

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 97 – May 11, 2007
Albany Country Club, Voorheesville, NY

Members and

Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Thomas J. Gentile	National Grid, USA – Vice 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
Joseph C. Fleury	New York State Electric & Gas/Rochester Gas & Electric
A. Ralph Rufrano	New York Power Authority
Thomas Duffy	Central Hudson Gas & Electric - Phone
Mayer Sasson	Consolidated Edison Co. of NY, Inc.*
Michael Mager, Esq.	Couch White, LLP (Large Customers' Sector)

Others:

Alan Adamson	Consultant & Treasurer
John Adams	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	Hunton & Williams*
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP – Counsel for NYSRC
Don Raymond	Executive Secretary
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric – Phone*
Edward Schrom	NYS Department of Public Service
Polina Adelson	Long Island Power Authority (LIPA)

Visitors – Open

Session:

Erin P. Hogan, PE	NYSERDA
Carol Lynch	NYSRC Administrative Assistant*

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

Agenda Items – (Item # from Meeting Agenda)

- I. Executive Session** – At the request of Dr. Sasson, the Executive Committee (Committee) discussed the process for approval of new or modified reliability rules. The Committee concluded that for non-administrative matters of particular concern, such as the approval of new or modified reliability rules, or controversial issues, a roll call vote would be taken and recorded in the minutes. Also, subcommittee chairs will be asked to thoroughly describe both the pros and cons of an issue before requesting an approval. The Committee Chair will continue the practice of providing reasonable time to fully vet any issue duly brought before the Committee.
- II. Open Session**
- 1.0 Introduction** – Mr. Ellsworth called the NYSRC Executive Committee Meeting No. 97 to order at 9:30 A.M. on May 11, 2007. The Chair asked for a moment of silence in memory of Rich Bolbrock’s wife who passed away on May 6, 2007. Mr. Adamson, EC Treasurer, was asked to make a \$100.00 donation to the ASPCA in memory of Ginger Bolbrock.
- 1.1 Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance or on the phone.
- 1.2 Visitors** – See Attendee List, page 1.
- 1.3 Requests for Additional Agenda Items** – None were requested.
- 1.4 Executive Session Topics** – Dr. Sasson requested an opportunity to discuss the process regarding the approval of new or modified reliability rules.
- 2.0 Meeting Minutes/Action Items**
- 2.1 Approval of Minutes for Meeting No. 96 (April 13, 2007)** – Mr. Raymond introduced the revised draft minutes. Mr. Gioia offered additional comments pertaining to sections 5.3 and 8.3. Mr. Raymond will incorporate Mr. Gioia’s comments and circulate the updated minutes for final review – **AI #97-1**.
- 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>
92-10	Replaced by 96-9.
95-10	Mr. Loehr applied for educational credits on April 18, 2007 for the Resource Adequacy Workshop.
96-1	Mr. Raymond posted the final minutes on April 17, 2007.
96-2	Messrs. Gioia and Adamson prepared a cover letter for transmittal of the 2007 Biennial Report.
96-3	Mr. Raymond posted the Notice of EC Membership elections on April 13, 2007.
96-5	Mr. Gioia prepared NYSRC comments dated April 30, 2007 for the PSC Proceeding on the Criteria for Interruptible Gas.

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 \$161,000 in cash at the end of April 2007. Included was \$75,000 marking the final payment for the 2nd Quarter Call-For-Funds. The unbudgeted category shows \$1,710.42 for the preparation of the 2007 Biennial Report.

- ii. **Status of 2006 Audit** – Mr. Adamson indicated that he had requested a proposal from Slocum, DeAngleus & Assoc. to perform the 2007 audit.
- iii. **Administrative Assistant Position** – Mr. Ellsworth noted that the Committee’s new Administrative Assistant, Carol Lynch, would be joining the meeting at 11:00 AM. Mr. Adamson added that Ms. Lynch has made excellent progress in learning the website and other activities important to the administration of the NYSRC.

3.2 Other Organizational Issues

- i. **Bi-Annual NYSRC Report** – Mr. Adamson noted that Ms. Lynch had mailed copies of the 2005-06 Biennial Report to the CEOs, NYSEDA and the NYISO and NERC Boards, among others.
- ii. **Selection of Executive Committee Members** – Mr. Raymond indicated that the ballots will close for the Large Customer Sector on May 15, 2007. Also, he noted that a sample letter had been sent to the TOs for designating their EC Executive Committee representatives beginning August 1, 2007.
- iii. **Renewal of Insurance Policies** – Mr. Gioia indicated that last year’s liability carrier was no longer in the market, therefore requiring a search for a new carrier. The broker has not received quotes as of yet, but difficulty finding a carrier is not expected. The current policy expires on June 15, 2007.
- iv. **IRM Voting Procedure** – Nothing new to report.
- v. **NYSRC Workshop – Resource Adequacy** – Mr. Loehr reported that the Workshop will be on June 7, 2007 at the New York State Nurses Association. A nominal fee of \$100 per participant will be assessed. Payment may be made prior to or at the Workshop. The application for seven educational credits has been made. A dry run is planned for May 24, 2007. Mr. Rufrano will check on the possibility of NYPA filming the Workshop.
- vi. **NYSRC Workshop – Transmission** – Mr. Loehr emphasized the need to tie down the date for the Workshop. The Committee concurred with his suggestion of September 13, 2007.

4.0 State/Federal Energy Activities –

4.1 **Status of FERC NOPR on Reliability Standards** – Nothing new to report.

4.2 **NYSRC Filing Regarding ISO-NE Method of Determining ICR** – Mr. Adamson indicated that a meeting with ISO-NE is scheduled for the week of May 17, 2007 to follow-up on ISO-NE’s presentation of its Study.

4.3 **NERC MRC – Status** – Nothing new to report.

4.4 **Comments on RGGI Pre-Proposal** – Nothing new to report.

4.5 **DOE Designation of National Interest Electric Transmission Corridors** – Mr. Loehr expressed concern that material emanating from Washington continues to misrepresent the difference between congestion from a commercial use perspective versus transmission upgrades for reliability reasons. Though they often use the word reliability, “congestion” in their vernacular means economic restrictions. Also, the use of the term “corridor” for a swath of land that is 500 miles wide, appears to further demonstrate a lack of understanding of the transmission business. Mr. Schrom noted that DOE will be presenting a workshop on its report in NYC. Mr. Gioia added that the federal government tends to focus on the immediate problem of economic congestion without any consideration of the cost of relieving a constraint. In alluding to reliability, the federal government implies there is not an immediate problem, but by pointing to the Blackout and the current RNA they acknowledge that the consequences of a system disturbance may be great. Further, it is not surprising that DOE would take the initial step to support the federal government’s jurisdictional right to override local opposition in areas where new transmission is of critical need. Exercising an override would fall to FERC. Since comments are not due to DOE until July 6, 2007, the Committee decided to discuss a response at the June 8, 2007 EC meeting –
AI #97-2.

Finally, Mr. Gioia reminded the EC that Bob Hiney has become the Chairman of the Resource Adequacy and Reliability Committee of the NYISO Board. At a recent NYISO Liaison Committee meeting, Mr. Hiney expressed to Mr. Gioia an interest in attending a future NYSRC-EC meeting and establishing a good relationship with the NYSRC. In this regard, he is reviewing the NYISO's relationship with the NYSRC in the context of assuring the NYISO Board of its compliance with ERO and NYSRC reliability rules. The EC decided to send Mr. Hiney a letter of invitation to attend the June 8, 2007 meeting. The purpose will be to discuss areas in which a strong working relationship would be advantageous to both the NYISO and NYSRC. Further, it was agreed that the Subcommittee and DSWG Chairs would make brief presentations focusing on areas of mutual interest. Mr. Gioia will prepare the letter of invitation – **AI #97-3**.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith reported that the next meeting of the Defensive Strategies Working Group will be June 6, 2007 to receive input from Phil Tatro on the results of the UFLS Study. The results are scheduled for presentation to the NPCC-RCC on May 23, 2007. Mr. Smith will request a presentation for the NYSRC Executive Committee at its June 8, 2007 meeting – **AI #96-4**.

5.2 NPCC Defensive Strategy Activities – Nothing new to report.

5.3/ 5.4 PSC Case to Establish Criteria for Interruptible Gas – Mr. Gioia indicated that NYSRC comments in the PSC's Case on Criteria for Interruptible Gas requested consideration of reliability implications as part of the Case or through a new docket. He further noted that the PSC has adopted Version 16 of the NYSRC Reliability Rules in spite of the NYSRC's recommendation that such approvals were unnecessary and difficult to implement. After Version 16 was approved, two additional Rule changes were approved by the NYSRC and sent to the PSC as Version 18. Version 18 is now subject of another PSC proceeding. Since then, Version 19 has been prepared which includes two more groups of adopted rules and measurements. In addition, the PSC has begun a proceeding to address the NPCC Standards. Mr. Gioia added that he had received an inquiry from NPCC Council concerning the PSC proceeding to adopt NPCC Standards and had sent to her the NYSRC comments in its case and had discussed those comments with Mr. Schwerdt (NPCC). NPCC may make similar arguments that its Rules are binding on the NYISO and adoption by the PSC is neither necessary nor timely since the NPCC Reliability Rules are in flux due to the need to establish consistency with the developing ERO Standards.

5.5 Pandemic Planning – Mr. Patka indicated that he has asked Mr. Elacqua to update the Executive Committee at its June 8, 2007 meeting on the NYISO's activities regarding Pandemic Planning, in particular, in the generation sector – **AI #97-4**. The NYISO is currently in the process of discussing Pandemic Planning with each industry sector and expects to complete a survey by the end of the summer 2007 – **AI #97-5**.

5.6 Calculation of NYCA Transmission Transfer Capability – Mr. Loehr suggested that in light of the importance of transfer limits in maintaining electric system reliability, the NYISO provide the Committee a presentation on the method of calculation. Mr. Schrom noted that ICS would be very interested in hearing the presentation. Mr. Patka offered that the NYISO is preparing such a presentation for its subcommittees. Mr. Gentile added that the ERO is preparing a new Standard with the goal to introduce consistency on a national basis in the way transfer limits are determined. The Committee agreed that Mr. Loehr would workout a date and time with the NYISO – **AI #97-6**.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

6.1 ICS Status Report and Discussion Issues – Mr. Adamson indicated that ICS met on May 4, 2007. He reported that ICS has begun work on the Assumption Matrix for the 2008 IRM Study, which will be brought to the Committee for approval at its August 10, 2007 meeting. The NYISO Staff is preparing recommendations on the load shape, SCR monitoring and the forced outage rates. Mr. Lamanna (NYISO) has been asked to deliver the Transmission Model to ICS by June 1, 2007. Mr. Adamson added

that RRS has recently requested that ICS investigate the impact of the loss of oil generation due to new environmental regulations.

6.2 Mechanism to Accommodate Expanded GE-MARS Database Review – Mr. Gioia indicated that the Agreement should be between the NYISO, ConEd, LIPA and NYSRC. The Agreement would provide injunctive relief for the NYISO should violations occur. The entities signing the Agreement would commit to complying with the terms of the Agreement. He has asked Mr. Patka to consider accepting his revised wording. While the NYSRC, ConEd, and LIPA would be parties to the Agreement, their individual representatives would also sign a Confidentiality Agreement.

6.3 RAITF Study – Mr. Haake reported that the joint study group met on May 7, 2007 and received a presentation of preliminary results from GE Energy, Inc. He indicated that initial results suggested that Upstate required significantly less reserve to be at equal reliability with Downstate. However, later in the day, GE Energy, Inc. informed Mr. Adams that a calculation error had been found and the reserve levels were now nearly equal at an equal level of reliability. Dr. Sasson noted that when Upstate generator output owned by a Downstate entity and when the Neptune Cable are introduced into the Study, Downstate's reliability will improve. Also, Mr. Haake emphasized that changes to the system between 2007 and 2011 could change 2011 results significantly relative to 2007. The next meeting of RAITF is June 16, 2007 which should provide time to incorporate some results in the June 29, 2007 quarterly filing with FERC. Lastly, Mr. Jeremko reminded the Committee of the Cost Analysis previously requested of the NYISO (**AI #89-5**). Mr. Adams did not recall making a commitment, but agreed to review the matter internally – **AI #97-7**.

6.4 Other ICS Issues

i. NYISO/NE Mutual Emergency Assistance Study – Nothing new to report.

7.0 Reliability Rules Subcommittee Status Report/Issues

7.1 RRS Status Report & Discussion Issues – Mr. Adamson reported that there were no changes in the status of PRRs #8 and #52. PRR #84 is on hold pending final approval of NPCC A-3. PRRs #86 and #90 were adopted at the April 13, 2007 meeting and will be in Version 19 of the Reliability Manual. PRRs #88, Loss of Generator Gas Supply (NYC & LI), 91, Modification of B R4, and 92, Modification of Measurement G-M1, were approved at the April meeting for posting.

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 – None

2. PRRs for EC Approval to Post for Comments – None

3. PRRs for EC Discussion – Mr. Adamson indicated that RRS is updating Policy 1, Procedure for Developing and Approving New Rules, to include, at the request of the Committee, a Procedure for granting exceptions to the rules. RRS would like the NYISO to periodically review the list of exceptions to verify continuing need of each item. Secondly, RRS is tracking the impact of new environmental regulations which may render dual fuel capability non functional including: (1) NO_x Emission Reductions Requirements of the Ozone Transport Commission, (2) New York State CO₂ Consent Decrees, and (3) RGGI. ICS has been asked to investigate the impact on the electric system reliability looking into the future. Mr. Carney (NYISO) will be making a presentation on this issue at the next ICS meeting in June 2007. Also, RRS is recommending that the EC receive regular updates – **AI #97-8**. Mr. Waldele elaborated on the actions being taken by the NYISO in light of the changes in environmental regulations. Studies are being conducted as part of the RNA to quantify reliability and cost impacts. It was agreed that Mr. Carney (NYISO) would present the issues, their interrelationships and coordination requirements to the Committee at its June 8, 2007 meeting – **AI #97-9**. Mr. Gentile raised the issue of a reliability investigation

of RGGI which the NYSRC had been told would accompany the RGGI Rulemaking. Ms. Hogan agreed to identify the appropriate person at DEC to contact regarding the Committee's concern. Mr. Waldele reminded the Committee that the new regulations must be viewed together, rather than individually. It may be appropriate to initiate direct discussions with DEC once the Committee hears from Mr. Carney. Lastly, Dr. Sasson noted that RRS has discussed the Applications of the minimum oil burn rule. He stated the fact that a complete list of the Applications does not currently exist. Mr. Adamson pointed out that the NYISO is in the process of updating the minimum oil burn Applications (NYC & LI) and will then post its T&D Manual with the latest Applications on its website. Once this has occurred, RRS intends (with Committee concurrence) that the Applications will be removed from the Reliability Rules Manual and replaced by documentation of the NYISO process for developing Applications. It was decided that in the meantime, Mr. Adamson would modify the existing rule document removing the outdated application but keep the description of the process to amend or establish new Applications.

7.3 NPCC/NERC Standard Tracking -

- i. **NERC Standards Development – Status** – Mr. Adamson reported that the Balance Resources and Demand Standards, BAL-007-011, were defeated with a weighted vote of 64%. The recirculation ballot was also defeated with 57% of the vote. Three proposed Standards: (1) Nuclear Plant Interface Coordination Standard, NUC-001, (2) a SAR to revise Coordination Interchange Standards, INT-006 and 008, and (3) an interpretation of Automatic Generation Control Standard, BAL-005, initial ballots were each approved. Also, the NYSRC will request that FERC sustain the current Category C contingency requirements under FAC-011, Determine Operating Limits. However, FERC has not yet issued a request for comments. NPCC has nearly completed a SAR which addresses the Category C Contingency issue. It will go to NERC for approval shortly. Mr. Gentile noted that the Assess Transmission Future Needs Standards Drafting Team (ATFNSDT), which is investigating combining the four Planning Standards into a single Standard, is in favor of event based (instead of element based) contingencies for stability testing as is being done within NPCC. Also, the steady state contingencies are being considered for change to an event basis.
- ii. **NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – The document has been adopted by NPCC, but comments for a possible A-10 revision are being accepted through June 2007. Mr. Adams noted that an Implementation Plan is in place. Part of the Plan is to re-visit the testing methodology. Mr. Gentile emphasized once again the importance of getting A-10 finalized as the definition of Bulk Power System is becoming a matter of discussion outside NPCC.

7.4 Other RRS Issues –

- i. **Wind Tower Clearances** – Nothing new to report.

8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

8.1 RCMS Status Report and Discussion Issues – RCMS met on May 10, 2007.

8.2 2007 NYRCP – Mr. Loehr reported that RCMS reviewed

two Measurements: (1) J-M2, Providing Performance Data of Control Center Communications Interfaces and (2) J-M1, Procedures for Supporting NYISO/MP Communications and concluded that the NYISO is in full compliance. A third Measurement, C-M9, Procedure for Maintenance of Loadflow, Short Circuit and Stability Data, was rescheduled to June 1, 2007 without prejudice.

8.3 Compliance Template Manual (Intro) – Mr. Loehr reported that Messrs. Gioia, Patka, Campoli, and Adamson attended a meeting, in which he participated by phone to discuss NYISO actions and NYSRC findings in situations where non-compliance with a Reliability Rule is the result of the action or inaction of a market participant. The group agreed that, in cases like this, NYSRC should be able to make a finding that the NYISO had taken all reasonable actions to secure compliance. It was decided the resulting principle should be removed from the Introduction of the Compliance Template Manual and

placed in Policy 4. Mr. Gioia agreed to draft the addition to Policy 4 – **AI #97- 10**.

8.4 Other RCMS Issues – Nothing additional to report.

9.0 Blackout Reporting – At the Committee’s request, this section will be removed from future agendas.

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

9.2 NPCC Blackout Report Recommendations – Nothing new to report.

9.3 PSC Blackout Report Recommendations

i. **RRS, RCMS Follow-up** – Nothing new to report.

ii. **PSC/TO Follow-up** – Nothing new to report.

10.0 NYISO Status Report/Issues –

10.1 NYISO 2007 Comprehensive Reliability Planning Process (CRPP) – Mr. Adams reported that the NYISO RNA was issued and the request for solutions ended May 1, 2007. There were six proposals received. Five were market solutions (generation and transmission) and the sixth was a regulatory backstop solution. Assessment of the proposals has begun.

10.2 Studies – Status

i. **Electric Deliverability Study** – Mr. Haake reported that IITF met on May 1, 2007 to hear additional revised proposals from the NYISO, ConEd and NYSEG. There will be a conference call on May 17, 2007 to see if an agreement can be reached. If agreement is not reached, it will be necessary to go to the NYISO Board. A report to FERC is required in June 2007.

10.3 Other Studies/Activities –

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

11.0 Other Items

11.1 NYISO Operations Report (April 2007) – Mr. Raymond reported that there were two Major Emergencies in April 2007: (1) an overload of the phase shifters at Saunders-St. Lawrence and (2) Central East exceeded its voltage collapse limit. Also, there were three incidents in which large generators tripped off line at or near full load. Finally, the numbers of monthly frequency excursions appear to be picking-up once again.

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

11.3 NPCC Report – 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>
#98	June 8, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#99	July 13, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 97 was adjourned at 3:00 P.M.

