

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 99 – July 13, 2007
Albany Country Club, Voorheesville, NY

Members and

Alternates:

Bruce B. Ellsworth	Unaffiliated Member – Chairman
Thomas J. Gentile	National Grid, USA – Vice Chairman
Richard. J. Bolbrock	Long Island Power Authority (LIPA)
Curt Dahl	LIPA - Alternate – ICS Chairman
William H. Clagett	Unaffiliated Member
George C. Loehr	Unaffiliated Member, RCMS Chairman
Chris Wentlent	AES - (Wholesale Seller Sector) - Alternate
George E. Smith	Unaffiliated Member
Steve Jeremko	New York State Electric & Gas/Rochester Gas & Electric - Phone
A. Ralph Ruffano	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
Rick Gonzales	New York Independent System Operator (NYISO)*
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*
P. L. Gioia, Esq.	LeBoeuf Lamb Greene & MacRae, LLP – Counsel for NYSRC
Don Raymond	Executive Secretary
Roger Clayton	Electric Power Resources, RRS Chairman
Edward Schrom	NYS Department of Public Service
Steve Keller	NYS Department of Public Service

Visitors – Open

Session:

Erin P. Hogan, PE	NYSERDA
Phil Fedora	Northeast Power Coordinating Council (NPCC)
Mike Caufield	Alcoa Inc.
Philip Tatro	National Grid, USA

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

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Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – Dr. Sasson requested that his summary of the June 27, 2007 local power interruption take place in Executive Session. The Chairman concurred since the investigation is still on-going.

II. Open Session

1.0 Introduction – Mr. Ellsworth called the NYSRC Executive Committee Meeting No. 99 to order at 9:30 A.M. on July 13, 2007.

1.1 Meeting Attendees – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance or on the phone. Messrs. Wentlent and Caufield were acknowledged as first time attendees.

1.2 Visitors – See Attendee List, page 1.

1.3 Requests for Additional Agenda Items – None were requested.

1.4 Executive Session Topics – Agenda Item 10.1 took place during Executive Session.

2.0 Meeting Minutes/Action Items

2.1 Approval of Minutes for Meeting No. 98 (June 8, 2007) – Mr. Raymond introduced the revised draft minutes and acknowledged receipt of changes subsequent to the copying of the draft minutes for comment. Consequently final draft minutes will be issued by July 17, 2007 and final approval will be by email – AI - #99-1.

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>
85-6	The Upstate/Downstate Study was filed with FERC on June 30, 2007.
96-5	Comments were provided in the context of the PSC Case to Establish Criteria for Interruptible Gas.
97-4	Mr. Elacqua (NYISO) provided an update of the NYISO Pandemic Planning activities at the June 8, Executive Committee meeting.
97-6	Mr. Loehr established a NYISO presentation for the NYSRC’s meeting on September 14, 2007.
97-9	Mr. Carney (NYISO) presented the scope of new environmental initiatives at the Executive Committee’s June 8, 2007 meeting.
98-2	A letter was prepared by Messrs. Gioia/Clayton and forwarded to NYRI on July 9, 2007.

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 \$131,000 in cash at the end of June 2007 and a projected year-end surplus of \$30,000. The Resource Adequacy Workshop brought in about

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\$5,000 while the Nurses Association expenses were \$3,100. The 3rd Quarter Call-For-Funds of \$25,000 per TO is currently short by two payments.

- ii. **Selection of Executive Committee Members** – Mr. Gioia indicated the need for the Executive Committee to approve the appointment of the representatives of the Large Consumer, Wholesale Sale and Muni & Electric Cooperative Sectors. Mr. Claggett moved for Executive Approval of Messrs. Mager, Haake and Bush as members for the two year term beginning August 1, 2007 representing the Large Customer, Wholesale Sales and Muni & Electric Cooperative Sectors, respectively. The motion was seconded by Mr. Gentile and approved unanimously by the Executive Committee (12-0).

3.2 Other Organizational Issues

- i. **Code of Conduct** – Mr. Raymond reported that each TO and the Large Customer, Wholesale Sales and Muni and Electric Cooperative Sectors have selected their representatives for the two year term beginning on August 1, 2007. The Code of Conduct and Acknowledgement Form have been forwarded to all new term members. The Acknowledgement Form should be returned to Mr. Raymond prior to August 1, 2007. The Subcommittee Chairs are carrying out the same process regarding their Subcommittee members. Mr. Gioia reminded the Executive Committee of its previous determinations related to participation by members of the Executive Committee in NYISO committees. The amendment to the NYSRC Agreement to further remove restrictions on participation in NYISO Committees approved by the Executive has been held in abeyance during the litigation at FERC on the IRM. Now that the filings are complete, Mr. Gioia will proceed to file the amendment with FERC – **AI #99-2**.
- ii. **Renewal of Insurance Policies** – Mr. Gioia indicated that he had reviewed the terms of the new offering and finding the terms satisfactory, he bound the liability policy. Also, the NYSRC has received \$300 as a result of litigation against Marsh, the prior insurance provider.
- iii. **NYSRC Workshops – Resource Adequacy/Transmission** – Mr. Loehr reported that he had filed the names of attendees at the Resource Adequacy Seminar for the approved 5 continuing education credits.
The Transmission Seminar is scheduled for September 13, 2007 at the Nurses Association. It has been approved for 7 continuing education credits. Again, NYPA has generously offered to film the seminar. Preparation is underway to provide a similar seminar for PSC Staff on October 11, 2007 per the request of Mr. Tarler.

4.0 State/Federal Energy Activities –

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

4.2 NYSRC Request from NYRI – Mr. Gioia reported that with the assistance of Mr. Clayton he had prepared and sent a letter to the New York Regional Interconnection Inc. (NYRI) in response to its request. The letter indicated that there were no Rules preventing the construction and operation of the transmission project adjacent to the right of way for the proposed Millennium Pipeline Project. However, two relevant considerations were noted: (1) loss of a HVDC Bipole, a normal contingency and (2) loss of gas supply, an extreme contingency.

4.3 Environmental Impact Analysis – Mr. Adams indicated that the NYISO has begun working on its investigation of the multiple Environmental regulations scheduled to come into effect over the next 3-5 years. A draft report focusing on RGGI and HEDD (High Electricity Degree Days) is expected in September 2007 – **AI #99-3**. On a related note, Ms. Hogan noted that NYSERDA is in the contract phase for a transmission analysis using MAPS. Following the signing of the contract, the analysis will take 6-7 months. The Project Manager, Mark Torpey will, at Ms. Hogan’s request, invite an NYSRC representative to be on the Advisory group. Mr. Wentlent encouraged NYSERDA to be sure that the public is aware of the Study. Also, since the RGGI member States encompass both ISO-NE and part of

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PJM, Mr. Wentlent suggested that ISO-NE and PJM also serve on the Advisory group. Ms. Hogan also noted that the NYS RGGI Rule should be out for comment in the early fall 2007. Lastly, Mr. Loehr commented that he had occasion to meet with Mr. Tonka, CEO of NYSERDA, for about thirty minutes and thanked him for use of the facilities by RCMS and for Ms. Hogan's contributions. Also, Mr. Loehr expressed concern that there are efforts being initiated at FERC/NERC that would weaken reliability criteria and a contingent remains that still favors "one size fits all". Mr. Tonka acknowledged awareness of these concerns. He additionally expressed interest in a Transmission Seminar for NYSERDA employees.

4.4 NYSRC Filing Regarding ISO-NE Method of Determining ICR – Nothing new to report.

5.0 Key Reliability Issues

5.1 Defensive Strategies – Mr. Smith introduced Mr. Philip Tatro (Nat'l Grid) who provided the Executive Committee a presentation on the UFLS Assessment being performed by NPCC SS-38, chaired by Mr. Tatro, as part of the follow-up investigation in response to the August 14 Blackout. This assessment is a prerequisite to Task 5 of the Blackout Investigation which addresses the Defensive Strategies Program initiated by the NYSRC's DSWG and later melded into the NPCC Blackout Investigation. Mr. Tatro focused on the concepts pertinent to the eventual consideration of Defensive Strategies including coherent generation groups and dynamic island formation. He pointed out that the UFLS Program was revised in April 2003 with a four year implementation plan to prevent frequency decline reaching 58.0 Hz. The Assessment shows that had the 300ms delay been implemented prior to the Blackout, NPCC would have separated from the Eastern Interconnection, but survived as a single island. Also, islands tend to fall along stability limited interfaces and the importance of modeling dynamics at the time of island formation. Findings included: (a) the need to obtain a better understanding of factors affecting performance of potential islands, (b) frequency recovery does not meet requirements in some Ontario, New York, and New England islands with the current load shedding program, and (c) further investigation of system dynamics during large-scale disturbances.

The consideration of Defensive Strategies was originally deferred in recognition of the need for Blackout Recommendations. The "Terms of Reference" document was approved by the NPCC RCC on November 28, 2006. Work will commence upon completion of the UFLS Assessment at about the end of 2007 and is scheduled over a six month period – **AI #99-4**. Mr. Ellsworth expressed the Executive Committee's appreciation to all involved for an excellent work product.

5.2 NPCC Defensive Strategy Activities – Nothing new to report.

5.3 PSC Case to Establish Criteria for Interruptible Gas – Mr. Gioia indicated that the PSC has not issued an order as of yet.

6.0 Installed Capacity Subcommittee (ICS) Status Report/Issues

6.1 ICS Status Report and Discussion Issues – Mr. Dahl reported that ICS met on June 27, 2007 and held a conference call on July 10, 2007. In both instances the Subcommittee focused on the Assumptions Matrix for the 2008 IRM Study in preparation for a presentation to the Executive Committee at its August 8, 2007 meeting. Particular attention was given to the Transmission, Hydro, and Capacity models, zonal resolution of SCRs, GT temperature sensitivity, and Load Forecast uncertainty.

6.3 Mechanism to Accommodate Expanded GE-MARS Database Review – Mr. Gioia indicated that he and Messrs. Patka and Haake had reached agreement on a draft. The draft was sent to Mr. Dahl and Dr. Sasson for comment. Mr. Villalba (ConEd) asked whether the data from the control areas would be provided to the NYSRC under the Agreement. Mr. Patka felt initially that giving the data was not possible. However, given that the confidential data is "masked", he agreed to investigate the issue further.

Mr. Mager reminded the Committee that several "Lessons Learned" from the last IRM Study need to be resolved: (a) a definitive data cutoff date, (b) schedule timing such that the final IRM decision takes place

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at a scheduled meeting of the Executive Committee (vs. a conference call) and (c) the voting process. Mr. Gioia agreed to provide a draft voting procedure – **AI #99-5**.

6.4 RAITF Study – Mr. Dahl indicated that the Joint Study Group’s Upstate-Downstate Report was filed with the June 30, 2007 Quarterly Informational Report to FERC. The Informational Report acknowledged the need to continue to review the subsidy issue, but that the Report would be the final submittal to FERC. FERC has not responded as of yet and may not respond.

6.5 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. Clayton reported that RRS met on June 28, 2007. There were no changes in the status of PRRs #8 and #52. PRR #84 is on hold pending final approval of NPCC A-3. PRR #93, which is under RRS review, is an NYISO proposal to include controllable load in the 10 minute synchronous reserve and align with the proposed change to NPCC A-6 Document. RRS has requested a presentation from the NYISO. Dr. Sasson requested that the NYISO provide the Executive Committee the presentation, if and when the PRR is offered by RRS for approval. PRR #94, also under review by RRS, will require the NYISO to review the Exceptions to NYSRC Reliability Rules. Mr. Gentile noted that the facility owners need to be in concurrence.

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. Clayton introduced three PRRs changes for Executive Committee approval: PRRs #88, Clarification of Loss of Generator Gas Supply (NYC & LI), #91, Modification of B-R4, Extreme Contingency Assessment and #92, Modification of Measurement G-M1, System Restoration Rules. They have each been reviewed by the Executive Committee and posted for 45 days without receipt of any comments. PRR #88 breaks Local Rule IR#3 into new Local Rules IR#3 and IR#5. IR#3 now applies to NYC and IR#5 to Long Island. The distinction is that IR#5 specifically applies to “loss of uncontrolled load”. Mr. Loehr moved for approval of the change to PRR #88. The motion was seconded by Mr. Smith and unanimously approved by the Executive Committee – (12 to 0). The change to PRR #91 is to bring the Rule into concert with NPCC C-18 concerning the level of load that the system is subjected to prior to testing (75% on a load duration basis vs. typical load). Following discussion, Mr. Clagett moved for approval of the PRR #91 change. The motion was seconded by Mr. Gentile and unanimously approved by the Executive Committee – (12 to 0). PRR #92 provides clarification regarding sufficient time for NYISO action after a change to a TO restoration Plan and consistency with B-R5. Following discussion, Mr. Bolbrock moved for approval of the PRR #92 clarification. The motion was seconded by Mr. Gentile and unanimously approved by the Executive Committee – (12 to 0).

7.3 NPCC/NERC Standard Tracking -

i. NERC Standards Development – Status – Mr. Adamson reported that he attended the last NPCC CP 9 meeting and reported that CP 9 is becoming a new Regional Standards Committee. Similarly, CMAS is to become Compliance Committee. Mr. Fedora indicated that NPCC, Inc and the CBRC are merging into a new NPCC which will include equally weighted sector (8) voting. The NYSRC will fall into the Sub-regional Reliability Councils (Sector 8). Mr. Loehr recommended that Mr. Adamson and Jonathan Applebaum (RCMS) represent the NYSRC on the Regional Standards and Regional Compliance Committees, respectively. The recommendation was seconded by Mr.

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Bolbrock and approved unanimously by the Executive Committee (12 to 0).

- ii. **NYCA Impact of New A-10 Document (Definition of Bulk Power System)** – Nothing new to report.
- 7.4 Other RRS Issues –**
- i. **Exceptions to Reliability Rules** – See **Item 7.1.**
 - ii. **Minimum Oil Burn** – Mr. Clayton noted that during its latest meeting the RRS received a presentation on the Minimum Oil Burn Local Rule by Mr. Scott Brown (NYPA). Mr. Brown has agreed to give the presentation to the Executive Committee at its August 10, 2007 meeting – **AI #99-6.**
 - iii. **Storm Watch (IR#4)** – Mr. Clayton informed the Executive Committee that RRS is reviewing the available technology that may provide the system operator with lengthier forewarning of pending storms.
 - iv. **RRS Administration** – Mr. Clayton agreed to develop a list of administrative actions that RRS feels it is able to take without Executive Committee approval, e.g. changes to the Table of Contents, page numbering, Rules cross-reference, and the Rules revision history.
- 8.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues**
- 8.1 RCMS Status Report and Discussion Issues** – RCMS met on July 12, 2007.
- 8.2 2007 NYRCP** – Mr. Loehr reported that RCMS gave final approval to K-M2b, Annual Resource Adequacy Assessment. The Assessment for 2007-10 found that the NYCA will meet the 16.5% installed Reserve requirement through 2010 with the capacity currently under construction. Slippages could introduce shortages in 2010. Similar results were found for the Locational Reserve requirements. Also, RCMS approved G-M1, Procedure for Maintaining a System Restoration Plan. G-M4, System Restoration Training Requirements, was reviewed by RCMS and will be voted on at the RCMS August 9, 2007 meeting. Additionally, RCMS offered compliance elements and suggested changes to PRR #94 which is under review by RRS and supported Mr. Adamson’s changes to the original draft provided by Mr. Gioia to Policy 1-4, Procedure for Obtaining Exceptions to the Reliability Rules. Mr. Gioia agreed with the intent of the changes and has forwarded the document to Mr. Patka for comment.
- 8.3 Compliance Template Manual (Intro)** – Nothing new to report.
- 8.4 Other RCMS Issues** – Nothing additional to report.
- 9.0 NYISO Status Report/Issues –**
- 9.1 NYISO 2007 Comprehensive Reliability Planning Process (CRPP)** – Mr. Adams reported that the first draft of the Comprehensive Plan was presented to the stakeholders on July 9, 2007. The Plan found a need for an additional 1800Mws, 500Mws by 2012 and the full amount by 2016. 3000Mws of proposed market solutions are currently being evaluated. About 50% of the proposals are controllable transmission lines backed up with generation. None of the market proposals were demand response types and all solutions targeted downstate needs.
- 9.2 Studies – Status**
- i. **Electric Deliverability Study** – Messrs. Adams and Patka indicated that the next draft will be issued on July 16, 2007 for review by the TOs on July 23, 2007. The Study is then scheduled for the Operating Committee on July 16, 2007, the Management Committee on July 29, 2007 and a special meeting of the BOD on July 31, 2007.
- 9.3 Other Studies/Activities –**
- i. **NYCA Reactive Power Study** – Nothing new to report.
- 10.0 Other Items**
- 10.1 NYISO Operations Report (June 2007)** – Mr. Raymond reported that on June 27, 2007 a Major Emergency was declared due to Barrett-Valley Stream exceeding its STE limit caused by the PAR on

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Barrett-Freeport going to the top tap. The emergency lasted nine minutes. A NERC/NPCC Reportable Event occurred on June 19, 2007 when a RPU and SAR were activated for the loss of the Neptune DC Cable loaded at 600 Mws. On June 27, 2007 a RPU was initiated due to an Astoria West 138 Kv disturbance caused by loss of Astoria 3 loaded to 356Mws, Astoria 4 loaded to 371 Mws and NYPA Astoria at 467 Mws. The RPU lasted 4 minutes and the system response was within full compliance. Units 2 & 3 loaded at 550Mws.

10.2 North American Energy Standards Board (NAESB) Report – Mr. Ellsworth noted that an ISO Sector had been approved by the NAESB Board. The quarterly NAESB progress Report will be sent to the NYSRC in the future.

10.3 NPCC Report – Mr. Fedora noted that the NPCC General Meeting will be held on September 26 and 27, 2007 in Toronto, Canada.

10.4 Passing the Gavel – The Executive Committee thanked Mr. Ellsworth for three years of superb leadership and expressed its pleasure that he would be continuing on the Executive Committee. The gavel will fall to Mr. Gentile beginning at the August 10, 2007 Executive Committee meeting. Mr. Loehr will replace Mr. Gentile as the Vice Chair.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#100	Aug. 10, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.
#101	Sept. 14, 2007	Albany Country Club, Voorheesville, NY.	9:30 A.M.

The open session of Committee Meeting No. 99 was adjourned at 3:35 P.M.

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