

Minutes
New York State Reliability Council, L.L.C. (“NYSRC”)
Executive Committee
Meeting No. 29 - September 14, 2001
Albany Country Club - Guilderland, NY

Members and Alternates:

Richard J. Bolbrock	Long Island Power Authority (“LIPA”) - Chairman
William H. Clagett	Unaffiliated Member - Vice Chairman - by phone
Roger E. Clayton	Wholesale Seller’s Sector; PG&E National Energy Group
Mark J. Cordeiro	Municipals & Electric Cooperative Sector; PLM, Inc
Bruce B. Ellsworth	Unaffiliated Member
Joseph C. Fleury	New York State Electric & Gas Corporation - Secretary
H. Kenneth Haase	New York Power Authority (“NYPA”)
John D. Hauber	Rochester Gas & Electric Corporation (“RG&E”)-by phone
George C. Loehr	Unaffiliated Member - by phone
Michael Mager	Large Consumer’s Sector; Couch, White, LLP - Alternate *
Kenneth A. Mennerich	Central Hudson Gas & Electric Corporation (“CHG&E”)
Mayer Sasson	Consolidated Edison Co. of N.Y.,Inc. * - by phone
Herbert Schrayshuen	Niagara Mohawk Power Corp.(“NMPC”) - Alternate

Others

John Adams	New York Independent System Operator (“NYISO”)
Alan M. Adamson	Consultant
Paul L. Gioia	LeBoeuf, Lamb, Greene & MacRae (“LLG&M”)
Edward C. Schrom, Jr.	NYS Department of Public Service (“NY DPS” or “PSC”)

Visitors - Open Session

Gary B. Freeland	NYSEG - by phone
Steven Whalen	NYSEG - by phone
Glen McCartney	Constellation Power - by phone

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

Agenda Items - (Item # from Meeting Agenda)

I. Executive Session - An Executive Session was conducted prior to the Open Session to address NYSRC related issues from the FERC Mediation Process in the Northeast Regional Transmission Organization (“RTO”) Proceeding, pursuant to a directive from the Administrative Law Judge.

II. Open Session

1.0 Introduction

1.1 Meeting Attendees - Thirteen (13) Members/Alternate Members of the NYSRC Executive Committee (“Committee”) were in attendance. The Committee observed a moment of silence at 12

noon for the victims and families of the September 11th terrorist attacks in the US.

1.2 Requests for Additional Agenda Items - The Committee reviewed the agenda and no new items were added by the Committee.

1.3 Executive Session Topics - Mr. Bolbrock noted that an Executive Session was to be conducted following the Open Session to continue discussions on the FERC Mediation Process in the Northeast RTO Proceeding.

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 28 (August 17, 2001) - After brief discussion, Mr. Mennerich moved that the Committee approve the Revised Draft Minutes for Meeting No. 28, which was seconded by Mr. Clagett, and approved unanimously by the Committee Members in attendance (13 to 0). The Secretary shall issue the final minutes for Meeting No. 28 and post them on the NYSRC web site - **AI #29-1**.

2.2 Action Items List - The Committee reviewed the Outstanding Action Items List. Items were discussed under their respective Agenda Items below.

3.0 Organizational Issues

3.1 NYSRC Treasurer's Report - Mr. Adamson presented the Treasurer's Report to the Committee.

- i. Summary of Receipts & Disbursements** - Mr. Adamson presented the August 2001 Summary of Receipts and Disbursements. Mr. Adamson also reported that his projections indicate that NYSRC expenditures for 2001 should be within the approved budget. As of September 6, 2001, the NYSRC has a cash balance of approximately \$87,000.
- ii. Request for 4th Quarter 2001 Assessment** - Mr. Adamson requested and the Committee agreed that that a Call for Funds be issued to the Transmission Owners and the Municipal Electric Systems and Cooperatives' Sector for a 4th quarter assessment of \$20,000. Mr. Adamson shall issue the Call for Funds with payment due by October 1, 2001 - **AI #29-2**.

3.2 Selection of NYSRC Sector Representatives - Mr. Gioia's reported that he received an August 28, 2001 letter from the General Counsel and Secretary for the NYISO Board of Directors stating that the proposal submitted by the NYSRC for the selection process for the representatives of the Wholesale Sellers, Large Consumers, and Municipal System & Electric Cooperative ("Municipal") Sectors on the NYSRC, was approved at the August 21, 2001 Board meeting. Mr. Gioia noted that he will work with Messrs. Loughney and Mager to finalize the notice for and selection of the Large Consumer Sector representative - **AI #29-3**. Until that process is completed Multiple Intervenors will remain as the representative organization, with Mr. Loughney being the representative on the Committee. Mr. Cordeiro noted that the Municipal Sector has already completed its selection process based on the procedures approved by the NYISO Board. Mr. Clayton noted that the Wholesale Sellers' Sector have completed their selection process with IPPNY remaining as the representative organization and Mr. Clayton remaining as the representative on the Committee. Mr. Gioia requested that letters be sent by both the Municipal Sector and IPPNY, stating the results of the selection process

- AI #29-4.

3.3 Election of Committee Officers - Mr. Bolbrock noted that Mr. Loughney submitted a recommendation from the Nominating Committee for the following candidates for Committee officers for the term commencing on August 1, 2001: Chairman - Mr. Clagett; Vice Chairman - Mr. Haase; and Secretary - Mr. Fleury. After the candidates accepted the nominations, Mr. Sasson moved that the Committee approve the Nominating Committee's recommendation, which was seconded by Mr. Loehr, and approved unanimously by the Committee Members in attendance (13 to 0). Mr. Bolbrock thanked the Committee for the support provided to him during his tenure as Chairman. Mr. Haase, speaking for the rest of the Committee Members, thanked Mr. Bolbrock for all of his hard work, dedication and contributions to the NYSRC as the first Committee Chairman.

4.0 Reliability Rules Subcommittee Status Report/Issues

4.1 Subcommittee Status Report & Discussion Items - Mr. Clayton reported that the Reliability Rules Subcommittee ("RRS") last met on September 6, 2001. The main focus continues to be the development of Revision No. 2 to the NYSRC Reliability Rules, along with the development of the proposed reliability rule revisions and measurements to be included in Revision No. 2. Mr. Clayton also noted that the next meeting is scheduled for October 3, 2001 at the NMPC Office in Syracuse, NY.

4.2 Status of New/Revised Reliability Rules

i. Revision No. 2 to NYSRC Reliability Rules - Mr. Clayton provided a status report on the preparation of Revision No. 2 to the NYSRC Reliability Rules. RRS reviewed and provided comments on the latest draft of Revision No. 2 and has developed the Glossary of Terms to be finalized during an RRS conference call scheduled for September 25, 2001. The RRS is scheduled to finalize Revision No. 2 and provide a draft to the Committee in October. The Committee discussed and agreed to send a courtesy copy of the final Revision No. 2 document to the NPCC for an independent review, after it is approved by the Committee.

ii. Proposed NYSRC Reliability Rule Revisions

a. List of Potential Reliability Rule Changes - Mr. Clayton distributed and reviewed the latest List of Potential Reliability Rule Changes, providing a status of the Priority 1 rules.

b. Status of New/Revised Reliability Rules - The Committee reviewed and acted on the Proposed Reliability Rules ("PRR") as follows:

1. PRR #31 (RR01-02): Mr. Clayton moved that this PRR be approved by the Committee for inclusion in Revision No. 2, which was seconded by Mr. Mennerich. After brief discussion, the Committee Members in attendance unanimously approved the motion (13 to 0, 0 absent).

2. PRR #35 (RR01-06): Mr. Clayton noted that PRR #35 (RR01-06) was posted

for the open review process and no comments were received. Mr. Clayton also noted that Orion Power and the Secretary have received separate requests from Orion Power to raise the issue that Orion Power has requested a copy of Con Edison's black start restoration plans, since one of Orion Power's generating plants is part of the restoration plan. To date Con Edison has not provided the plan to Orion Power. Mr. Sasson noted that Con Edison will release the plans to the NYISO as a "confidential" document that shall not be released to any party. Mr. Adamson noted that the Reliability Compliance Monitoring Subcommittee will complete Assessment No. 5 on the NYISO's black start restoration procedures which includes a review of the Transmission Owner's plans. Mr. Adams reported that for this assessment, the NYISO will be reviewing the restoration plans submitted by the Transmission Owners for the Year 2000 ("Y2K") transition. Mr. Schrayshuen noted his concern with the NYISO's use of the Y2K restoration plans and expected the NYISO to request the Transmission Owners to provide their latest plans. He then briefly discussed NMPC's restoration plans. After discussion by the Committee, Mr. Bolbrock requested that the RRS draft a response to Orion Power from the Committee, noting that the NYISO will be reviewing the Transmission Owners' restoration plans and developing procedures on how these plans will be implemented, and that the RCMS will be assessing the NYISO's compliance to this reliability rule - **AI #29-5**. With the terrorist activities on September 11th, it is imperative that certain procedures be kept confidential.

Following the discussions, Mr. Clayton moved that PRR #35 be approved by the Committee for inclusion in Revision No. 2, which was seconded by Mr. Loehr, and unanimously approved by the Committee Members in attendance (13 to 0, 0 absent).

3. **PRR #43 (RR01-15)**: Mr. Clayton moved that this PRR, which is a set of measurements addressing Local Reliability Rule No. 5, be approved by the Committee for posting on the NYSRC web site for the open review process, which was seconded by Mr. Ellsworth and unanimously approved by the Committee Members in attendance (13 to 0, 0 absent). Mr. Adamson noted that the NYISO is currently developing a procedure to be in compliance with this PRR, with completion scheduled for December 1, 2001. After discussion of PRR #45 (see below), the Committee agreed to delay the posting of this PRR until PRR #45 is approved for posting by the Committee.
4. **PRR #45 (RR01-17)**: Mr. Clayton presented this PRR regarding Local Reliability Rule No. 5 to the Committee with a request for approval to post on the NYSRC web site for the open review process. After significant discussion by the Committee and the entering and retraction of various motions to revise the text with respect to naming of specific generators, the Committee agreed to remand this PRR to the RRS for further revisions. The Committee also agreed that the RRS shall review Local Reliability Rule No. 3 so that it is consistent with the revisions to be made to

PRR #45. The RRS shall revise and resubmit PRR #45 and submit a new PRR to address similar changes required to Local Reliability Rule No. 3 - **AI #29-6**.

The Secretary shall revise and post the PRR # 31 and 35 on the NYSRC web site as approved by the Committee, and issue a notice to all Market Participants - **AI #29-7**.

- c. **Generation Deliverability & Transmission Expansion** - Mr. Clayton summarized the “NYSRC Deliverability Issues Study - Scope of Work” and requested the Committee’s approval to initiate the study as described, along with direction on the posting of this document. The Committee agreed to initiate the demonstration study for developing and testing a procedure to assess the statewide and locational loss of load impacts of bottled generation, and to post the document on the web site for information purposes only. The results of this study will be used to evaluate the need for additional reliability rules beyond the existing NERC, NPCC, and NYSRC reliability rules, to address generation deliverability and transmission expansion-continuation of **AI #22-5**. The Secretary shall post the above document on the web site - **AI #29-8**.

4.3 Other RRS Issues

- i. **Day-Ahead Unit Commitment - Minimum Downtime Limits Issue** - Mr. Clayton noted that the RRS discussed the following issues at its September 6th meeting: (1) whether the NYISO complies with the NYISO Tariff requirements for both the day-ahead (overnight) and 2-7 day unit commitment process to maintain generation needed for reliability, while meeting the minimum down time requirements, and (2) whether the NYISO unit commitment process can meet all reliability requirements, without intervention by the Transmission Owners. The RRS concluded that no new reliability rule is required to address these issues, however, the Reliability Compliance Monitoring Subcommittee (“RCMS”) should determine whether the NYISO is in compliance. The Committee agreed that the RCMS review this issue for NYISO compliance - **AI #29-9**.
- ii. **Response to Orion Power Comments on PRRs** - Mr. Clayton noted that the RRS sent a response to Orion Power, dated September 7, 2001, addressing the comments and questions raised regarding various proposed reliability rules. A concern was raised regarding the three (3) month turnaround time for issuing a response. Mr. Gioia summarized the September 12, 2001 letter from LLG&M addressing the “confidentiality” issue raised by Orion Power at a past RRS meeting. LLG&M has determined that the NYSRC is not subject to the Freedom of Information Act. Mr. Gioia shall draft a response to Orion Power - **AI #29-10**.

5.0 Installed Capacity Working Group Status Report/Issues

- 5.1 ICWG Status Report & Discussion Items** - Messrs. Adamson and Clayton reported on the activities of the Installed Capacity Working Group (“ICWG”). The ICWG is scheduled to meet by conference call on September 18, 2001. Mr. Adamson noted that the ICWG is on schedule to complete the 2002-2003 Statewide IRM Study (“Study”) for presentation to the Committee in

December 2001.

- i. **White Paper on 2002 Study (UCAP)** - Mr. Clayton reported that the RRS is working with the ICWG on a white paper addressing how the Study will handle the change to unforced capacity ("UCAP") - continuation of **AI #26-9**.
- ii. **Handling of Demand-Side Resources in 2002 Study** - Mr. Adamson noted that the ICWG is accounting for demand-side resources in the Study as documented in the Study - Summary of Assumptions (Items #4 - Special Case Resources, #9 - NYCA & Zone Peak Load Forecasts, and #14 - Emergency Operating Procedures).
- iii. **2002 IRM Study - Summary of Assumptions** - Mr. Adamson reviewed and the Committee discussed and were in agreement with the draft Summary of Assumptions for the Study.

6.0 Reliability Compliance Monitoring Subcommittee Status Report/Issues

6.1 Status Report & Discussion Items - Mr. Loehr reported that the Reliability Compliance Monitoring Subcommittee ("RCMS") last met on August 16, 2001 and its next meeting is scheduled for September 20, 2001, to coincide with the NPCC General Meeting to be held in Toronto.

6.2 Status of NYSRC Reliability Compliance Program ("NYRCP")

- i. **2001 NYRCP Responsibilities & Milestones** - Mr. Loehr briefly summarized the latest Responsibilities & Milestones document.
- ii. **2001 NYRCP Assessments #7, 16, 21, 29** - Mr. Loehr briefly summarized the four (4) Compliance Monitoring Assessment Forms issued to the Committee by the RCMS.

6.3 Other RCMS Issues

- i. **NYISO Review of Non-ICAP Provider Obligations Under Emergencies** - Mr. Adams had nothing to report on the NYISO Staff's and Counsel's review of whether the NYISO Tariffs and Agreements stipulate any obligations by non-ICAP providers during system emergencies, as a result of recent events - continuation of **AI #23-7**.

7.0 NYISO Studies - Status Report - Mr. Adams reported to the Committee on the following NYISO studies:

7.1 NYISO Transmission Reliability Study - The NYISO Transmission Planning Advisory Subcommittee did not meet as scheduled on September 13, 2001, therefore, there was nothing to report.

7.2 NYISO Reactive Resource Adequacy Study - A draft report is scheduled to be issued in late September or early October.

7.3 NYSERDA/NYISO Gas Study - The first deliverable of the study is scheduled for mid-October.

7.4 Other Studies - The NYISO is scheduled to issue a report on the events of the week of August 6th

soon.

8.0 Other Issues

8.1 Millennium Gas Pipeline Proceeding - There was nothing new to report on the Millennium Pipeline Company ("Millennium") Gas Pipeline Proceeding.

8.2 Reliability Legislation Update - No report was provided.

8.3 NY State Energy Plan - Mr. Adams reported that working group was developing the load and capacity tables for the NY State Energy Plan.

8.4 NYISO Operations Report - The Secretary distributed and briefly summarized the NYISO Operations Report for August 2001.

8.5 NYISO Market Functions - Mr. Art Storey of the NYISO gave a presentation on the NY Market Structure under Locational Based Marginal Pricing.

8.6 Committee 2002 Meeting Schedule - The Committee briefly discussed the proposed schedule for 2002 Committee meetings with meetings scheduled for the second Friday of each month. The Committee also discussed holding all meetings in Albany. Further discussion required.

9.0 Visitor Comments

Mr. Bolbrock solicited comments from the visitors participating in the meeting. No further comments were provided.

10.0 Meeting Schedule

Below are the scheduled dates, locations and starting times for the remaining Committee meetings in 2001, as agreed to by the Committee (note change in location for all Meetings):

<u>Mtg No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#30	Oct. 12	Albany Country Club, Guilderland	9:30 A.M.
#31	Nov. 9	Albany Country Club, Guilderland	9:30 A.M.
#32	Dec. 14	Albany Country Club, Guilderland	9:30 A.M.

The Committee Meeting No. 29 was adjourned at 3:30 PM.

Completed By: Joseph C. Fleury - Secretary

Final Issue Date: October 12, 2001