

Minutes
New York State Reliability Council, L.L.C. (“NYSRC”)
Executive Committee
Meeting No. 52 – August 8, 2003
Albany Country Club – Voorheesville, NY

Members and Alternates:

Richard J. Bolbrock	Long Island Power Authority (“LIPA”)
Curt Dahl	LIPA – Alternate & ICS Chairman
William H. Clagett	Unaffiliated Member
Mark J. Cordeiro	Muni. & Elec. Cooperative Sector; PLM, Inc
Michael P. Hogan	Central Hudson Gas & Electric – Alternate
Bruce B. Ellsworth	Unaffiliated Member – Vice Chairman
Joseph C. Fleury	New York State Electric & Gas Corp. – Acting Secretary
H. Kenneth Haase	New York Power Authority (“NYPA”) – Chairman
George C. Loehr	Unaffiliated Member & RCMS Chairman
Michael B. Mager	Large Consumer’s Sector; Couch, White, LLP – Alternate
Howard Fromer	Wholesale Seller's Sector; PSEG Power, LLC (for T.M. Piascik)
Mayer Sasson	Consolidated Edison Co. of NY, Inc.
Thomas J. Gentile	National Grid, USA
Herbert Schrayshuen	National Grid, USA – Alternate*
George E. Smith	Unaffiliated Member

Others:

John M. Adams	New York Independent Systems Operator (“NYISO”)
Karl Tammar	NYISO *
Alan M. Adamson	Consultant & Treasurer
Paul L. Gioia	LeBoeuf Lamb Greene & MacRae (“LLG&M”)
Edward C. Schrom, Jr.	NYS Department of Public Service (“NY DPS” or “PSC”)
Roger E. Clayton	Conjunction, LLC – RRS Chairman

Visitors – Open Session:

Erin P. Hogan, P.E.	New York State Energy Research Corp.
Mark Younger	Slater Consulting*

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

Agenda Items – (Item # from Meeting Agenda)

- I. **Executive Session** – An Executive Session was requested and conducted following lunch and again following the Open Session.

- II. **Open Session**
 - 1.0 **Introduction** – Mr. Haase and the Committee recognized Mr. Clagett for his dedication and contributions to the NYSRC during his term as Chairman of the Committee.

Meeting Attendees – Thirteen (13) Members and/or Alternate Members of the NYSRC Executive Committee (“Committee”) were represented at the meeting.

- 1.1 Visitors** – See Attendees List above.
- 1.2 Requests for Additional Agenda Items** – The Committee approved the Revised Agenda with no additional items.
- 1.3 Executive Session Topics** – The Committee conducted an Executive Session following lunch and again following the Open Session to discuss: (1) the Secretary position and (2) the Informal Working Group status report.
- 2.0 Meeting Minutes/Action Items List**
- 2.1 Approval of Minutes for Meeting No. 51 (July 10, 2003)** – Mr. Bolbrock moved that the Committee approve the Revised Draft Minutes for Meeting No. 51 as modified by the Committee, which was seconded by Mr. Sasson and approved unanimously by the Committee Members in attendance (13 to 0). The Secretary shall issue the final minutes for Meeting No. 51 and post them on the NYSRC web site – **AI #52-1**.
- 2.2 Action Items List** – The Committee reviewed the Outstanding Action Items List and discussed the items under their respective Agenda Items below. Mr. Adams responded to **AI #49-19**, noting that Mr. Tammar will provide a report under Agenda Item 8.4 i. Regarding **AI #49-18**, Mr. Adams reported that the NYISO has decided to update the respective NYISO manuals, instead of issuing a Technical Bulletin, to incorporate requirements of non-ICAP providers during system emergencies.
- 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 July 2003 Summary of Receipts and Disbursements, noting that as of July 31, 2003, the NYSRC had a balance of approximately \$95,000. Mr. Adamson noted that all of the \$120,000 requested for the 3rd quarter Call for Funds has been received. Mr. Adamson noted that the transition from Urbach Kahn & Werlin LLP to C. Campoli for accounting services has been completed.
- ii. Draft 2004 NYSRC Budget** – Mr. Adamson presented the Draft 2004 NYSRC Budget to the Committee. Following the first Executive Session, Mr. Haase noted that the Committee agreed to contract with former Committee Member, Don Raymond for the position of Secretary. A motion to approve the Draft 2004 NYSRC Budget was then made by Mr. Smith, seconded by Mr. Mager, and unanimously approved by the Committee Members in attendance (13 to 0). Mr. Adamson shall finalize the budget and forward to the Secretary for issuance to the Committee – **AI #52-2**.
- 3.2 Other Organizational Issues**
- i. NYSRC Code of Conduct/Operating Agreement** – Mr. Gioia summarized the draft revisions to the NYSRC Operating Agreement addressing: (1) the need to have all NYSRC Committee, Subcommittee and Working Group Members and

Alternates, along with the Auditor, Accountant, Administrative Assistant and all other NYSRC contractors and consultants sign and submit a form acknowledging that they have received, read and agreed to abide by and comply with all terms and provisions of the NYSRC Code of Conduct; and (2) defining the role of the Committee Chairman. After discussion by the Committee, Mr. Clagett moved that the Committee approve the revisions to the NYSRC Operating Agreement with minor revisions, which was seconded by Mr. Bolbrock and unanimously approved by the Committee Members in attendance (13 to 0). The Acting Secretary shall incorporate the revisions into the NYSRC Operating Agreement and post on the web site – **AI #52-3**. An action item is also being added to certify that the Secretary has received the signed Acknowledgement Forms from all individuals – **AI #52-4**. Subcommittee/Working Group Chairmen shall be responsible for collecting the signed Acknowledgement Forms from their respective Subcommittee/Working Group members and alternates and forward them to the Secretary – **AI #52-5**.

4.0 Reliability Rules Subcommittee Status Report/Issues

4.1 Subcommittee Status Report & Discussion Items – Mr. Clayton reported that the Reliability Rules Subcommittee (“RRS”) met on July 31, 2003. The next RRS meeting is scheduled for September 4, 2003.

4.2 Status of New/Revised Reliability Rules

i. Proposed NYSRC Reliability Rule Revisions

a. List of Potential Reliability Rule (“PRR”) Changes – Mr. Clayton reviewed the current List of Potential Reliability Rules Changes, briefly reviewing the status of the following PRRs not discussed below: #8, 52 and 65.

b. Status of New/Modified Reliability Rules

1. PRRs for Final EC Approval: Mr. Clayton noted that PRR #63 (RR03-08) – New Measurement C-M11, related to Reliability Rule C-R4, “System Data Requirements,” was posted and no comments were received. PRR #63 is being submitted to the Committee for final approval. Mr. Gioia raised a concern with the NYSRC imposing requirements on Market Participants. After discussion by the Committee, Mr. Clayton recommended that the RRS meet with Mr. Gioia to discuss and resolve the issue – **AI #52-6**. The Committee agreed and did not take action on PRR #63.

2. PRRs for EC Approval to Post for Comments: – Mr. Clayton reviewed PRR #64 (RR03-09) – New Measurement F-M5, related to Reliability Rule F-R5, “Operating Reserve Deficiency,” which was being submitted to the Committee for approval to post for comments. After discussion by the Committee, Mr. Fleury moved that PRR #64 be approved for posting for comments on a normal basis, which was seconded by Mr. Bolbrock and unanimously approved by the Committee Members in attendance (13 to 0). The Secretary shall post PRR #64 on the NYSRC web site for comments – **AI #52-7**.

3. PRRs for EC Discussion:

- (1) PRR #57 (RR03-06) - Rule E-R8 “Fault Current Assessment – Operating” and new Measurements E-M6 and E-M7, was posted for comments on July 14, 2003, with comments due by August 28, 2003. No comments have been received to date. Mr. Clayton noted that a letter was sent to the NYISO on July 16, 2003, communicating the NYSRC’s concerns on the circuit breaker over-duty issue and, until a final rule is adopted, to recommend that the NYISO operate the system as if the new reliability rule was in effect in its current form. The NYISO responded by letter dated July 24, 2003.
- (2) PRR #59 (RR03-07) – Modification to existing Rule D-R4, “Restoration of Ten (10) Minute Reserve.” Mr. Adams noted that the NYISO needs another month to: (1) complete a write-up on the benefits of adopting PRR #59, including an estimate of the economic impact of having the shared reserve agreement; (2) work with Con Edison to review and verify the 5 year data obtained by Con Edison; and (3) provide a numerical example incorporating all of the issues – continuation of **AI #51-5**.

c. NPCC & NERC Criteria Tracking Program – Mr. Clayton reported that the RRS continues to review proposed revisions to NPCC and NERC standards.

- 1. NERC Permanent Cyber Security Standard** - Mr. Adamson reported on the status of the NERC permanent cyber security standard, noting that the NPCC is providing substantial comments to NERC on a SAR for the permanent standard. The Committee requested that RRS and RCMS designate individuals to monitor the standard review process and formulate comments to be filed by the NYSRC, along with determining the need to develop new or to revise existing NYSRC Reliability Rules and Measurements and any new compliance requirements as a result of the new standard – **AI #52-8**.
- 2. NERC Standard Transition** – Mr. Haase summarized the discussions during a recent NERC meeting on transitioning to new standards. The process is expected to be larger than expected and the NYSRC must continue to monitor the process. The Committee requested that RRS and RCMS learn the standards process and make a recommendation on how to handle the process, either thorough a separate working group or with designated individuals – **AI #52-9**.

4.3 Other RRS Issues

- i. PSC Renewable Proceeding – Reliability Concern** – Mr. Loehr reported that the RCMS has reviewed the PSC’s Renewable Proceeding and has determined that there are no RCMS issues. ICS shall identify issues that should be addressed and submit them to the Committee – continuation of **AI #49-15**. Mr. Adams distributed copies of a working draft of the statement of work issued by the NYISO and NYSERDA for the completion of a study of the effects of wind generation resources on the planning and operation of the New York power

system. Mr. Mager summarized the August 5, 2003 letter from Mr. Loughney regarding Multiple Intervenors' concerns with the impact of a renewable portfolio standard ("RPS") on the reliability of the bulk power system. After discussion by the Committee, Mr. Bolbrock moved that the NYSRC file a letter in support of a meeting to consider the potential reliability impacts related to the design and implementation of RPS, which was seconded by Mr. Ellsworth and unanimously approved by the Committee Members in attendance (13 to 0). Mr. Gioia shall prepare the draft filing letter, send it to the Committee for review and approval, and file the letter by August 20, 2003 – **AI #52-10**.

- ii. **NYISO's Proposed Real-Time System ("RTS")** – Mr. Sasson summarized his July 31, 2003 email to the Committee regarding the NYISO's draft document proposing revisions to the reserve tariff language as a result of the NYISO's proposed RTS for unit commitment and dispatching of the system in or near to real-time. Mr. Sasson expressed a concern regarding the proposed Reserve Demand Curve that will be used to purchase reserves and whether this concept will lead to the NYISO not meeting NERC, NPCC and NYSRC reliability rules. The Committee agreed that the NYISO should complete an analysis to show if there will be an impact on reliability as a result of the NYISO's proposal. The Committee requested Mr. Adams to have someone from NYISO staff at the next meeting to discuss the issue – **AI #52-11**.

5.0 Installed Capacity Subcommittee Status Report/Issues

5.1 ICS Status Report & Discussion Issues – Mr. Dahl reported that the Installed Capacity Subcommittee ("ICS") last met on August 4, 2003. A majority of the meeting was spent on the assumptions for the 2004-05 NYCA Installed Capacity Requirement ("ICR") Study. Mr. Dahl also reported that the current ICS Secretary, Kevin Donnelly will be changing positions at Con Edison and will be replaced on the ICS by John Beck. Mr. Dahl recognized the efforts and contributions of Mr. Donnelly during his service to the ICS. The ICS is scheduled to next meet on September 3, 2003.

5.2 2004–05 NYCA Installed Capacity Requirement Study – Status Report - Mr. Dahl presented the draft assumptions for the 2004-05 ICR Study to the Committee. He noted that the base case study is scheduled to be completed by September 1, 2003. Mr. Haase requested that the ICS provide a summary of the transmission system representation used in the 2004-05 ICR Study, along with a description of the changes from the 2003-04 ICR Study – **AI #52-12**. Following discussion by the Committee, Mr. Dahl moved that the Committee approve the assumptions for the base case for the 2004-05 ICR Study, which was seconded by Mr. Clagett and unanimously approved by the Committee Members in attendance (13 to 0).

5.3 Other ICS Issues

- i. **Feedback from ICR Workshop** - Mr. Dahl reported that favorable comments were received regarding the ICR Workshop on July 11, 2003. Mr. Dahl thanked NYISO Staff, workshop presenters, and NYSRC consultants, Messrs. Adamson and Vitale for their contributions to the workshop.
- ii. **Proposed NYSRC Policy No. 5-0:** Mr. Dahl moved that the Committee approve the draft NYSRC Policy No. 5-0, "Procedure for Establishing NYCA Installed

Capacity Requirements,” as modified with the comments received from Mr. Gioia. The motion was seconded by Mr. Clagett and unanimously approved by the Committee Members in attendance (13 to 0). The Secretary shall incorporate Mr. Gioia’s comments into the draft document and post the final document on the NYSRC web site – **AI #52-13**.

6.0 Reliability Compliance Monitoring Subcommittee Status/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Loehr gave a brief report on the activities of the Reliability Compliance Monitoring Subcommittee (“RCMS”) who last met on August 6, 2003. Mr. Loehr recognized the contributions of Ron Halsey who is retiring from National Grid, USA. Mr. Loehr also requested that anyone who is on the NPCC Compliance Monitoring Advisory Subcommittee (“CMAS”) is welcomed to join the RCMS. The RCMS is scheduled to meet on September 11, 2003.

6.2 Status of NYSRC Reliability Compliance Program (“NYRCP”)

- i. 2003 NYRCP Responsibilities & Milestones** – The latest “2003 NYSRC Reliability Compliance Program Report” (“Scorecard”) was distributed.
- ii. 2003 NYRCP Assessments** – Mr. Loehr noted that there were no NYRCP assessments to distribute to the Committee this month.

6.3 Other RCMS Issues

- i. Proposed NYSRC Policy No. 4-2** – Mr. Loehr moved that the Committee approve the draft NYSRC Policy No. 4-2, “Procedure for Monitoring Compliance with the NYSRC Reliability Rules” as modified with the comments received from Mr. Gioia. The motion was seconded by Mr. Smith and unanimously approved by the Committee Members in attendance (13 to 0). The Secretary shall incorporate Mr. Gioia’s comments into the draft document and post the final document on the NYSRC web site – **AI #52-14**.

7.0 NYISO Studies – Reports were presented by Mr. Adams on the following studies and issues:

7.1 NYISO Transmission Reliability Study – Nothing new to report.

7.2 Reactive Resource Adequacy Study – Nothing new to report.

7.3 NYSERDA/NYISO Gas Study – Mr. Ellsworth briefly reviewed the draft outline of issues to be discussed at the August 25, 2003 meeting between the PSC, NYSERDA, NYISO and the NYSRC.

7.4 Other Studies/Activities – Mr. Adams briefly reported that the FERC issued a final rule on generation interconnection requirements covering procedures and a standardized interconnection agreement. Once the order is noticed in the Federal Registry, there will be a 60-day deadline for submitting compliance filings.

8.0 Other Items

- 8.1 Millennium Gas Pipeline Proceeding** – Mr. Gioia reported that the record has been closed by the Department of Commerce in the proceeding, which is being appealed by Millennium.
- 8.2 Reliability Legislation Update** – Mr. Gioia reported that the Senate passed an energy bill at its last session and will now proceed into conference to reach agreement between the House and Senate on the final language of the bill.
- 8.3 NYISO Operations Report** – The Secretary distributed the updated summary through July 2003. An NYISO Major Emergency Report for an incident on August 3, 2003 was also distributed.
- 8.4 North American Energy Standards Board (NAESB) Report** – Mr. Tammar of the NYISO made a brief presentation on the Joint Interface Committee (“JIC”) formed by the Memorandum of Understanding between NERC and NAESB. The JIC meets on a quarterly basis to resolve conflicts in the reliability and business standards processes. Mr. Adams noted that he will send JIC meeting minutes to the Committee.
- 8.5 FERC Wholesale Power Market Platform Proceeding** – Mr. Gioia briefly noted that there is no indication when FERC will act in the Wholesale Power Market Platform Proceeding. LLG&M will continue to monitor the proceeding.
- 8.6 FERC Installed Capacity Demand Curve Proceeding** – Mr. Gioia reported that the NYISO’s compliance filing and Keyspan-Ravenswood, LLC’s Motion for Clarification for FERC’s order conditionally accepting the NYISO’s tariff revisions incorporating a demand curve in the NYISO’s ICAP market, are both still pending at FERC.
- 8.7 NYISO Draft Strategic Plan** – Mr. Gioia reported on the NYISO’s draft strategic plan and noted that the plan questions whether the NPCC’s 1 day in 10-year loss of load expectation criteria is adequate. Under the discussion of the NERC SARS Transition above, Mr. Haase noted that the SARS transitioning process should be included in the NYISO’s strategic plan.
- 8.8 NERC Questionnaire on Resource & Transmission Adequacy** – Messrs. Adamson and Adams noted that they are preparing NYSRC and NYISO responses to the NERC Planning Committee questionnaire on resource adequacy and transmission adequacy to be filed on August 8, 2003.
- 9.0 Visitor Comments** – No visitor comments were received.

10.0 Meeting Schedule – The Committee agreed to change the date of Meeting No. 54 from October 9 to October 7. Location to be the Albany Country Club.

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#53	Sept 12, 2003	Albany Country Club, Voorheesville, NY	9:30 A.M.
#54	Oct 7, 2003	Albany Country Club, Voorheesville, NY	9:30 A.M.
#55	Nov , 2003	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Open Session of Committee Meeting No. 52 was adjourned at 4:05 P.M.

Completed By: J.C. Fleury – Secretary
Final Issue Date: September 14, 2003