

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 90 - October 13, 2006
Albany Country Club, Voorheesville, NY.

Members and Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Thomas J. Gentile	National Grid, USA – Vice Chairman
Bart D. Franey	National Grid, USA – Alternate Member - Phone
Curt Dahl	LIPA – Alternate Member – ICS Chairman
William H. Clagett	Unaffiliated Member
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
Michael Forte	Consolidated Edison Co. of NY, Inc. – Alternate Member
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
A. Ralph Rufrano	New York Power Authority - Phone
Michael B. Mager, Esq.	Couch White, LLP (Retail Sector)
Thomas Duffy	Central Hudson Gas & Electric

Others:

Alan Adamson	Consultant & Treasurer
John Adams	New York Independent System Operator (NYISO)
John Pade	New York Independent System Operator (NYISO)
Bob Waldele	New York Independent System Operator (NYISO)
Carl Patka, Esq.	New York Independent System Operator (NYISO) – Counsel*
Ken Davis, Esq.	Hunton & Williams – Counsel for NYISO – Phone*
Arnold Quint, Esq.	Hunton & Williams – Council for NYISO – Phone*
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP – Counsel for NYSRC
Don Raymond	Executive Secretary
Edward Schrom	NYS Department of Public Service
Steve T. Jeremko	New York State Electric & Gas/Rochester Gas & Electric - Phone
Roger Clayton	Electric Power Resources, LLC - RRS Chairman*

Visitors – Open Session:

None

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

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. 90 to order at 9:30 A.M. on October 13, 2007.

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

1.2 Visitors – See Attendee List, page 1.

1.3 Requests for Additional Agenda Items – None

1.4 Executive Session Topics – None

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 89 (September 8, 2006) – Mr. Raymond introduced the revised draft minutes and pointed out several minor changes. There were no additional corrections and/or clarifications by the Committee. Mr. Clagett moved for approval of the revised minutes. The motion was seconded by Dr. Sasson and unanimously approved by the Committee Members in attendance or on the telephone (13-0). Mr. Raymond will post the approved minutes on the NYSRC web site - **AI #90-1**.

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>
84-6	Messrs. Adams and Patka addressed manpower needs with Mr. Calimano.
87-6	The NYISO CRP was emailed to the Executive Committee on September 7, 2006.
88-3	The “anchor point” methodology was approved at the Special Meeting #3 on September 25, 2006.
89-1	The final minutes of Committee meeting #88 were posted on September 12, 2006.
89-3	NYISO comments were provided on September xx, 2007.
89-8	The NYSRC filed informational comments to FERC on September 27, 2006 regarding the Nat’l Grid, et al. Complaint.
89-12	Comments were provided to the NERC Ballot Body on September 25, 2006

3.0 Organizational Issues

3.1 NYSRC Treasurer's Report

- i. **Summary of Receipts & Disbursements** - Mr. Adamson presented the Summary of Receipts and Disbursements which showed a balance of \$134,000 in cash at the end of September 2006. Including contingency, the projected year-end variance from budget is \$36,000 below budget. Further, Mr. Adamson noted that the 4th Quarter Call-For-Funds of \$25,000 per TO due October 1, 2006 is paid in full.

3.2 Other Organizational Issues

- i. **Executive Committee Meeting Schedule for 2007** – Mr. Loehr presented a proposed meeting schedule for 2007. After discussion, Mr. Clagett moved for Executive Committee approval of the proposed schedule. Mr. Gentile seconded the motion which was unanimously accepted by the Committee (13-0). Also, Mr. Gioia noted that both the budget and funding mechanism for 2007 were unanimously approved subsequent to the September 8, 2006 meeting with the receipt of Mr. Duffy's vote.

4.0 Federal Energy Legislation –

- #### **4.1 NERC Petition to FERC for Approval of Proposed Reliability Standards** - Mr. Gioia reminded the Executive Committee that Mr. Adamson and NPCC CP-9 will be preparing comments on the Reliability Standards NOPR which FERC will issue later this year. Also, NERC is proposing a new voting Segment (#10) for Regional Reliability Organizations and Regional Entities. Mr. Adamson will inquire of NERC Staff to confirm that the NYSRC will be included in the new segment – **AI #90-2**.

5.0 Blackout Reporting

- #### **5.1 DOE Report – NYISO Follow-up List** – Mr. Adamson described the Final Report on the Implementation of Task Force Recommendations prepared by the U.S.–Canadian Power System Outage Task Force and issued September 2006. A new U.S.-Canadian Group will monitor completion of actions for implementing the recommendations. After discussion, the Executive Committee agreed that RRS should review the report and provide a summary status report on the recommendations including NYSRC actions – **AI #90-3**.

- #### **5.2 NPCC Blackout Report Recommendations** – Mr. Kopman reported that the latest status report on the NPCC Recommendations dated October 6, 2006 may be reviewed on the NPCC website.

5.3 PSC Blackout Report Recommendations

- i. **RRS, RCMS Follow-up** – Nothing new to report.
- 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. Dahl indicated that ICS met on September 27, 2006 to discuss the Transmission Model. The Subcommittee met again on October 4, 2006 and focused on the Assumption Matrix and Policy No. 5 updates. On October 5, 2006, ICS hosted a workshop for review of the GE-MARS data base. GE reviewed the non-confidential data with the attendees using a number of data screening techniques. Though no errors were found, GE did suggest areas in which ICS may wish to review the modeling assumptions.

- #### **6.2 RAITF Study – Status** – Mr. Dahl reported that the RAITF has not met since the last NYSRC Executive Committee meeting. The Upstate/Downstate Study is contingent upon a finalized database. The Study is

expected to now start in the third week of October 2006 with draft results by the middle of November 2006.

6.3 2007 IRM Study

i. Assumptions Matrix & Transmission Model - Mr. Dahl noted three changes to the Assumptions Matrix: (1) the peak load for the NYCA will be available on October 17, 2006; (2) separate load uncertainty modeling for zones I and J, and (3) 3085MWs of external firm capacity. Mr. Adams indicated the need to document the dispatch posture to be taken when modeling transfer limits. For example, Dunwoodie South varies from 4690-4990MWs and UPNY – ConEd from 4600 – 5000MWs. Not shown on the modeling diagram is an approximate 1500MW transfer limit from HQ to NE. The Athens, and the two Gilboa generating units have been placed in a “dummy” zone AG carved out of zone G for modeling purposes with in-service dates of mid-2007. The Neptune Cable will be treated as a sensitivity case for the 2007 IRM Study. After further discussion, Mr. Dahl moved for approval of the Assumptions Matrix and Transmission Model. The motion was seconded by Mr. Clagett and approved by the Committee Members in attendance or on the phone (12-0-1).

6.4 Draft Policy No. 5-1 – Mr. Adamson presented the revised Policy 5 which was originally adopted in 2003. The Policy 5 describes the procedure for performing the annual IRM Study. Among the updates noted were timing of the load forecast, descriptions of the Unified and “anchoring” Methodologies, description of UDRs and the outside areas, and Executive Committee responsibilities. Mr. Adamson requested that the Executive Committee provide any additional comments no later than October 28, 2006.

6.5 IRM Resolution – Mr. Gioia reported that he had sent out a revised draft IRM Resolution and an alternative to paragraph #5. The purpose of the Resolution is to clarify the relative responsibilities of the NYSRC and NYISO regarding selection of the annual IRM. The alternative #5 more directly requests NYISO input on the issues, if it wishes to do so. The Executive Committee decided to table this item for one month to provide greater opportunity for review.

6.6 Mechanism to Accommodate Expanded MARS Database Review – Mr. Gioia described the recommendation prepared by Arnold Quint, Esq., Counsel for the NYISO of Hunton & Williams, for providing the expanded database review. The crux of the recommendation is the use of a third party consultant under an appropriate confidentiality agreement. Mr. Dahl reminded the Committee that GE already has access to the data in question, i.e., primarily generator FORs and maintenance data. Also, Mr. Gioia expressed the opinion that the individuals from ICS reviewing the data should be viewed as agents for the NYSRC, not TOs. Mr. Quint reiterated the NYISO’s concern that its Tariff does not permit access to the data by Market Participants. Mr. Gentile raised the question of why is the data made available to NPCC-CP-8 and not the NYSRC. Mr. Fedora will forward NPCC’s Confidentiality Agreement to Mr. Gioia – **AI #90-4**. Messrs. Patka, Haake and Gioia agreed to work together on a more satisfactory solution.

6.7 FERC Information Report on Nat’l Grid, et al Complaint – Mr. Gioia noted that an informational response to FERC regarding the Nat’l Grid, et al Complaint was filed on September 29, 2006. The response emphasized the current expectation that the Upstate/Downstate Study will be completed near year-end and reviewed by the ICS, RAITF, Operating Committee and Executive Committee in the first quarter of 2007. At that point, the Executive Committee and RAITF should be in a position to establish a firm schedule for addressing the issues raised in the National Grid complaint.

6.8 Other ICS Issues

- i. **NYISO/NE Mutual Emergency Assistance Study** – Mr. Dahl reported that Mr. Peter Wong (ISO-NE) will be attending the November ICS meeting to discuss the study scope.
- ii. **NERC Resource Adequacy Assessment Drafting Team – Status** – Nothing new to report.

7.0 Reliability Rules Subcommittee Status Report/Issues

7.1 RRS Status Report & Discussion Issues – Mr. Clayton noted that RRS met on October 5, 2006. He indicated that there were no changes in the status of PRRs #8, 52, and 84. PRR #86, a potential modification to B-R2 & R3, Voltage and Stability Assessments, to bring them in line with the NPCC A-2 document, has been tabled pending review of an extensive NYISO White Paper prepared by Mr. Waldele. The White Paper provides citations and references to demonstrate that current voltage and stability assessment practices including Emergency Transfer Limits at the NYISO have remained the same over time. Dr. Sasson commented that the NYISO had agreed to provide RRS with documentation of its practices to complete its documentation on this matter. RRS expects to present the template for consideration at the November 10, 2006 Executive Committee meeting. PRR #88, Loss of Generator Gas Supply (NYC & LI), is under review by ConEd and LYPA. The issues are whether “Loss-of-Load” means any load or firm load and whether load should be sacrificed under emergency conditions.

7.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (PRR) Changes –

b. Status of New/Modified Reliability Rules

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

7.3 NPCC/NERC Standard Tracking -

- i. **NERC Standards Development – Status** – Mr. Adamson reported that NPCC recommends a “no” vote on Standard BAL, Balance Resources and Demand, as does the RRS and NYISO. Mr. Loehr indicated his understanding is that approval would, in effect, relax the current A - Standards in favor of a criteria designed around frequency deviation from 60 Hz. More specifically, as long as the frequency deviation is less than plus or minus .50Hz, the A - Standards would not apply. The Committee concurred with a “no” vote. Mr. Adamson further recommended a “no” vote on Various, Provide Missing Measures & Compliance Elements in Existing Standards, since as a block, some of the new Compliance Elements are satisfactory and others are not. The Committee concurred with a “no” vote. For VRF, Violations Risk Factors for Version 0 & 1 Standard Requirements, the risk factors are satisfactory, but the process for determining the factors is not. Mr. Gentile moved that the NYSRC vote “no” with comment that the factors are satisfactory, but the process is faulty. The motion was seconded by Dr. Sasson and unanimously approved by the Members in attendance or on the phone – (13-0). Finally, Mr. Adamson described the history to date regarding the balloting of FAC, Determining Operating Limits, including the seriously flawed responses by the Drafting Team to the NYSRC’s pleas not to degrade system reliability by eliminating Category C Contingencies. Mr. Loehr pointed out that PJM has documented an average of 18 multiple contingency events per year over the last 5 years. Mr. Gentile added that Mr. Zito, Chairman of

NPCC-CP-9, has requested the same data from NPCC member companies, and that Mr. Gentile is on the Committee which will bring the data to FERC. He noted further that FERC is interested in NPCC's event based (vs. element based) Standards. Since the re-circulation ballot, beginning October 12, 2006, will likely pass and the NERC BOT will likely ignore the NYSRC concerns and approve the current draft (absent Category C contingencies) on November 1, 2006, the Committee informed Mr. Gioia that it intended to submit a filing with FERC recommending that FERC should not approve this Standard in order to protect the current level of system reliability by refusing to support a "least common denominator" mentality. This filing would also serve as the NYSRC response to FERC regarding its

request for comment as to whether FAC should be approved.

- ii. **NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – Mr. Kopman reported that NPCC – TFSS has completed its analysis and forwarded recommendations to NPCC – CP-11. Posting is expected about the third week in November 2006.

7.4 **Other RRS Issues –**

- i. **Wind Tower Clearances** – Mr. Clayton reported that the Town of Clayton has a local ordinance requiring 1000 ft. + 1.5 times the wind tower height in clearance.
- ii. **Responsibility If Market Participants Fail to Follow NYISO Directive** – See Item 8.3.

8.0 **Reliability Compliance Monitoring Subcommittee Status Report/Issues**

8.1 **RCMS Status Report and Discussion Issues** – Mr. Loehr reported that RCMS has approved three Measurements: (a) A-M3, Certify LSE ICAP Obligations are Met; (b) C-M4, Procedures for Reporting Resource Availability Data, and (c) C-M6, Reporting of historical Resource Outage Data Statistics and Trends.

8.2 **2006 NYRCP** – Mr. Loehr noted that RCMS is falling behind on the NYRCP schedule due to the NYISO failing to meet due dates for compliance documents. Being this close to the end of the year, Mr. Loehr acknowledged serious concern that the RCP will not be completed by the end of December 2006. The Executive Committee discussed with unanimous concern the ongoing failure of the NYISO to meet its obligations to the NYSRC in specific areas. Eight compliance assessments in the NYRCP are currently behind schedule. Mr. Loehr noted non-compliance may be designated in accordance with NYSRC procedures, if compliance documents are past due by a grace period of one month. However, this year certain compliance documents are already more than three months behind schedule. Mr. Rufrano noted that failing to react to violations as specified in the Compliance Template Manual will rapidly diminish the credibility of the NYSRC. Furthermore, the NYSRC is obligated to exercise its authority when necessary. Acting otherwise encourages further lax behavior. Mr. Ellsworth asked Mr. Loehr to inform the NYISO in the strongest terms that any delinquency at year-end will result in a declaration of non compliance. Mr. Gioia suggested a written rule that specifies an annual completion obligation. He agreed to review the NYSRC Compliance Procedures to ensure that it is a clearly specified obligation of the NYISO to complete the compliance documents as jointly scheduled in January of each year – **AI #90-5**.

8.3 **Compliance Template Manual Update** – Messrs. Gioia and Mr. Patka are preparing a document to address situations in which the NYISO is in non-compliance with NYSRC Reliability Rules due to the actions or inactions of a Market Participant. Mr. Patka has provided a draft statement for modifying the current policy by suggesting that the exercise of the NYISO process for dealing with non-compliance by Market Participants would constitute fulfillment of its obligation to the NYSRC. Mr. Adamson is currently preparing comments on this approach. RCMS is proceeding with its review and update of the

remainder of the Manual. Mr. Loehr will bring the full set of changes to the Executive Committee at its November 10, 2006 meeting – **AI #89-13**.

8.4 Other RCMS Issues – Mr. Loehr noted that Ms. Diane Barney was instrumental in obtaining NARUC support for the NYSRC position against lowering the Reliability Standards by removing category C contingencies from FAC 011-1.

9.0 Key Reliability Issues

9.1 Defensive Strategies – Mr. Smith discussed a detailed work scope on the UFLS Study provided by Phil Tatro, chairman of the NPCC-SS-38 working group performing the Study. This Study is the foundation for the Defensive Strategies Working Group (DSWG) analysis that will begin later this year. The purpose of the Study is to identify changes to the UFLS system incorporating recommendations from the Blackout Study. It will include consideration of coherent generation groups, how islands are formed based on extreme contingencies and multiple load levels, and sensitivity cases to determine changes that could have mitigated a cascading event. Preliminary results are expected in the November 2006 time frame and a draft report is expected by January 15, 2007. The final report is scheduled for February 2007. The next meeting of the DSWG will be in November 2006 at which time Mr. Tatro will discuss the work scope in detail.

9.2 NPCC Defensive Strategy Activities – See Item #9.1. Also, Mr. Kopman noted that Task #5, Analyze Multiple Methods of Forming Islands, of the NPCC UFLS Study had begun.

9.3 Regional Greenhouse Gas Initiative

i. RGGI – Status – Mr. Schrom reported that there will not be a RGGI Reliability Study. However, the PSC is investigating the generating units that will become uneconomic as a result of RGGI. Mr. Raymond will contact Ms. Hogan to check further on the Reliability Study since DEC has committed in writing to take on the Study – **AI #90-6**.

10.0 NYISO Status Report/Issues –

10.1 NYISO 2007 Comprehensive Reliability Planning Process – Mr. Adams reported that the 2007 Reliability Needs Assessment component of the CRPP is underway. Stakeholder approval is expected in December 2006 and Board approval in January 2007.

10.2 Studies – Status

- i. Electric Deliverability Study** – Mr. Adams indicated that the working group will be meeting at the end of October 2006.
- ii. NYSERDA/NYISO Gas Study** – Mr. Schrom reported that the Gas for Generation Study will be completed in January 2007.

10.3 Other Studies/Activities –

- i. NYCA Reactive Power Study** – Dr. Sasson indicated that the study group will be meeting on October 19, 2006. Among other things, the group will be evaluating Var related data received against day-to-day experience at the NYISO.
- ii. NYSERDA Oil Infrastructure Study** – Mr. Adams reported that the final report has been completed. A meeting will be held on October 25 at the PSC to discuss the findings.

11.0 Other Items

11.1 NYISO Operations Report (August 2006) – Mr. Raymond indicated that the report for August 2006 did not identify any operating data that was outside normal ranges. However, there was a new summer

peak established on August 2, 2006 of 33,939MWs.

11.2 North American Energy Standards Board (NAESB) Report – Mr. Ellsworth reported that he will distribute the latest NAESB key activities report at the next Executive Committee meeting – **AI #90-7**.

11.3 NPCC Report – Nothing additional to report.

12.0 Visitors' Comments – None

13.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#91	Nov. 10, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#92	Dec. 8, 2006	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 90 was adjourned at 4:10 P.M.