

Final Minutes
New York State Reliability Council, L.L.C. (NYSRC)
Executive Committee
Meeting No. 183 – July 11, 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
Bruce Ellsworth	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 - Phone
Frank Pace	Central Hudson Gas & Electric – Alternate
Chris LaRoe	Independent Power Producers of NY – Member - Phone
Arnie Schuff	New York Power Authority – Member - Phone
Peter Altenburger	National Grid, USA - Member
Ray Kinney	New York State Electric & Gas/RG&E – Member - Phone

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)
Mark Younger	Hudson Valley Economics
Kevin Jones, Esq.	Hunton & Williams, LLC for NYISO*

“*” Denotes part-time

- I. **Executive Session** – An Executive Session was held to discuss 2015 compensation.
- II. **Open Session**
 - 1.0 **Introduction** – Chairman Sasson called the NYSRC Executive Committee (Committee) Meeting No.183 to order at 9:30 a.m. on July 11, 2014.
 - 1.1 **Meeting Attendees** – All Members and/or Alternate Members (or representatives) of the NYSRC Executive Committee were in attendance.
 - 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 held to discuss 2015 compensation.
- 2.0 **Meeting Minutes/Action Items**
 - 2.1 **Approval of Minutes for Meeting No. 182 (June 13, 2014)** – Mr. Raymond introduced the revised draft minutes which included all comments received to date. No additional comments were offered. Mr. Bolbrock moved for approval of the revised draft minutes. The motion was seconded by Mr. Ellsworth and unanimously approved by the Executive Committee members – (13 to 0). The Executive Secretary will post the minutes on the NYSRC website – **AI #183-1.**
 - 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>
178-6	Ms. Hogan and Messrs. Dahl and Altenberger discussed Micro grids at the May 9, 2014 Executive Committee meeting.
180-5	Mr. Smith noted that he contacted the Canadian Electric Association regarding transmission line outage rates for ICS.
182-2	Duplicates AI #181-2.
182-6	Mr. Loehr reported contacting NPCC regarding the FERC substation study.
182-6	Mr. Smith indicated that NYSRC would have direct input on MDMS based on the tenor of the technical kick-off meeting held on July 3, 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 \$238,000 at the end of June 2014. He added that all payments for the 3rd Quarter Call-For-Funds of \$25,000 per TO due July 1, 2014 were received. Mr. Adamson again reminded the TOs to inform him of electronic transfer payments.

- ii. **2015 Budget** – Mr. Adamson agreed to provide a projected 2015 budget including the results of the Executive Session decision on compensation for 2015 for the August 8, 2014 Executive Committee meeting.

3.2 Other Organizational Issues

4.0 Installed Capacity Subcommittee (ICS) Status Report/Issue

4.1 ICS Chair Report – Ms. Hogan introduced the ICS Report for its June 27, 2014 meeting. She noted that at the May ICS meeting, ICS approved the MARS version 3.18 for the 2015 IRM Study. At its June 2014 meeting, ICS discussed in more detail the new daily peak load logic (Peak Load Market feature) and decided to use the feature as a sensitivity case. At the July 2014 meeting, the NYISO reported that using the new logic in the 2014 IRM Study would have significantly increased the IRM by 0.5%. Also, it was found that the current multi-state logic was not properly determining the peaks for each state. Consequently, GE has introduced a switch which corrects this error. After further discussion, most ICS members were comfortable in recommending use of the model with the switch “on” for the preliminary base case, since it is a correction of faulty logic not a new feature. Messrs. Mager and Younger proposed and described three cases that would shed light on the impact of the ICS recommendation using the current IRM model with (a) the conservative 2002 load model, (b) the switch “off”, and (c) the switch “on”. It was agreed that the three cases will be run and the Parametric Study run with the switch “on” in the preliminary base case. The sensitivity cases will begin in August 2014 once the preliminary base case is confirmed. Ms. Hogan requested that she receive requests for additional cases beyond the standard list as soon as possible. The full list of sensitivity cases will be presented for Executive Committee approval at its August 8, 2014 meeting – **AI #183-2**.

Ms. Hogan introduced the 2015-16 NYCA Base Case Model Assumptions (Assumption Matrix) noting that the most significant change is likely the logic correction discussed above. She cautioned against placing too much emphasis on the “Possible IRM Impact” information which is purely judgmental at this point in the IRM process. Mr. Dahl noted a 392Mw increase in the NYC load forecast for 2015. It was felt to be primarily the effect of weather normalization. Mr. Mager reported that Danskammer Units 1-4 have attained all the permits necessary to return to service in 2014 burning natural gas. It was pointed out that the combined output of Danskammer and Roseton may be limited by the gas supply. It was agreed that Danskammer Units 1-4 will be in the preliminary base case. Mr. Younger, the NYISO, and RRS will try to gather additional information to determine whether a nomogram is needed to reflect a combined output limitation for Roseton and Danskammer – **AI #183-3**. In response to a question from Mr. Mager, Ms. Hogan and Mr. Adamson indicated that PJM is modeled at an LOLP of 0.18 which excludes PJM’s DRs. A sensitivity case will be run at an LOLE of 0.14 representing tier 1 of PJM’s claimed DRs.

Mr. Mager moved for approval of the Assumption Matrix modified to include the Danskammer Units and the peak load switch “on” in the preliminary base case. The motion was seconded by Mr. Bolbrock and unanimously approved by the Executive Committee – (13 to 0).

4.2 Policy 5 Final Draft – Ms. Hogan introduced the proposed update to Policy 5 noting RRS’s recommendation for Executive Committee approval. The key items discussed extensively by RRS were: (a) the inclusion date for generation and (b) the unit capacity rating. RRS agreed to retain June 1 for the 2015-16 IRM Study and requested that the NYISO test the impact of the inclusion date on the IRM in preparation for the 2016-17 IRM Study – **AI #183-4**. Policy 5 will not be changed until the testing is completed.

The unit capacities will be the smaller of the DMNC rating or the Resource Interconnection Service value. Additional comments were received from Mr. Gioia and accepted by the Executive Committee. Also, clarification of the responsibilities of the NYISO and NYSRC has been added to the LCR description in Policy 5. Mr. Adamson noted that an Appendix E was added to Policy 5 explaining the EFORD methodology. The Appendix E will be transferred to the IRM Process Guide next year.

Mr. Mager moved that the revised Policy 5 be approved. The motion was seconded by Mr. Bolbrock and approved by the Executive Committee – (12 to 0, 1 abstention).

4.3 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 June 26, 2014. Two separate meetings were held, each with its own agenda and minutes. He noted that there is a new PRR #119, Review of NYCA Resource Adequacy. PRR #119 contains the new elements identified in the proposed REP-14, A-R3: Review of Resource Adequacy during the June 13, 2014 Executive Committee meeting. Due to additional concerns expressed by the NYISO, PRR #119 and REP-14 will be considered at the August 8, 2014 Executive Committee meeting. Mr. Clayton introduced a revised Section B, Transmission Planning, of the NYSRC Reliability Rules as it will appear under the auspices of the Rules Enhancement Plan (REP). He discussed each revision indicating proposed new wording and the source of additional wording taken from other Sections of the current Reliability Manual.

Mr. Smith suggested that the Introduction, as written, may cause confusion between design criteria and extreme contingency assessments as they pertain to the prevention of widespread cascading outages. Mr. Clayton agreed to consider the comment. Mr. Altenburger pointed out an inconsistency between the wording in Section A of B-R(A), Transmission System Planning Performance Requirements and B-R2(A) Transmission Planning Assessments. Mr. Clayton requested that further comments be forwarded to him as soon as possible so that templates may be prepared for review at the August 2014 RRS meeting.

5.2 Status of New/Revised Reliability Rules

- i. Proposed NYSRC Reliability Rules Revision**
 - a. List of Potential Reliability Rules (“PRR”) Change**
 - b. Status of New/Modified Reliability Rules**
 - 1. PRRs for EC Final Approval** – None
 - 2. PRRs for EC Approval to Post**
 - 3. PRRs for EC Discussion** - None

5.3 NPCC/NERC Standard Tracking

i. NERC Standards Development – Mr. Adamson noted that a number of Standards are being balloted in July 2014. So far, he has received recommendations from NGrid and ConEd.

5.4 Other RRS Issues – Mr. Clayton raised the question: if the TOs are not explicitly referenced in a Rule, are they still subject to the Rule? He has written to Mr. Gioia and begun a dialog on the question. Mr. Gioia noted that the TOs have signed the NYSRC Agreement, but still the question deserves review – **AI #183-5**.

Mr. Clayton indicated that ISO-NE’s interpretation of NPCC Reliability Rules differ from the NYSRC’s interpretation in a number of instances. Examples include the: (a) (n-1)-1 criteria, (b) criteria for non A-10 BPS elements, (c) interpretation of “Local Area”, and (d) interpretation of Protection System A vs. Protection System B. He has pointed this out to Zack Smith (NYISO) and will follow up – **AI #183-6**. Mr. Gioia informed the Executive Committee that NYISO implementation of proposed Rule #116A is currently going through the NYISO’s Stakeholder Process. At a recent stakeholder meeting, there was discussion concerning the definition in PRR #116A of “material benefits”, i.e. the benefit to system restoration when the addition of a black start resource would improve the speed, accuracy, flexibility of restoring electric service in a safe, orderly and prompt manner following a major system disturbance. Several market participants raised the question of whether any improvement in the speed, accuracy or flexibility to the Con Edison system restoration system (“SRP”), no matter how minor, would satisfy the conditions for requiring a non-participating black start unit to participate in the Con Edison SRP. Mr.

Jones (NYISO counsel) agreed to look into the issue. The NYISO has informed the Executive Committee that they interpret the term “material benefit” to require a “material” improvement in the speed, accuracy or flexibility of the Con Edison SRP. Mr. Gioia asked if any of the Executive Committee members disagreed with the NYISO’s interpretation of “material benefit” in PRR#116A. Dr. Sasson stated that, in his view, the NYSRC did not intend that the term “material benefit” would include any minimal improvement in the speed, adequacy or flexibility of the SRP no matter how minor, but instead a meaningful improvement in the eyes of an expert. None of the Executive Committee members expressed any disagreement or objection with the NYISO’s interpretation of “material benefit”, as confirmed by Dr. Sasson.

6.0 Reliability Compliance Monitoring Subcommittee (RCMS) Report/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Clayton reported that RCMS met on June 26, 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) E-M9, Reliability Rule exceptions,
- (b) G-M1, NYCA System Restoration Plan,
- (c) I-M1, Local Reliability Rule for ConEd,
- (d) I-M2, Local Reliability Rule for LIPA,
- (e) I-M3, Procedures to ensure sufficient 10-min. reserve in NYC, and
- (f) K-M2b, 2014 NYCA Resource Adequacy Assessment.

6.3 Other RCMS Issues – Nothing additional to report.

7.0 Reliability Initiatives

7.1 Physical Security – Mr. Loehr reported that he wrote to Mr. Schwerdt (NPCC) to determine whether NPCC planned to respond to FERC regarding the FERC Study that reportedly identifies 9 substations in the U.S. which would cause large area blackouts if knocked out of service simultaneously. If so, he would express the NYSRC’s interest in a coordinated response. Mr. Schwerdt indicated that NPCC was not planning to respond. Therefore, Mr. Loehr will prepare a draft letter to FERC from the NYSRC for initial review by Dr. Sasson, and Messrs. Gonzales (NYISO), Yeomans (NYISO) and Fedora (NPCC) – **AI #183-7**. He expects to have a proposed letter for consideration at the August 8, 2014 Executive Committee meeting.

7.2 Defensive Strategies – Mr. Smith reported that a Major Disturbance Mitigation Study (MDMS) technical kick-off meeting was held on July 3, 2014. Mr. Aaron F. Snyder, the EnerNex Project Manager for the MDMS, chaired the meeting which included representatives from the NYSRC, NYISO, NYSEDA, and EnerNex. The meeting focused on two topics: (a) What additional work beyond the proposal should be included in the research and (b) Discussion of the Technical Transfer Plan. Mr. Smith addressed the first topic by providing a brief review of the Northeast Blackout transmission tripping sequences to show how cascading outages evolve and the need to simulate similar external disturbances on the New York State (NYS) system. Also, Mr. Smith reviewed some of the findings of the Controlled System Separation Study (CSSS) to emphasize that reaction times for severe contingencies internal to New York State are very fast, thereby introducing security issues. Mr. Smith offered a system that combines local relays with PMU information which would allow the local relays to take the final action. EnerNex will examine its feasibility. Further, Mr. Smith reviewed the NPCC SS-38 load model white paper to point out the need for sensitivity cases for various load models in the MDMS. The willingness of EnerNex to accept additional ideas from the participants is encouraging.

Mr. Snyder then reviewed Draft 1 of the Technology Transfer Plan which was proposed to address NYSERDA requirements. There were references to IEEE articles, slide presentations based on the articles, and workshops. The TOs will be kept abreast of the MDMS Study through the DSWG.

8.0 State/NPCC/Federal Energy Activities

- 8.1 NPCC Board of Directors (BODs)** – Mr. Forte provided a summary of the NPCC Compliance Committee Report presented to the Board on June 26, 2014. Questions should be directed to Mr. Forte or Dr. Sasson.
- 8.2 NPCC Report** – Mr. Fedora reported that on July 1, 2014, the BES Application came on-line allowing the entry of self-determined notifications and exception requests. There was a webinar session for NPCC members on June 25, 2014 to clarify the nuances between the BES and BPS and the compliance obligations to NPCC. Some process questions have been received. NPCC is asking that questions be entered through the NPCC.org website to ensure proper coordination of the responses. To date, there have been 51 entries into the BES Application, 49 self-determined notifications, and 2 exception requests. Members may also come to the NPCC Offices for face-to-face discussions before filing.
- 8.3 FERC Order 745** – Mr. Mager noted that Order 745 was appealed to the full Federal Court.

9.0 State/Federal Energy Activities

- 9.1 CARIS** – Mr. Tarler reported that the NYISO completed the initial work on the 2014 CARIS 2 data base and conducted an initial review with the ESPWG on June 30, 2014. Additional discussions are scheduled for the July 24, 2014 ESPWG meeting. A presentation will be made at the August 2014 Business Issues Committee (BIC) meeting.
NYISO Staff is continuing its internal assessment of appropriate metric methodologies for estimating the capacity benefits of transmission projects.
- 9.2 Order 1000** - The NYISO's Order 1000 compliance filing and related filings are on FERC's agenda for July 17, 2014. The FERC Order 1000 Interregional Compliance Filing was submitted on July 10, 2013. Process manuals are being revised and new processes will be implemented pending a FERC Order approving the regional compliance filings submitted on October 15, 2013. The revised CARIS and Reliability Planning Process Manuals were approved by BIC and the OC in May 2014. They are posted on the NYISO website.
- 9.3 2014 RNA** –The complete draft of the 2014 RNA was released to the ESPWG and TPAS for review and comments in June 2014. With load growth at 0.8% and resource additions and retirements occurring over the next 10 years, the NYISO identified Reliability Needs based on transmission security violations beginning in 2015 and throughout the 10 year study period. Resource adequacy violations are projected to begin in 2019 and increase through 2024. A more detailed draft of the Executive Summary was presented to the ESPWG on July 10, 2014. Based on the comments, it will be presented to the ESPWG again toward the end of the month. It will go to the Operating Committee for approval in August 2014.
- 9.4 Interregional Transmission Studies**
 - i. EIPC Study** – EIPC members created 2018 and 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 on

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 2, 2014. A review of dual fuel capability is expected on October 24, 2014. The draft report is scheduled for a February 17, 2015 delivery to stakeholders. A final report is scheduled to be delivered to the DOE on June 4, 2015.

- ii. **IPSAC** – An IPSAC webEx meeting was held on March 28, 2014. The final 2013 Northeastern Coordinated System Plan (NCSP) is posted on the NYISO website at: http://www.nyiso.com/public/markets_operations/services/planning/groups/ipsac/index.jsp. The NYISO Staff is waiting for the FERC Order on the interregional compliance filing. The Stakeholder Steering Committee (SSC) held a meeting in Atlanta, GA on June 25-26, 2014 to review Target 2 draft results and the sensitivity sets. A SSC webinar is scheduled for August 1, 2014 to further review Target 2 results. The NYISO Interregional Planning Task Force meetings are scheduled throughout 2014 to provide updates.

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 June 2014. The peak load occurred on Monday, June 30, 2014 at 27,183MWs. The Operating Reserve requirement at the time was 1965MWs resulting in a minimum Operating Capacity requirement of 29,148MWs. There were no Major Emergencies declared during the month. Alert states were declared on 16 occasions - 3 times for system frequency. There were no TLR Level 3s declared during the month for a total of 0 hours. An NERC/NPCC Reportable DCS Event occurred at 12:39 on June 17, 2014. A SAR and RPU were initiated for loss of Bowline 1 loaded at 580MWs. The ACE crossed zero and the RPU was terminated at 12:48. The SAR terminated at 13:05. On June 28, 2014, a RPU was initiated for loss of the Bowline 1 loaded at 511MWs. Ace crossed zero and the RPU was terminated at 18:24. Mr. Yeomans noted that in the middle of June 2014, the NYISO evoked its storm watch MOU Agreement with PJM. Also, ISO-NE experienced an over generation situation a 10:00 a.m. caused by extremely low temperatures. The NYISO is carefully watching the re-injection of gas into gas storage for winter use. Storage should be full by November.

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

11.0 Visitors' Comments – None

12.0 Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#184	Aug 8, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.
#185	Sep 12, 2014	Albany Country Club, Voorheesville, NY	9:30 A.M.