

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 81 – January 13, 2006
NYS Nurses Assoc., Latham, NY.

Members and Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Joseph C. Fleury	New York State Electric & Gas/Rochester Gas & Electric
Thomas J. Gentile	National Grid – Vice Chair
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
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.
Ralph Rufrano	New York Power Authority

Others:

Alan M. Adamson	Consultant & Treasurer
Frank Vitale	Consultant – Phone*
John Adams	New York Independent System Operator (NYISO)
John Pade	New York Independent System Operator (NYISO)
Carl Patka	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
Steve Keller	NYS Department of Public Service
John Clemente, Esq.	New York Power Authority
Mark Milhous	LIPA

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Visitors – Open Session:

Erin Hogan, P.E. NYSERDA
Phil Smith Mirant Corporation
Mark Younger Slater Consulting

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

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was requested by Mr. Clagett. It took place following the Open Session.

II. Open Session

1.0 Introduction – Mr. Ellsworth called the NYSRC Executive Committee (Committee) Meeting No. 81 to order at 9:30 A.M.

1.1 Meeting Attendees – Thirteen Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were present at the meeting.

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 requested by Mr. Clagett to discuss progress on the Defensive Strategies initiative.

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 80 (December 10, 2005) – Mr. Raymond introduced the revised draft minutes. Minor additional corrections or clarifications were offered by the Committee. Subject to the changes offered, Dr. Sasson moved that the Committee approve the revised draft minutes. The motion was seconded by Mr. Bolbrock and approved unanimously by the Committee (13-0). Mr. Raymond will issue the final minutes of Meeting No. 80 and post them on the NYSRC web site - **AI #81-1**.

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>
69-2	The Reactive Resources Adequacy Study was completed on December 5, 2005.
73-17	The Wind Study Economic Study Report was distributed on January 13, 2006.
73-18	Replaced by AI #77-9.
78-10	The “Cover Letter” was accepted on January 18, 2006.
80-3	A list of the new NERC Blackout Recommendations was provided by Mr. Adamson on January 13, 2006.
80-4	The IRM sensitivity cases were provided on January 13, 2006.

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- 80-5 The 2006 IRM Report contains a comparison with the prior year's results.
- 80-7 The modified PRR#76 was approved on January 13, 2006.
- 80-8 RRS comments were approved by the Executive Committee on January 13, 2006.
- 80-9 A 2006 NYRCP was approved by the Committee at its January 13, 2006 meeting.

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 December 2005 which indicated \$113,000 in cash at the end of December. He added that \$65,000 (of the \$113,000) had been received toward the 1st Quarter Call-For-Funds. Mr. Adamson further noted that the actual year-end budget variance was \$9,000 below budget. Also, Mr. Adamson advised that the IRS mileage rate for 2006 will be \$.445/mile until further notice.

3.2 Other Organizational Issues

- i. **NYSRC Web Site Makeover** – Mr. Clayton indicated that he had spoken with the web site owner, Steve Corrao, who agreed that the web site name should be re-registered to Mr. Raymond. He also spoke with the developer of the new web site, who expects to have the new web site up and running in February 2006.
- ii. **November 2006 Meeting Date** - The Committee agreed to retain the original date of Friday, November 10, 2006 for the time being.

4.0 Federal Energy Legislation –

4.1 FERC ERO and Reliability Standards NOPR – Mr. Gioia indicated that the FERC deadline to act on the legislation is February 6, 2006. Also, NPCC comments on the NERC application to become an ERO are available on the NPCC web site. Mr. Gioia noted that there will be additional opportunities to provide comments. Messrs. Rufrano and Bolbrock discussed NPCC's position not to submit the more stringent regional criteria to the ERO for administrative concerns including differences regarding monetary sanctions. Mr. Gioia reminded the Committee that the NYSRC has taken the position that its Rules have an independent basis. NPCC is apparently taking a similar position by maintaining more stringent Rules that fall outside the purview of the ERO. Also, with the Committee's concurrence, he will work with NPCC on comments to the FERC Board by February 6, 2006 – **AI #81-2**.

4.2 NERC Regional Delegation Task Group - Mr. Gioia indicated that the Task Group's Delegation Agreement was provided to NERC in December 2005.

4.3 PSC Proceeding on Adoption of NYSRC Rules – Mr. Gioia reported that he had spoken with John Reed (PSC) who indicated that the PSC's proposed Rulemaking would not make the January 2006 PSC agenda, but would likely be dealt with at the February meeting. Also, Mr. Reed implied that the PSC would like to finalize that matter as soon as possible.

5.0 Blackout Reporting

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

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5.2 NPCC Blackout Report Recommendations – Nothing new to report.

5.3 PSC Blackout Report Recommendations – Mr. Schrom distributed copies of The New York State Department of Public Service Second Report on the August 14, 2003 Blackout and summarized the report’s content. Mr. Haake indicated that the Wholesale Sales Sector (IPPNY) had filed a letter with the PSC taking exception to certain representations regarding NYC generators. Mr. Haake agreed to provide the Committee members with a copy of the letter – **AI #81-3**. Mr. Smith noted that some of the recommendations in the Report dovetail with the discussions on Defensive Strategies.

- i. RRS, RCMS Follow-up** – Mr. Adamson provided a summary of the nine DPS Blackout recommendations showing the responsible party and related Rules or Measurements. RCMS will begin its review at its February 2006 meeting. Mr. Adamson suggested that the RCMS request a status report from the NYISO regarding implementation of the recommendations.
- ii. PSC/TO Follow-up** - Nothing new to report.

6.0 Installed Capacity Subcommittee Status Report/Issues

6.1/ ICS Status Report and Discussion Issues – Mr. Bolbrock indicated that several months back LIPA issued a RFP for capacity and/or energy to be delivered over the Cross Sound Cable (CSC). As a result, subsequent to the completion of the IRM Base Case and related sensitivity cases for the 2006-07 study period, LIPA announced its intentions to utilize the full 330MW of Unforced Capacity Deliverability Rights (UDRs) associated with the CSC. Currently ICS has completed a Base Case without UDRs and a sensitivity case with UDRs. Messrs. Patka and Adams indicated that it is the NYISO’s position that it would be imprudent not to redo the Base Case including UDRs. Furthermore, Dr. Sasson pointed out that the sensitivity case with UDRs may not lie on the .1days/year curve since the LCRs were not fixed when performing the sensitivity cases. Mr. Adamson indicated that timing has become a major concern. Mr. Younger and others opined that the Base Case needed to be redone, but the existing sensitivity case would still provide a reasonable indication of variational impacts. After further discussion, Dr. Sasson moved that the Base Case be rerun with UDRs and that the existing sensitivity case be used as order-of-magnitude estimates of variational impacts. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee Members – (13-0). Also, it was agreed to hold a conference call on January 24, 2006 at 9:00AM to review the status of the new Base Case. In addition, a telephonic Executive Committee meeting was scheduled for January 31, 2006 at 3:00PM to select the IRM and approve the IRM Report in order to meet the February 1, 2006 deadline for providing the IRM result to the NYISO.

6.3 IRM Report 2006-07 – Mr. Dahl took general comments from the Executive Committee. Final approval was deferred to the January 31, 2006 meeting.

6.4 National Grid Complaint Filing – Mr. Gioia reported that the NYSRC had filed its answer to the Complaint on November 22, 2005.

6.5 Other ICS Issues

- i. Super Zone Study – Status** – Mr. Dahl indicated that ICS/NYISO will start scheduling the 2006 study work load in February 2006.
- ii. NYISO/NE Mutual Emergency Assistance Study** – Nothing new to report.
- iii. NERC Resource Adequacy Drafting Team** – Mr. Dahl indicated that a revised scope is being drafted and will likely be posted for comment by NERC in the latter part of 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

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January 5, 2006. Guests included Messrs. Campoli (NYISO), Patka (NYISO), and Haake (IPPNY).

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. PRR#74, System Data Requirements, was approved by the Executive Committee at the December 9, 2006 meeting. Mr. Clayton further noted that PRRs #80-83, which are modifications to existing Measurements and Compliance Responsibilities necessary to implement the recent NYSRC/NYISO Reliability Rules Compliance Agreement, have been posted for comment.

b. Status of New/Modified Reliability Rules

1. PRRs for Final EC Approval – Mr. Clayton indicated that PRR#79, Applications of the NYSRC Rules, had been duly posted for 45 days without comment and was, therefore, approved by RRS for transmittal to the Executive Committee for final approval. After discussion, Dr. Sasson moved for acceptance of PRR #79. The motion was seconded by Mr. Smith and approved unanimously by the Executive Committee - (13-0). The secretary will post the new Rule on the NYSRC web site- **AI #81-4**.

2. PRRs for EC Approval to Post for Comments - Mr. Clayton introduced PRR #76 which is a modification of Rules G-R1-3 to better align with current practices and the NYISO’s blackout recommendations. RRS discussed at length the proposed changes offered to the original version by Messrs. Haake and Patka and Dr. Sasson and concurred with this updated version. Dr. Sasson asked that a further change be made to Section 6, G-M1 at item 4, such that the 2nd sentence reads, “The NYCA.....requires that the identity of certain Blackstart Facilities shall be made available to affected Transmission Owners.” Following further discussion, Mr. Bolbrock moved that PRR#76 be approved for posting as modified. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (13-0). The secretary will post the proposed Rule revision on the NYSRC web site – **AI #81-5**.

3. PRRs for EC Discussion – None

7.3 NPCC/NERC Standard Tracking -

i. NERC Standards Development – Status – Mr. Adamson reminded the Committee that FAC 010-1 and FAC 011-1, which exclude the category C contingencies, barely passed balloting with 68% in favor. After this vote, NERC withdrew the ballot due to the closeness of the vote-and offered a new definition of “contingency” and resubmitted the Standards for comment. Mr. Adamson indicated that RRS recommends returning to the original definition. The RRS-comments have been forwarded to NPCC in view of its current position in favor of the Version(0)-definition, which RRS feels is more detrimental than the current NERC proposed definition. Mr. Gentile noted that the NERC Transmission Issues Subcommittee (TIS) will be making a recommendation to the NERC Planning Committee stating that multiple element contingencies should be considered. Following further discussion, Mr. Loehr moved for approval to vote in the affirmative. Mr. Bolbrock seconded the motion which was approved unanimously by the Executive Committee – (13-0). Next, Mr. Adamson noted that the NYSRC voted to approve FAC-003-1, Transmission Vegetation Management Program. It was approved overwhelmingly by the NERC Ballot Body. Lastly, Mr. Adamson discussed Phases III-IV, Set 1, which are a collection of left-over Standards from the Version(0). The proposed modifications have been reviewed by both RRS and NPCC, and RRS recommends a favorable vote.

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Following discussion, Mr. Bolbrock moved for-approval to file the RRS comments. Mr. Claggett seconded the motion which was approved unanimously by the Executive Committee – (13-0).

ii. NYCA Impact of New A-10 Document (Definition of Bulk Power System) – Nothing new to report.

7.4 Other RRS Issues - None

8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

8.1 RCMS Status Report and Discussion Issues – Mr. Loehr noted that the RCMS met on January 12, 2006. The Subcommittee discussed the NERC and NPCC 2005 Compliance Programs. He reported that NPCC is in the process of preparing its program for 2006. Further, he indicated that NERC is planning to re-ballot FAC010-1, Determine Facility Ratings, Operating Limits, and Transfer Capabilities, (See 7.3i). Finally, Mr. Rufrano presented Mr. Loehr with CDs of the Workshop presented by Mr. Loehr and hosted by the NYSRC in June 2005. The CDs were prepared by the NYPA Creative Services Group.

8.2 Status of NYSRC 2005 Reliability Compliance Program (NYRCP) – Mr. Loehr reported that RCMS has completed the 2005 NYRCP. NYISO compliance with the Measurement B-M4, NYCA Facilities List, will await NPCC adoption of the A-10 Document. A letter was received from the NYISO indicating compliance of the Market Participants with compliance Measurement A-M4, Reporting LSE ICAP Deficiencies. The Report for 2005 will be available for the February 10, 2006 Executive Committee Meeting – **AI #81-6**.

8.3 Status of 2006 NYRCP – Mr. Loehr presented the Recommended 2006 NYSRC Compliance Monitoring Program. Following discussion, Dr. Sasson seconded Mr. Loehr’s motion to accept the RCMS recommended NYCRP. The Executive Committee unanimously approved the motion – (13-0). Mr. Adamson will coordinate with the NYISO to schedule dates and compliance documentation.

8.4 Other RCMS Issues

i. Resource Adequacy Assessment - Mr. Loehr presented the RCMS proposed cover letter to the Executive Committee, which transmits its assessment of the Resource Adequacy Report of the NYISO. The Executive Committee offered several changes which will be incorporated by RCMS. Mr. Gentile asked that the record show that “review” as used in the letter means the provision of the latest available information versus the suggestion of any additional studies by the TOs.

9.0 Key Reliability Issues

9.1 Defensive Strategies – NYISO Meeting – Mr. Claggett requested an Executive Session to discuss the future direction of the initiative.

9.2 Regional Greenhouse Gas Initiative –

i. RGGI – Status – Ms. Hogan reported that the NYSDEC is targeting mid-February 2006 to complete the Generic Model Rule which will then be brought back to the States for a 45-day comment period. The State regulatory process would follow. Mr. Keller noted that Massachusetts and Rhode Island have dropped out of the consortium (Northeastern States Greenhouse Gas Initiative), but with minimum impact on the analytical work. Ms. Hogan advised that it is very likely the Initiative will be delayed beyond February 2006. Mr. Haake noted that there is a February 10, 2006 meeting of the New York State Stakeholders scheduled.

ii. NYSDEC Response to NYSRC RGGI Questions – Nothing new to report.

iii. Next Steps – Nothing additional to report.

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10.0 NYISO Status Report/Issues

10.1 NYISO Planning Process – Mr. Adams indicated that the NYISO Board approved the Reliability Needs Assessment on December 19, 2005. Shortly after approval, the NYISO issued a solicitation for market based and regulatory back-stop solutions to fulfill the needs as specified in the Planning Process document. The solicitation period is 50 days from the Board’s approval. Also, the NYISO is preparing for the next needs assessment and gearing up to evaluate the incoming solutions. Mr. Smith requested a Planning Process Review, which will be scheduled for the February 10, 2006 Executive Committee meeting – AI #81-7.

10.2 Studies – Status

- i. **Reactive Resource Adequacy** – Nothing new to report.
- ii. **Electric Deliverability Study** – Mr. Adams indicated that the NYISO requested and received an extension for filing to May 6, 2006. It is hoped that the final Report will be completed in early March 2006.
- iii. **NYSERDA/NYISO Gas Study** – Nothing new to report.

10.3 Other Studies/Activities –

- i. **NYCA Reactive Power Study** – Dr. Sasson reported that the Study Group has asked the NYISO Staff to review the NYCA Load PF Study.
- 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. A separate draft report is expected within two months.
- iii. **Windpower Interconnection Filing** – Mr. Adams reported that FERC has issued a Final Rule Making which approved low voltage pass through, but left Power Factor considerations on a case-by-case bases. The NYISO had provided comments in favor of making the individual TOs requirements binding. The NYISO is planning to raise the latter issue again in its response to the Rule Making.

11.0 Other Items

11.1 NYISO Operating Report – Nothing new to report; frequency excursions continue in high numbers. The remaining performance parameters were within normal ranges.

11.2 North American Energy Standards Board (NAESB) Report – Nothing new to report.

11.3 NPCC Report –

- i. **Eastern Interconnection Frequency Excursions** – Nothing new to report.

12.0 Visitors’ Comments – None

13.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#82	February 10, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#83	March 10, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 81 was adjourned at 3:35 P.M.

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NYSRC Exec. Comm. Meeting No. 81
Initial Draft – February 1, 2005
Revised Draft – February 5, 2006
Final Minutes – February 28, 2006

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