

Draft Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 181 – May 9, 2014
Albany Country Club, Voorheesville, NY

Members and Alternates
in Attendance:

Mayer Sasson	Consolidated Edison Co. of N.Y. – Member – Chair
Curt Dahl, P.E.	LIPA – Member – Vice Chair
George Loehr	Unaffiliated Member
William H. Clagett	Unaffiliated Member
George Smith, P.E.	Unaffiliated Member
Richard J. Bolbrock, P.E.	Municipal & Electric Cooperative Sector – Member
Mike Mager, Esq.	Couch White, LLP (Large Customers’ Sector) – Member
Scott Leuthauser	Generation Sector – Alternate Member
Jim McCloskey	Central Hudson Gas & Electric – Member
Chris LaRoe	Independent Power Producers of NY (IPPNY) – Member
Arnie Schuff	New York Power Authority – Member
Peter Altenburger	National Grid, USA - Member
Rich Brophy	New York State Electric & Gas/Rochester Gas & Electric - Representative

Other

Al Adamson	Consultant & Treasurer
Paul Gioia, Esq.	Counsel
Roger Clayton	Electric Power Resources, LLC – RRS/RCMS Chair
Erin Hogan, P.E.	NYSERDA – ICS Chair
Henry Chao	New York Independent System Operator (NYISO)
Wes Yeomans	New York Independent System Operator (NYISO)
Howard Tarler	New York Independent System Operator (NYISO)
Chris Sharp, Esq.	New York Independent System Operator (NYISO)
Ed Schrom	NYS Department of Public Service
Don Raymond	Executive Secretary

Visitors- (Open Session)

Phil Fedora	Northeast Power Coordinating Council (NPCC)
Diane Barney	NYS Department of Public Service
Herb Schrayshuen	Power Advisors, LLC

“*” Denotes part-time

- I. **Executive Session** – An Executive Session was not held.
- II. **Open Session**
- 1.0 **Introduction** – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.181 to order at 9:30 am on May 9, 2014.
- 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance with the exception of Mr. Ellsworth.
- 1.2 **Visitors** – See Attendee List, page 1.
- 1.3 **Requests for Additional Agenda Items** – None
- 1.4 **Declarations of “Conflict of Interest”** – None
- 1.5 **Executive Session Topics** – An Executive Session was not held.

- 2.0 **Meeting Minutes/Action Items**
- 2.1 **Approval of Minutes for Meeting No. 180 (April 10, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. There being no additional comments, Mr. Bolbrock moved for approval of the revised draft minutes. The motion was seconded by Mr. Claggett and unanimously approved by the Executive Committee members or representatives in attendance – (12 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #181-1.**
- 2.2 **Action Items List** – The Executive Committee reviewed the Outstanding Action Items list and accepted removal of the following items:

<u>Action Item #</u>	<u>Comments</u>
177-3	Mr. Dahl presented the Matrix at the April 10, 2014 Executive Committee meeting.
178-3	Postponed until September 12, 2014.
179-5	The Executive Committee gave final approval to REP-03 at its April 10, 2014 meeting.
180-2	Mr. Raymond began administering the Contact Matrix on April 11, 2014.

- 3.0 **Organizational Issues**
- 3.1 **NYSRC Treasurer’s Report**
 - i. **Summary of Receipts & Disbursements** - Mr. Adamson discussed the Summary of Receipts and Disbursements which showed a surplus of \$265,000 at the end of April 2014. The large surplus is due to an estimated remainder-of-year prepayment by National Grid. All Members except for one have paid the 2nd Quarter Call-for-Funds of \$30,000 per TO due by April 1, 2014. Mr. Adamson again reminded the TOs to inform him of electronic transfer payments.
- 3.2 **Other Organizational Issues**
 - i. **Appoint Compensation Subcommittee** – Mr. Adamson reminded the Executive Committee that under Policy 3 a new Compensation Subcommittee must be appointed. Following discussion of

various procedural alternatives, Mr. Mager moved that the Subcommittee be comprised of the Chair, Vice Chair and Counsel for 2014. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee members or representatives in attendance – (12 to 0).

- ii. **Guest Requests** – Dr. Sasson informed the Executive Committee that Audrey Zibelman, Chair of the NYS Public Service Commission, has accepted an invitation to attend a future Executive Committee meeting. A mutually acceptable date will be decided upon shortly.

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

4.1 ICS Chair Report – Ms. Hogan provided the ICS Report on the highlights of its April 29, 2014 meeting. The written report addressed the status of the following tasks: (a) 2015-16 IRM Study, (b) Policy 5 Update, (c) Transmission Outage Working Group and (d) Voltage Reduction Degradation. Also, she noted that ICS will be approving the Assumptions Matrix at its July 2014 meeting. The NYISO (A. Maniaci) recommended not making changes to the Load Shape Model since the model was updated recently. The NYISO will be monitoring changes in load and reporting back to ICS. Also, the NYISO (V. Ganugula) reported on the summer 2013 demand response events for the Special Case Resources (SCR) and Emergency Demand Response Program (EDRP).

The ICS has reached consensus on the new features in the MARS version 3.18. All the new features were tested and found not to impact the LOLE results.

Ms. Hogan reported that there was extensive discussion on proposed Policy 5 changes. She is not optimistic that consensus will be reached on the inclusion date of June 1 for new generation. The Executive Committee looked favorably with Mr. Dahl's suggestion that Policy 5 include a June 1 inclusion date and the possibility of doing an inclusion date sensitivity analysis for the 2015-16 IRM Study. Dr. Sasson added that Policy 5 should be written such that under unusual circumstance ICS could bring the issues to the Executive Committee for a decision - **AI #181-2**.

Ms. Hogan reported that the Transmission Outage Working Group (TOWG) has determined that evaluating the outage and transitions rates for multi-faceted interfaces is overly complex for its screening analysis. Instead, they will focus on evaluating the Chateauguay interface. Also, ICS has decided to terminate its work on Voltage Reduction Degradation due to the limited amount of available data. Mr. Smith indicated that he has found reports by the Canadian Electric Association which show line outages by voltage classes, frequency, mean duration, and unavailability.

4.2 Other ICS Issues – Nothing additional to report.

5.0 Reliability Rules Subcommittee Status Report/Issues

5.1 RRS Status Report & Discussion Issues – Mr. Clayton reported that the joint RRS/RCMS meeting was held on May 1, 2014. Two separate meetings were held, each with its own agenda and minutes. Mr. Clayton noted that Version 33 of the current Rules was issued and may be found on the NYSRC website. PRRs #116A, 117, and 118 ~~is~~ are included and the Compliance Manual shows the Implementation Plan for PRR #116A. The NYISO has begun preparing the Tariff change. The NYISO staff will be providing monthly updates to RCMS.

Mr. Gioia enumerated some of the comments/questions from the NYISO's Black Start Task Force. The NYISO Attorneys and ConEd provided the response. The NYISO provided draft Tariff provisions that implement PRR #116A. Another Task Force meeting will be held in June 2014. The final Tariff proposal will go to the OC, BIC and MC for voting in July 2014 and be presented to the NYISO Board in August 2014. The FERC filing will be in September 2014 - **AI #181-3**. The NYISO Counsel indicated they would like as much support as possible and would like this to be a Section-205 filing which requires a 58% majority. Mr. Sharp indicated that the NYISO will be making its best efforts to meet the schedule.

5.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rules Revision

a. List of Potential Reliability Rules (“PRR”) Changes – Mr. Clayton reminded the Executive Committee that PRR #116A, Clarify SRP Objectives, PRR #117, List of NYS Bulk Power System Facilities, and PRR #119, Retirement of System Protection Reliability Rules H-R1 and H-R2 and Related Measurements were approved at the April 10, 2014 Executive Committee meeting.

b. Status of New/Modified Reliability Rules

1. PRRs for EC Final Approval – Mr. Clayton indicated that under the Reformatting Program RRS recommends Executive Committee approval of PRR REP-09, F-R1: Mitigation of Major Emergencies, PRR REP-10, F-R2: Load Shedding, and PRR REP-11, J-R1: Control Center Communications. Mr. Clagett moved for approval of the three PRRs. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee Members or representatives in attendance – (12 to 0).

2. PRRs for EC Approval to Post - None

3. PRRs for EC Discussion - None

5.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson noted that the NYSRC voted YES on MOD-031-1 and (VAR-0014-4 and VAR-002-3).

5.4 Other RRS Issues – Nothing new to discuss.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on May 1, 2014 following the RRS meeting.

6.2 2014 New York Reliability Compliance Program (NYRCP) – RCMS found the NYISO to be in full compliance for the following Measurements:

(a) C-M1, Reporting resource verification capacity testing requirements,

(b) C-M2, Reporting resource DMNC test results to the NYISO, and

(c) C-M3, Reporting generator reactive power capacity testing results to the NYISO.

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Reliability Initiatives

7.1 Physical Security – Dr. Sasson introduced Mr. Hintermeister from the NERC Electricity Sector Information Sharing and Analysis Center (NERC/ES-ISAC) who provided a telephone briefing on NERC’s physical security initiatives in light of the Metcalf attack. Mr. Hintermeister explained that the crux of the ES-ISAC work is information sharing. The ES-ISAC gathers information from disparate electricity industry participants about security related events, disturbances and unusual events within the electric sector and shares the information with its partners in government (DOE, DHS, FBI and local law enforcement). In exchange, government provides information regarding risks, threats and warnings to the ES-ISAC. The scope of the ES-ISAC is to: (a) Cultivate a trusting information sharing environment, (b) Act as the central hub for the electric sector to share physical and cyber threat information, (c) Reduce reporting complexity and redundancy, (d) Implement technology to encourage unattributed information sharing, (e) Improve information aggregation and collaborative analysis at the ES-ISAC, and (f) Conduct outreach to educate and inform the electric sector.

Today, ES-ISAC has its key policies in-place, Brian Herrall has joined the organization as the Director of ES-ISAC Operations for the Electricity Sector Information Sharing and Analysis Center at (NERC, the outreach tours are on-going, security sharing is increasing in terms of the ability and desire of entities to participate, and two GridEx exercises have taken place. “Lessons learned” from GridEx include: (a) information sharing has increased, but (b) simultaneous physical and cyber attacks pose a potentially serious problem. Questions were raised regarding a Wall Street Journal (WSJ) article specifying that there are nine critical EHV Stations in NA, the loss of which would cause major system blackouts, attributed to a FERC Study prepared for them by DOE. In response, Mr. Hintermeister referred the Executive Committee to the comments of FERC Acting Chairman LaFleur to the DOE Inspector General’s (IG) memorandum dated April 9, 2014 indicating the Power System Study should have been classified and not released. Chairman LaFleur has subsequently instructed FERC staff to implement all of the IG’s recommendations promptly. Mr. Loehr asked three questions regarding the FERC Study reported in the Wall Street Journal: (a) What analytical tools were used to perform the Study? (b) What are the nine EHV Substations cited in the article? and (c) How can the NYSRC obtain a copy of the Study? Mr. Hintermeister cited the IG’s memo.

but added that the owners had likely been informed immediately. Several members of the Executive Committee expressed concerns that Mr. Hintermeister’s responses were not satisfactory given the reports that four of the nine substations are in the Eastern Interconnection; and that the study referred to be Mr. Hintermeister apparently used a simplified study methodology. Several members of the Executive Committee expressed concerns that Mr. Hintermeister’s responses were not satisfactory given reports that four of the nine substations are in the Eastern Interconnection and that the study referred to by Mr. Hintermeister apparently used a simplified study methodology.

Mr. Clayton suggested a forward looking posture that would involve analysis of the NYCA EHV substations. Mr. Schrayshuen offered that the CIP-014-1 guidelines could be used to identify the EHV substations needing to be analyzed. Other Members pointed to the Controlled System Separation Study (CSSS), the follow-on Major Disturbances Mitigation Study (MDMS) project, the NPCC A-10 analysis and the Annual Transmission Reviews. Each of these studies demonstrates substantial existing concern for the systems performance under emergency and beyond conditions. The Executive Committee agreed to re-assess these actions once the Requirements of the CIP Standard at NERC and NPCC are clear - **AI #181-4.**

7.2 Defensive Strategies – Mr. Smith reported that EnerNex has received the signed contract from NYSERDA. The kickoff meeting (EnerNex, NYSERDA, NYSRC, NYISO) will be scheduled shortly.

7.3 Microgrid Discussion – Ms. Hogan informed the Executive Committee that NYSERDA’s Research Group will be providing a presentation on its microgrid work at the June 13, 2014 Executive Committee meeting.

She provided a high level overview of the concepts of a future electric system with the assistance of Messrs. Dahl and Altenburger. The intent of the overview was to foster discussion in preparation for the NYSPSC proceeding, on Reforming the Energy Vision (REV). The goals are customer choice, enablement, innovation, and distribution system reliability enhancement. However, if the future system is going to have customer control with high operating flexibility, better visualization of the lines, and improved load factors, substantial preparation is necessary to accommodate the new technologies required to implementing the new paradigm. The components may include distributed generation, solar, additional demand response opportunities, and Smart Grids.

Mr. Dahl indicated that LIPA is looking at distributed generation for load pockets that would otherwise require expensive grid reinforcement. It has PV and DLC (Demand Load Control) programs currently at the system level which are being considered for redeployment in the load pockets. Also, LIPA has recently committed to accepting 20-year contracts for solar, investigating net remote metering and working with developers to optimally deploy their technology. Small amounts of conventional or

distributed generation will be necessary to backstop reliability. Batteries are also being considered for additional backup and to accommodate greater penetration of renewables and intermittency.

Mr. Altenburger discussed the Worcester, MA Smart Grid demonstration in which 16,000 customers are connected to an electricity distribution network that uses two-way communications, advanced sensors and controls, advanced meters, and computers that can help reduce customers' energy use, improve the efficiency and reliability of the electricity grid, facilitate the connection of distributed generation facilities to the system, and optimize the integration of renewable energy systems. The project will offer hands-on education about energy efficiency and emerging energy technologies for National Grid customers. The intent is to help them learn how to maximize their energy savings with a better understanding of smart energy solutions.

Ms. Barney (NYSDPS) indicated that the first collaborative meeting of the REV proceeding is May 12, 2014 during which the NYSDPS will introduce its report and proposal titled, Reforming the Energy Vision. Then, on May 21, 2014 there will be a Symposium at Albany Law including formal presentations regarding REV on an international level.

8.0 State/NPCC/Federal Energy Activities

8.1 NPCC Board of Directors (BODs) – Mr. Forte provided a summary of the Summer 2014 Reliability Assessment. Questions should be directed to Mr. Forte or Dr. Sasson.

8.2 NPCC Report – Mr. Fedora reported that the media release for the Summer 2014 Reliability Assessment was held on May 1, 2014. The summary report is posted on the NPCC website. ISO-NE posted its outlook on April 29, 2014 and NERC will be posting its summer outlook on May 15, 2014. The message is that the NPCC system is in good shape from an expected point of view. The Task Force of Coordination and Planning (TFCP) has begun the assessment for 2014-15 winter. Normally it will be approved at the November 2014 Reliability Coordinating Committee meeting.

The concern moving forward is in ISO-NE where 8000Mws of generating capability is 50-60 years old. Many are unlikely to pay the price for new environmental controls and Vermont Yankee (nuclear) will retire this year. Compounding the situation, New England is already over 50% dependent on gas. However, for this year the necessary operating procedures are in place to handle larger than expected summer loads.

FERC issued a letter on May 1, 2014 announcing that the BESnet notification and exceptions IT tool will be available May 12, 2014. There is a kickoff BES webinar on the NERC website.

NPCC has its Standards and Compliance Workshop in Cooperstown, NY on May 27-30, 2014. The training for NPCC members and registered entities will include the mechanics of using the software (BESnet), and application of the BES Reference Definition Document which explains the use of the Definition, and classroom sessions to inform members of their individual requirements.

On May 28, 2014, Mr. Heinrich will review the BES Definition. The next day there will be classroom sessions to inform members of their specific requirements. On June 1, 2014 the registered entity can designate other users to help enter the data. July 1, 2014 the application goes live. There are videos, frequently asked questions, and additional guideline documents which will be posted as they become available.

8.3 State Energy Plan – Nothing new to report.

9.0 State/Federal Energy Activities

9.1 CARIS - NYISO staff published the 1st Quarter 2014 historic congestion data. It may be found on the NYISO website; http://www.nyiso.com/public/markets_operations/services/planning/documents/index.jsp. The NYISO staff has completed work on the Economic Planning Manual which will be voted on by the Business Issues Committee (BIC) on May 12, 2014. Also, NYISO is completing its internal work on the 2014 CARIS 2 data base. The data base will be reviewed with ESPWG in May and BIC in June 2014.

In addition, the NYISO staff continues to work on developing “Lessons Learned” from the 2013 CARIS process. The NYISO is internally assessing the appropriate metric methodologies for estimating the capacity benefits of transmission projects.

9.2 Order 1000 – The FERC Order 1000 Interregional Compliance Filing was submitted on July 10, 2013. Regional compliance filings were submitted on October 15, 2013. Process manuals are being revised and new processes will be implemented beginning in 2014.

Also, the NYISO staff is preparing revisions to the CARIS and Reliability Process manuals. They were presented to the ESPWG in April 2014.

9.3 2014 RNA – The study model was locked down April 1, 2014. Proposals for the 2014 RNA scenarios and sensitivity tests were discussed and finalized during the April 2014 ESPWG meeting. The preliminary topology for the 2014 RNA will be reviewed with ESPWG/TPAS in May 2014.

9.4 Interregional Transmission Studies

i. EIPC Study – EIPC members created a 2018 and a 2023 roll-up integration summer peak power flow cases for the Eastern Interconnection. The roll-up Model Report discusses the gap analysis, gap solutions (enhancements), and linear transfer analysis. The Report was posted February 14, 2014 at <http://www.eipconline.com/non-DOE-Documents.html>.

Non-DOE-Grant Scenario Analysis - In 2014, EIPC will perform power flow analyses of two scenarios that were selected with input from stakeholders. The scenarios include an updated base case with firm transmission and generation plans, and the TOTS project. Also, the ability of the system to transfer power among Eastern Interconnection Regions during a heat wave/drought under summer conditions will be assessed.

The Gas-Electric System Interface Study will be performed by Levitan & Associates. The Study timeline includes a baseline assessment of the existing system completed in draft form April 4, 2014. An evaluation of the capability of the gas system to satisfy the needs of the electric system will be in draft form by July 11, 2014. The identification of gas-side contingencies that could impact electric reliability will be in draft form by December 26, 2014. A review of dual fuel capability is expected on September 5, 2014. The draft report is scheduled for a February 17, 2015 delivery to stakeholders.

ii. IPSAC - A Stakeholder Steering Committee (SSC) webinar was held on February 28, 2014, to present a draft Northeastern Coordinated System Plan (NCSP) and discuss progress on the Order 1000 interregional study. The final 2013 NYISO NCSP is posted on the NYISO website at: http://www.nyiso.com/public/markets_operations/services/planning/groups/ipsac/index.jsp. NYISO staff is waiting for the FERC Order on the interregional compliance filing.

9.5 Other Studies/Activities – Nothing additional to report.

10.0 Other Items

10.1 NYISO Operations Report – Mr. Yeomans provided the NYISO Operations Report for April 2014. The peak load occurred on Wednesday, April 7, 2014 at 19,800MWs. The Operating Reserve requirement at the time was 1965MWs resulting in a total Operating Capacity of 21,765MWs. There were no Major Emergencies declared during the month. Alert states were declared on 16 occasions - 2 times for system frequency. There were 0 TLR Level 3s declared during the month for a total of 0 hours. An NERC/NPCC Reportable DCS event occurred at 08:39 on April 3, 2014. A SAR and RPU were initiated for loss of the Chateaugay-Massena HQ tie line loaded at 1223MWs. The ACE crossed zero and the RPU was terminated at 08:46. The SAR terminated at 08:55.

10.2 North American Energy Standard Board (NAESB) – Nothing new to report.

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg.</u> <u>No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#182	June 13, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#183	July 11, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.

The open session of Executive Committee Meeting No. 181 was adjourned at 2:00 PM.