
Frank Vitale	Consultant
John Pade	New York Independent System Operator (NYISO)
Carl Patka	New York Independent System Operator (NYISO)
M. Calimano	New York Independent System Operator (NYISO)*
A. Bachert	New York Independent System Operator (NYISO)*
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP - Council
R. E. Clayton	Electric Power Resources, LLC – RRS Chairman
Don Raymond	Executive Secretary
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric
Edward Schrom	NYS Department of Public Service

Visitors – Open Session:

Erin Hogan, P.E.	NYSERDA
Philip Fedora	Northeast Power Coordinating Council (NPCC)
Tim Foxen	NRG Energy
Phil Smith	Mirant Corporation

“*” – Denotes part time attendance at the meeting.

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Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was not requested.

II. Open Session

- 1.0 Introduction** – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 80 to order at 9:30 A.M.
- 1.1 Meeting Attendees** – Twelve Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were present at the meeting. The New York Power Authority was not represented.
- 1.2 Visitors** – See Attendee List, page 1.
- 1.3 Requests for Additional Agenda Items** – None.
- 1.4 Executive Session Topics** – An Executive Session was not requested.

2.0 Meeting Minutes/Action Items List

- 2.1 Approval of Minutes for Meeting No. 79 (November 9, 2005)** – Mr. Raymond introduced the revised draft minutes. No additional corrections or clarifications were offered. Mr. Smith moved that the Committee approve the revised draft minutes. The motion was seconded by Mr. Clagett and approved unanimously by the Committee Members in attendance (12-0). Mr. Raymond will issue the final minutes of Meeting No.79 and post them on the NYSRC web site - **AI #80-1**.
- 2.2 Action Items List** – The Committee reviewed the Outstanding Action Items list and accepted the following items as complete:

<u>Action Item #</u>	<u>Comment</u>
72-12	The web site host will be changed to Yahoo with the advent of the updated NYSRC web site in January 2005.
73-13	A review of the NERC Compliance Forms is now a standard agenda item at RCMS meetings.
73-17	Ms. Hogan indicated that the NYISO economic assessment was completed in June 2005.
77-6	Mr. Loehr distributed the report on September 6, 2005.
77-7	Policy 1-4 was approved at the November 10, 2005 Committee meeting.
77-8	RCMS has completed review of the “Gold Book” without further comment.
78-5	Mr. Gioia filed the NYSRC response to the proposed PSC rulemaking on November 28, 2005.
78-6	The latest NPCC Tracking Summary of Blackout Recommendations may be found on the NPCC web site.
78-8	Agreement was reached prior to the issuance of formal opinions on the funding mechanism for the Nat’l Grid Complaint.
78-12	Ms. Hogan presented a letter from Mr. Smith setting the timetable for completing RGGI Phase 2.
79-1	Mr. Raymond circulated the minutes of meeting no. 78 on October 26, 2005.

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- 79-5 Mr. Gioia circulated the draft of the NYSRC's response to the Nat'l Grid Complaint on November 22, 2005.
- 79-6 The revised Policy 4 was posted on November 10, 2005.

3.0 Organizational Issues

3.1 NYSRC Treasurer's Report

- i. Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements for November 2005 which indicated \$90,083 in cash as of the end of November. He noted that projected year-end variance from budget is now \$9,200 below budget.
- ii./ Monthly Cash Flow for 2006** - Mr. Adamson presented the monthly Cash Flow for 2006 which serves as a basis for the 1st quarter 2006 Call-For-Funds. The Call-For-Funds for the 1st quarter are a \$5,000 membership fee from each Committee Member plus an additional assessment of \$20,000 from each of the TOs. Mr. Adamson noted that the TOs assessment is estimated to increase in the 2nd quarter to \$35,000 each mainly due to an insurance payment and then return to \$25,000 each for the remaining quarters. Mr. Mager moved for approval of the 1st quarter Call-For-Funds as described by Mr. Adamson. The motion was seconded by Mr. Smith and approved unanimously by the Committee Members in attendance (12-0). Finally, Mr. Adamson asked the Committee to consider a \$5.00/hr. increase for Colleen Capoli to \$40.00/hr. for bookkeeping services and \$80.00/hr. for accounting services. Following discussion, Mr. Smith moved for approval of the \$5.00/hr. increase in fees for each service provided by Colleen Campoli. The motion was seconded by Mr. Smith and approved unanimously by the Committee Members in attendance (12-0).
- iv. Meeting Schedule for 2006** – The Committee concurred with the proposed schedule with the exception of the November 2006 meeting which will be discussed further at the next meeting due to a conflict with Veterans Day. Mr. Adamson noted that all 36 Subcommittee meetings will be held at NYSEDA. Mr. Ellsworth expressed interest in attending some of the Subcommittee meetings. Mr. Gioia indicated that he wants to follow-up further on the initial rejection of the NYSRC's request for tax exempt status since the NYSRC will be paying for the meals including tax – AI #72-3.

3.2 Other Organizational Issues

- i. NYSRC Web Site Makeover** – Mr. Clayton gave a PC presentation from the developer's host web site describing the progress that has been made in re-designing the NYSRC web site. The Welcome Page highlights, among other items, the latest Rule postings, news room, and meeting schedule. Also, Mr. Clayton noted that a "site map" will be included on each page. All the information found on the current web site will be available but in a more organized and user friendly format. Following further discussion, the Committee voted unanimously to authorize proceeding with implementation.

4.0 Federal Energy Legislation –

- 4.1 FERC ERO and Reliability Standards NOPR** – Mr. Gioia indicated that FERC is supposed to act on the Regulations 180 days from enactment of the legislation which would be early February 2006. Mr. Ellsworth added that the November 18, 2005 FERC Technical Conference in Washington, D. C., was attended by the three Commissioners, three FERC Staff people, and Mr. McClelland among many others. There were twelve speakers including Mr. Ellsworth's presentation. Mr. Ellsworth has been asked

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to speak on behalf of the NYSRC at another technical conference in March 2006 which speaks well of the NYSRC's recognition in the industry. In a conversation with Mr. McClelland, Mr. Ellsworth noted that the NYSRC does not seem to have the same issues as others because we are supplementing existing NERC and Regional reliability rules rather than conflicting with the existing rules. Therefore, Mr. Ellsworth suggested that perhaps FERC did not need to review all the actions of the NYSRC. Mr. McClelland asked that this point be put in writing for inclusion in the record of the Conference. After discussion, the Committee requested that Mr. Ellsworth clarify the content of a letter to the docket with Mr. McClelland – **AI #80-2**.

- 4.2 NERC Regional Delegation Task Group** - Mr. Gioia reminded the Committee that he participated with the Task Group in developing its Principles and has monitored the Task Group's progress thereafter. He circulated the final draft of the Task Group's Delegation Agreement on November 30, 2005. Mr. Gioia emphasized that the Agreement includes, at NYSRC request, definitions of Regional Standards and Regional Differences based on the NERC definitions used in the Standard Development Process, which acknowledge that the Regions may adopt "more stringent" standards. Further, it acknowledges that there can be additional regional standards that would not be enforced by the ERO provided they were not inconsistent or less stringent than the ERO's Standards.
- 4.3 PSC Proceeding on Adoption of NYSRC Rules** – Mr. Gioia reported that the NYSRC provided comments on the PSC's proposed Rulemaking on November 27, 2005. The comments supported the State Savings Clause carve-out for New York State, acknowledged the important role the PSC has played in developing New York's more stringent rules, and recalled the PSC's support of the NYSRC during transition discussions to a deregulated market and the PSC's special role as an arbitrator in conflicts between the NYSRC and the NYISO. Further, the comments suggested that any actions the PSC takes should be compatible with the NYSRC and expressed some concern about the potential for unnecessary duplicative effort and confusion regarding roles. Finally, the comments indicated that if the PSC makes a finding that it has the authority and responsibility to act, if necessary, under the Energy Policy Act to protect the Reliability Rules, the PSC should then acknowledge (a) its support of the development of the NYSRC and that the NYSRC has advised them that it will continue to function under the new structure and (b) that it will continue to monitor the situation and to the extent necessary take action including approval of the Rules, if required to protect the State's reliability. Both ConEd and Nat'l Grid also filed comments which were generally consistent with those of the NYSRC. ConEd suggested a process whereby the PSC would adopt the NYSRC rules while Nat'l Grid focused on procedural issues. There is no timetable for a PSC decision.

5.0 Blackout Reporting

5.1 DOE Report – NYISO Follow-up List – Nothing new to report.

5.2 NPCC Blackout Report Recommendations – Mr. Calimano indicated that the NPCC Blackout Report, which replicates the blackout event, was approved in November 2005 and may be found on the NPCC members' web site. The offenders from a New York perspective were the New Brunswick generator rejection and the break-off of New Jersey without sufficient under-frequency-load-rejection. He also reported that the NERC Planning Committee received a number of additional Blackout recommendations as a result of the NERC Blackout Report and recent NERC OC and TC meetings. These studies may trickle down to the Regions. Mr. Calimano agreed to forward the updated recommendation lists to Mr. Raymond before the holidays – **AI 80-3**.

5.3 PSC Blackout Report Recommendations – Mr. Clayton indicated at the November 10, 2005 Executive Committee meeting that RRS has established an Action Item to review the PSC Blackout Report and

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associated recommendations. Discussion will begin at the January 2006 RRS meeting. Mr. Bolbrock noted that the PSC has initiated a working group including TO representatives to follow-up on the recommendations.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1/ ICS Status Report and Discussion Issues – Mr. Dahl noted that ICS met on November 30, 2005 and held two conference calls on December 2nd, and 5th, 2005 with the primary purpose of firming up the IRM Report for 2006-07. Mr. Dahl referred to Figure 1 of the draft Report which showed Locational ICAP Requirements versus Statewide ICAP Requirements for Long Island and New York City. The two graphs indicated a Statewide IRM requirement of 17.5% at the inflection point, which corresponds to locational requirements of 99.5% and 82.0% for Long Island and New York City, respectively. Last year the NYISO Staff calculated 2005 locational capacity requirements of 99.0 and 78.0% (80% was adopted by the NYISO), respectively. The results for this year include the new dynamic transfer limit model for the Lower Hudson Valley and the “Unified Methodology” to develop the relationships between LCRs and IRM. Mr. Dahl pointed out that the causes for the changes from last year’s results included: (a) use of the “Unified Methodology” and the Tan 45 “Anchoring Point”, (b) multi-area representations for the ISO-NE and Mid-Atlantic Area Council, (c) faster load growth downstate versus upstate, (d) improved forced outage rate representation, and (e) the introduction of nomograms for the Dunwoodie South voltage limit, the Hudson-Farrugut and Linden-Goethals lines, and the Northport-Norwalk Harbor cable to New England. Mr. Dahl then moved for acceptance of the base case of 17.5% IRM for development of the sensitivity case. After discussion, Mr. Haake seconded the motion which was approved unanimously by the Committee Members (12-0). Mr. Dahl indicated that a majority of the sensitivity cases are expected in 1-2 weeks. He will forward the results to the Executive Committee as completed – **AI #80-4**. In response to a question from Dr. Sasson, Mr. Adamson indicated that without the improved methodology utilized this year, the IRM would have been about 20.0%. This is largely due to the lower locational inputs that the “old” methodology would have used to determine the IRM. Mr. Dahl agreed to include discussion of the comparison with last year’s methodology in the final Report – **AI #80-5**. Dr. Sasson inquired about the sensitivity cases that documented the effect of small changes to certain input parameters such as availability of generating units, as were presented in last year’s report. After discussion, Mr. Dahl agreed to include similar cases in this year’s report. He also requested any other Committee comments on the draft Report by December 16, 2005. Regarding the next IRM cycle, Messrs. Dahl and Adamson noted that ICS will be doing “lessons learned” review early in 2006 and may recommend changes, if necessary to improve the methodology. Mr. Gioia suggested that ICS do a thorough review of NYSRC/NYISO responsibilities to be certain all parties are on the same page in developing next year’s IRM and Locational Requirements – **AI #80-6**.

6.3 Super Zone Study - Mr. Dahl indicated that ICS has sent a list of Spring 2006 studies to the NYISO for an assessment of manpower, resources, prioritization and scheduling. Mr. Pade indicated that the NYISO has not planned its resources for 2006 as of yet. He emphasized the importance of clearly defined study tasks. Dr. Sasson expressed a desire to have the boundary changed in the Super Zone study to UPNY/SENY versus the lower Hudson Valley. Mr. Jeremko responded that both boundaries could well be of interest, but he is looking for approval at this time for the latest scope as provided previously to the Executive Committee. Mr. Bush raised concern that the Study suggests dividing the NYCA and that it could provide information that may be used against the NYSRC in the Nat’l Grid Complaint hearings before FERC. Mr. Pade noted that studying two boundaries would not take twice the resources needed to study a single boundary. After further discussion, Mr. Smith moved for approval of the Super Zone

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Study scope with the added understanding that due consideration would be given to a sensitivity case for the UPNY/SENY boundary. Mr. Haake seconded the motion which was approved by the Committee Members in attendance (11-1).

6.4 National Grid Complaint Filing – Mr. Gioia reported that the NYSRC had filed its answer to the Complaint on November 22, 2005. Mr. Gioia indicated that the response laid out the basic provisions of the Agreements and Policy 5 as related to the NYSRC’s authority and described the actions of the NYSRC in developing the IRM. The response takes the position that nothing the NYSRC has done is inconsistent with its authority or unreasonable and that FERC intervention in this case is unwarranted. Mr. Gioia noted that a number of others had filed in opposition to the Complaint including a coalition of ConEd/NYPA/LIPA/IPPNY, PSC, NYISO and Multiple Intervenors. On December 8 & 9, 2005 Nat’l Grid and Energy East filed responses to the answers. Their responses focused primarily on the PSC and coalition answers to the Complaint. Mr. Gioia agreed to prepare a response focusing on Nat’l Grid’s claim that the NYSRC violated Section 206 of the Federal Energy Act.

6.5 Other ICS Issues

- i. NYISO/NE Mutual Emergency Assistance Study** – ICS accepted the scope of the Study, but with numerous comments. The scope with comments has been approved by the ISO-NE Power Supply Planning Group and will be on the agenda of the ISO- NE Executive Committee for approval in January 2006.
- ii. NERC Resource Adequacy Drafting Team** – The kickoff meeting was held on November 10, 2005. Messrs. Dahl, Drake and Fedora (NPCC) were in attendance. The primary focus was the drafting team’s scope of work. Mr. Dahl indicated that he was able to get gas supply testing included in the scope. Also included is the probabilistic framework as well as language allowing some sub-regions’ reliability to be more stringent than others. Mr. Dahl further indicated that a revised scope is being drafted and will likely be posted for comment by NERC in January 2006.

7.0 Reliability Rules Subcommittee Status Report/Issues

7.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that the Subcommittee met on December 1, 2005. Guests were Messrs. Campoli (NYISO), Patka (NYISO) and Bush (Navigant Consulting Inc.).

7.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (PRR) Changes – Mr. Clayton referred to the table, List of Potential Reliability Rule Changes – Outstanding. He noted that PRRs #8, Reactive Load and Resource PF Requirements, and #52, Generator Governor Response, are waiting for the conclusion of NYISO and NPCC studies, respectively.

b. Status of New/Modified Reliability Rules

1. PRRs for Final EC Approval – Mr. Clayton indicated that PRR#74, System Data Requirements, has been duly posted for 45 days without comment and approved by RRS for transmittal to the Executive Committee for final approval. After discussion, Mr. Bolbrock moved for acceptance of PRR #74. The motion was seconded by Mr. Smith and approved unanimously by the Committee Members in attendance (12-0).

2. PRRs for EC Approval to Post for Comments – Mr. Clayton discussed PRRs #80-83, which are modifications to existing Measurements and Compliance Responsibilities necessary to implement the recent NYSRC/NYISO Reliability Rules Compliance Agreement. After discussion, Mr. Loehr moved for the collective acceptance of PRRs #80-83. The motion was seconded by Mr. Clagett and approved unanimously by the Committee

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Members in attendance (12-0). Mr. Clayton then introduced PRR #76 which is a modification of Rules G-R1-3 to better align with current practices and the NYISO's blackout recommendations. The Committee discussed further changes offered by Mr. Patka in behalf of Dr. Sasson and Mr. Campoli. Also, Mr. Haake emphasized that the changes should be clear in stating that the Generators' participation in the black start program is optional. After lengthy discussion, the Committee agreed to table further consideration of PRR #76 until the January 13, 2006 meeting. In the interim, RRS will modify the PRR but with the understanding that the parties with concerns be represented at the January 2006 RRS meeting – AI #80-7.

3. PRRs for EC Discussion – None

7.3 NPCC/NERC Standard Tracking -

- i. NERC Standards Development – Status** – Mr. Adamson indicated that Standard IRO, Coordinate Operations, received a “yes” vote from the NYSRC and 98% support from the weighted vote of the ballot body. Mr. Adamson reminded the Committee that the Standards Process Manual was posted for comments by November 21, 2005 with requirements for a cost risk/benefit analysis before voting on any standard. The RRS worked with NPCC in providing numerous comments in opposition to the scope and applicability of this SAR. Mr. Adamson then discussed the group of six standards, FAC 008-1 through 013-1, Determining Facility Ratings, Operating Limits, and Transfer Capabilities. Initially, the Standards failed to receive a quorum and were re-balloted in three blocks. The 1st and 3rd blocks passed with about 90% of the weighted vote. Block 2, FAC 010-1 and FAC 011-1, which excludes the category C contingencies barely passed with 68%. The Northeast and Southeast made up most of the 32% vote against. The West voted “yes” but includes Category C in their Regional Difference. Further, under the NERC nine voting segments methodology, each segment receives 11% of the voting total. Segment 8, Small Use Customers, had just one voter that carried the entire 11% allocation. Therefore, one vote by the State of Maine and/or the “yes” vote by the West, even though they support Category C, decided the critical Contingency C issue. The potential for such anomalies had been pointed out to NERC months ago, but was ignored. In addition, rather than hold a confirmation vote as required, NERC unilaterally changed the definition of contingency to capture additional Southeast votes. Mr. Adamson suggested that Mr. Ellsworth raise this matter with Mr. Sergel (NERC). Block 2, with the new definition of contingency, is currently out for comment. The new definition is “the unexpected loss of one or more bulk electric system facilities caused by a single initiating failure or outage”. RRS will prepare comments for consideration at the Executive Committee's January 13, 2006 meeting – AI #80-8.
- ii. NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – Mr. Clayton indicated that the Areas are currently testing the new definition to assure there are no unwanted consequences. Apparently, it will take up to one year for some parties in New York to complete the testing. RRS is monitoring the progress.

7.4 Other RRS Issues –

- i. Reliability Rules Manual – Revised Introduction** – Mr. Adamson reminded the Committee that in July 2004, Mr. Gioia suggested several changes in the Rules and Manual to incorporate the new policy on NYISO responsibilities for market participants compliance with the Rules. He indicated that since the Rule changes have been approved and implemented, the Committee has received only suggested changes to the introduction to the Rules Manual. After discussion, Mr. Bolbrock moved for acceptance of the introduction subject to editorial comments offered by Mr. Clayton. The motion was seconded by Mr. Clagett and approved unanimously by the Committee Members in attendance (12-0).

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8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

8.1 RCMS Status Report and Discussion Issues – Mr. Loehr noted that the RCMS last met on December 8, 2005. The Subcommittee discussed the NERC and NPCC 2005 Compliance Programs. He reported that NERC is in the process of auditing operating entities which could include the TO’s Operations Centers in New York State. Mr. Loehr also reported that NPCC has hired Glen Brown to do a side-by-side comparison of the NERC and NPCC Reliability Criteria. The results will be assessed by the NPCC Committees and will be available to RCMS and RRS. Mr. Adamson noted that the NYSRC did a similar comparison in July 2005. Finally, Mr. Loehr announced that Bob Ganley (LIPA) is leaving RCMS and he commended Bob for being a strong and valued contributor to RCMS.

8.2 Status of NYSRC 2005 Reliability Compliance Program (NYRCP) – Mr. Loehr reported that the only non-Market Participant requirement remaining to be completed is a list of New York Bulk Power System (BPS) facilities. The NYISO has sent a pilot list to NPCC in conjunction with the NPCC Document A-10 testing of a new BPS definition. The NPCC “field testing” is expected to take up to one year. Material was due on December 8, 2005 from the TOs regarding all RCMS open items. There are no indications of any problems. Mr. Loehr also reported that RCMS has completed a draft NYRCP for 2006 subject to scheduling consideration by the NYISO. The Program is expected to be available for Executive Committee approval at its January 2006 meeting – **AI #80-9**.

8.3 Modified Resource Adequacy Assessment for 2005-08 – Status - Mr. Raymond reminded the Committee that at its last meeting, the Committee concurred with a RCMS suggestion that at the beginning of the annual Resource Adequacy Assessment, the Gold Book data should be reviewed carefully with the TOs and Executive Committee. Mr. Loehr agreed to include the suggestion in the RCMS cover letter appended to the 2005-06 Resource Adequacy Assessment – **AI #79-10**.

8.4 Other RCMS Issues – Nothing additional to report.

9.0 Key Reliability Issues

9.1 Defensive Strategies – NYISO Meeting – Mr. Clagett reported that Messrs. Clagett, Gentile, and Loehr met with NYISO representatives on November 11, 2005. The Group concluded that before major expenditures on FACTS devices or DC ties will be seriously considered, all possibilities for improvement with existing equipment must be exhausted. The Group further discussed locations in New York State where relay settings were being studied and coordinated for protection against external disturbances. Identifying none, Mr. Calimano agreed to draft a letter for Messrs. Ellsworth and Lynch’s signature asking each TO to be represented at a March 9, 2006 meeting to resolve, if possible, the direction that the Group should take – **AI #80-10**. It is planned to have a draft letter for approval by the Executive Committee at its January 13, 2006 meeting. The approach outlined by Mr. Clagett was unanimously supported by the twelve Committee members in attendance.

9.2 Regional Greenhouse Gas Initiative –

- i. RGGI – Status** – Ms. Hogan reported that it appears that Massachusetts will pull out of the Northeastern States Greenhouse Gas Initiative. The Agency Heads are continuing to meet and hope to get the budgetary go-ahead for additional modeling excluding Massachusetts. Ms. Hogan advised that it is very likely the Initiative will proceed without Massachusetts.
- ii. RGGI – Phase 2** – Ms. Hogan referenced the November 22, 2005 letter from Mr. Flynn to Mr. Ellsworth which clearly states that Phase 2 will not be done prior to the commencement of the rule-making process. Mr. Flynn did indicate that the detailed modeling envisioned for Phase 2 is expected to take at least 12 months and can be done concurrently with the early stages of the rule-making process. Further, he states, “Given that there will still be up to two years after the completion of the

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Phase 2 before the RGGI program becomes effective, there will be sufficient time to consider the results prior to final approval of the RGGI program". Mr. Flynn also noted that the NYSRC recommendation for a provision in any regulation to implement RGGI that allows for prompt modification should adverse impacts on reliability develop, was "reasonable".

iii. **NYSDEC Response to NYSRC RGGI Questions** – Nothing new to report.

iv. **Next Steps** – Nothing additional to report.

9.3 **Independent Management of Regional Electric Systems** – Mr. Loehr expressed concern that the Report failed to properly recognize the 30+ years of creative and ground-breaking engineering by many experts that laid the foundation which the NYISO has built upon. An example, offered by Mr. Loehr is the leadership throughout the industry provided by the NYPP, NEPOOL and PJM, which has been totally ignored in an apparent effort to advance the credibility of the NYISO.

10.0 NYISO Status Report/Issues

10.1 **NYISO Planning Process** – Mr. Patka indicated that the NYISO Board will consider the Reliability Needs Assessment on December 19, 2005. Shortly after approval the NYISO will begin the solicitation for market based and regulatory back-stop solutions to fulfill the needs as specified in the Planning Process document.

10.2 Studies – Status

i. **Reactive Resource Adequacy** – Mr. Pade indicated that the Hudson Valley Voltage Study was approved by the Operating Committee together with the benchmarking analysis and recommendations. The Study has been posted on the NYISO web site. Mr. Pade noted the recommendations are to raise the low voltage limits to 348kv at Pleasant Valley, Dunwoodie, Sprainbrook, and Millwood. The NYISO is updating its procedures and manuals to reflect the recommendations. The RRS will evaluate the results to identify any impact on the Reliability Rules – **AI #80-11**.

ii. **Electric Deliverability Study** – Mr. Haake noted that on December 1, 2005 the NYISO requested an extension for filing to May 6, 2006.

iii. **NYSERDA/NYISO Gas Study** – Mr. Andy Bachert (NYISO) reported that in the fall, following the Gulf hurricanes, the ISO-NE contacted Levitan Assocs. to determine the hurricanes' impact on gas supplies to NE electric generators in the winter 2005/06. The Study may be found on the ISO-NE website. In October 2005 the NYISO/PJM contacted Levitan Assocs. regarding an update of the NE Study to include the NYCA and PJM. The results of that analysis were presented to the NYISO Management Committee during the week of December 4, 2005. Levitan Assocs. foresees 1.5 BCF/da. (10-15%) being off-line during the winter. The shortage will largely affect Transco and Tennessee Pipeline customers. Prices in October and November 2005 have reached the \$14-15 range and are likely to remain at high levels. The NYISO, PSC and downstate generators have met to discuss potential actions. ConEd feels it will be able to serve its firm load. Generators (interruptible load) supplies are uncertain. Fortunately, New York City has a large percentage of dual fuel units. Further, the NYISO is discussing current environmental disincentives to burn oil with the PSC.

10.3 Other Studies/Activities –

i. **NYCA Reactive Power Study** – Nothing new to report.

ii. **NYSERDA Oil Infrastructure Study** – Ms. Hogan reported that the contractor has received data from the IRS and can now finalize the draft report for internal review.

11.0 Other Items

11.1 **Millennium Gas Pipeline** – Nothing new to report.

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- 11.2 **NYISO Operating Report** – Nothing new to report; frequency excursions continue in high numbers. The remaining performance parameters were within normal ranges.
- 11.3 **North American Energy Standards Board (NAESB) Report** – Nothing new to report.
- 11.4 **NPCC Report** –
 - i. **Eastern Interconnection Frequency Excursions** – Mr. Fedora indicated that the NERC Operating Committee discussed the issue at its December meeting. The Operating Committee is continuing to gather data and develop statistics to get to the bottom of the matter.

12.0 **Visitors' Comments** – None

13.0 **Meeting Schedule**

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#81	January 13, 2006	Nurses Association, Latham, NY.	9:30 A.M.
#82	February 10, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 80 was adjourned at 3:35 P.M.

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