

**Minutes**  
**New York State Reliability Council, L.L.C. (“NYSRC”)**  
**Executive Committee**  
**Meeting No. 30 - October 12, 2001**  
**Albany Country Club - Voorheesville, NY**

**Members and Alternates:**

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

**Others**

John M. 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**

Matthew F. Cinadr	NY DPS - by phone *
Erin Hogan	NYSERDA – Energy Analysis *
Joseph V. Plewinski, Jr.	General Electric PSEC

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

**Agenda Items - (Item # from Meeting Agenda)**

**I. Executive Session** - An Executive Session was conducted after the Open Session to address: (1) 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; and (2) NYSRC representation at NPCC Executive Committee meetings.

**II. Open Session**

**1.0 Introduction**

**1.1 Meeting Attendees** - Twelve (12) Members/Alternate Members of the NYSRC Executive

Committee (“Committee”) were in attendance.

**1.2 Requests for Additional Agenda Items** - The Committee reviewed the agenda and one new item was added by the Committee to discuss the 2002 Committee meeting schedule.

**1.3 Executive Session Topics** - Mr. Clagett 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, and to discuss NYSRC representation at NPCC Executive Committee meetings.

## **2.0 Meeting Minutes/Action Items List**

**2.1 Approval of Minutes for Meeting No. 29 (September 14, 2001)** - Mr. Mennerich moved that the Committee approve the Revised Draft Minutes for Meeting No. 29, which was seconded by Mr. Ellsworth, and approved unanimously by the Committee Members in attendance (11 to 0, 2 absent). The Secretary shall issue the final minutes for Meeting No. 29 and post them on the NYSRC web site - **AI #30-1**.

**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 September 2001 Summary of Receipts and Disbursements. All but two (2) Members have submitted their payment in response to the Call for Funds issued for the 4<sup>th</sup> quarter assessment of \$20,000 to the Transmission Owners and the Municipal Electric Systems and Cooperatives’ Sector. As of October 1, 2001, the NYSRC has a cash balance of approximately \$87,000. Mr. Adamson also reported that his projections indicate that NYSRC expenditures for 2001 should be within the approved budget.
- ii. 2002 NYSRC Budget** - Mr. Adamson presented the draft 2002 NYSRC Budget noting that the following assumptions were incorporated: (1) 5% increases in legal and insurance expenditures; and (2) the addition of a fourth Unaffiliated Member in April 2002 as a result of the proposed NYSEG/RG&E merger, which is scheduled to be completed in the first quarter of 2002. The NYSRC expenditures will be allocated in accordance with the 2002 NYSRC Funding Mechanism approved by the Committee at the August 20, 2001 meeting. Mr. Bolbrock moved that the Committee approve the 2002 NYSRC Budget, which was seconded by Mr. Sasson, and approved unanimously by the Committee Members in attendance (12 to 0, 1 absent). Note that Mr. Loughney (Large Consumer Sector Alternate Member) submitted a vote (by email to the Secretary at 12:01AM on October 12, 2001) to approve the 2002 NYSRC Budget.

**3.2 Selection of NYSRC Sector Representatives** – The Secretary reported that a notice was posted on October 11, 2001, for the selection of the representative of the Large Consumer Sector on

the Committee, in accordance with the procedures approved by the NYISO Board of Directors. Parties have until October 19<sup>th</sup> to respond to the notice. Until the selection process is completed, Multiple Intervenors will remain as the representative organization, with Mr. Loughney being the representative on the Committee – continuation of **AI #29-3**. A letter dated October 11, 2001 was submitted to the NYSRC by IPPNY stating that IPPNY has re-elected Mr. Clayton to be the representative for the Wholesale Sellers' Sector on the Committee. Mr. Cordeiro noted that a letter will be submitted stating the results of the selection process for the Municipal System & Electric Cooperative ("Municipal") Sector representative – continuation of **AI #29-4**.

#### **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 October 3, 2001 at the NMPC Office in Syracuse, NY. The main focus continues to be finalizing Revision No. 2 to the NYSRC Reliability Rules, along with the proposed reliability rule revisions and measurements to be included in Revision No. 2. Mr. Clayton noted that the next meeting is scheduled for October 31, 2001 in Albany, 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, noting that a draft had been submitted to the Committee for preliminary review. Mr. Adamson briefly summarized the contents of the draft document noting that there are eleven (11) Rule Groups or Sections, with a total of 44 reliability rules (4 new, 12 updated rules from Rev. No. 1, and 28 unchanged rules from Rev. No. 1). The document also contains a total of 42 Measurements related to the reliability rules: 33 applicable to the NYISO, 8 applicable to Market Participants, and 1 applicable to the NYSRC. The Committee discussed the draft document and agreed to revise the numbering of the reliability rules and measurements to incorporate the Section designation in the number (i.e.- "A-R1, B-M1, etc."). The Committee shall provide preliminary comments on the draft document to Mr. Adamson by October 22, 2001 - **AI #30-2**. A revised draft will be issued prior to the next Committee meeting. The RRS will request final Committee approval at the December Committee meeting. Mr. Clayton thanked Mr. Adamson for his efforts in preparing Revision No. 2.
- ii. Proposed NYSRC Reliability Rule Revisions**
  - a. List of Potential Reliability Rule Changes** - Mr. Clayton 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. PRRs #37, 38, 39, 40, 41, 42 & 44 (RR01-09, 10, 11, 12, 13, 14 & 16):** Mr. Clayton summarized and the Committee discussed each of these PRRs. Mr. Sasson moved that these PRRs be approved by the Committee for inclusion in

Revision No. 2, which was seconded by Mr. Bolbrock and unanimously approved by the Committee Members in attendance (12 to 0, 1 absent).

2. **PRRs #45 & 45A (RR01-17 & 18):** Mr. Clayton summarized and the Committee discussed PRRs 45 and 45A, addressing Local Reliability Rules No. 5 and 3 respectively. The Committee modified PRR #45A for consistency with PRR #45. Mr. Mennerich moved that these PRRs be approved by the Committee for posting on the NYSRC web site for comments, which was seconded by Mr. Sasson and unanimously approved by the Committee Members in attendance (12 to 0, 1 absent). These PRRs will be posted for comments until November 29, 2001, along with PRR #43 (RR01-15), which was approved for posting by the Committee at the September 14<sup>th</sup> meeting.

Mr. Clayton noted that all reliability rule changes for Revision No. 2 have been completed. The Secretary shall revise PRR # 45A, post PRRs #43, 45 & 45A on the NYSRC web site for comments, post the final PRRs approved for inclusion in Revision No. 2 (Item 4.2 ii. B. 1), and issue a notice to all Market Participants - **AI #30-3**.

- c. **Generation Deliverability & Transmission Expansion – Status of Deliverability Issues Study** - Mr. Clayton reported that Installed Capacity Working Group is scheduled to start the Deliverability Issues Study during the first quarter of 2002. The Committee approved the “NYSRC Deliverability Issues Study – Scope of Work” at the September 14, 2001 Committee meeting.

#### 4.3 Other RRS Issues

- i. **Orion Power Request for Con Edison Restoration Plan** - Mr. Sasson noted that Con Edison has submitted its black start restoration plan to the NYISO under a confidentiality agreement and therefore, the NYISO shall not provide the plan to any party, including the NYSRC. If Orion Power’s generating unit(s) are part of the Con Edison plan, the NYISO shall notify Orion Power that they are part of the plan and that they are eligible for black start payments in accordance with the NYISO tariff. In response to **AI #29-5**, Mr. Clayton shall call Orion Power and suggest that they contact the NYISO.
- ii. **Generator Interconnections** – Mr. Clayton reported that FERC Staff issued a memo to FERC Commissioners on October 5, 2001, addressing issues concerning generator interconnections, and recommending that FERC issue a notice of proposed rulemaking (“NOPR”) proposing a modified version of the ERCOT standard generation interconnection agreement and procedures as a “straw man” in creating a final standard. Mr. Clayton shall send the document to the Committee by email - **AI #30-4**.
- iii. **Neptune Project** – Mr. Clayton noted that the RRS discussed a proposal being made by the developer of the Neptune HVDC Project to change a rule that would attempt to exempt their HVDC project from consideration of the NPCC and NYSRC normal criteria design contingency regarding simultaneous permanent loss of both poles of an HVDC bi-polar facility. Since the proposal involves the potential revision of an NPCC, as well as NYSRC design

criteria, the RRS agreed that they wait to consider this issue until a ruling is made by NPCC. The RRS will serve in an advisory role to the NPCC on this issue.

## **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 on October 17, 2001 to continue their focus on the 2002-2003 Statewide IRM Study (“Study”). Mr. Adamson noted that the ICWG’s goal for the meeting is to establish the base case statewide installed reserve margin and to review the draft Appendix A - Model and Assumptions for the Study. The ICWG is on schedule to complete the Study for presentation at the December Committee meeting. The Study report format will be similar to the previous year’s report. Mr. Adamson expressed his appreciation to Mr. Adams and the NYISO Staff for their contributions to the completion of the Study. During the RRS report, Mr. Clayton reported that the RRS will have a conference call on November 28, 2001 to discuss the draft Study report. A joint RRS/ICWG meeting will be held on December 6, 2001 to finalize the Study report.

- i. White Paper on 2002 Study (UCAP)** - Mr. Clayton reported that the RRS is still 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**.

## **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”) met twice since the last Committee meeting, on September 21, 2001, in conjunction with the NPCC General Meeting held in Toronto, and on October 11, 2001. At the October 11<sup>th</sup> meeting, the RCMS conducted a brainstorming session to review its mission, work scope, responsibilities and procedures. Mr. Loehr summarized some of the RCMS discussions and noted that all of the groups should conduct similar sessions. The next RCMS meeting is scheduled for November 1, 2001.

### **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 #5, 7, 18, 20, 22, 25, 26 & 27** - Mr. Loehr briefly summarized the Compliance Monitoring Assessment Forms issued to the Committee by the RCMS. Mr. Adamson noted that the NYISO had not received Transmission Owner (“TO”) restoration plans as of September 1, 2001, therefore, the RCMS assigned no level of compliance for Assessment #5. Mr. Adams reported that the NYISO has requested the TOs to provide their restoration plans, which the NYISO plans on reviewing by January 1, 2002.

### **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**.

- ii. **Day-Ahead Unit Commitment - Minimum Downtime Limits Issue** - Mr. Loehr noted that the RCMS will determine whether the NYISO is in compliance with the following issues as part of its 2002 NYRCP: (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 – continuation of **AI #29-9**.
- iii. **RCMS Scope** – Mr. Loehr noted that the RCMS reviewed its Work Scope at its last meeting. The Secretary shall revise the Work Scope as discussed and send it to Mr. Loehr for RCMS approval – **AI #30-5**.

**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 (“TPAS”) met the first week in October and are scheduled to meet next on October 17, 2001. At this meeting, the TOs are scheduled to present their annual transmission baseline assessments (“ATBA”) which are to include short circuit capability studies. Mr. Sasson expressed a concern that the delays in determining breaker replacement requirements due to proposed generator additions could have a reliability impact since the TOs may not have equipment delivered in time to meet generator in-service dates. The Committee agreed to hold on any NYSRC action until the next meeting.

**7.2 NYISO Reactive Resource Adequacy Study** - A draft report is being reviewed by the working group and is scheduled to be sent to TPAS for discussion at their October 17, 2001 meeting.

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

**7.4 Other Studies** – No other studies to report on.

## **8.0 Other Issues**

**8.1 Millennium Gas Pipeline Proceeding** – A copy of the appropriate sections of the FERC’s Final Environmental Impact Statement (“FEIS”) in the Millennium Pipeline Company (“Millennium”) Gas Pipeline Proceeding were distributed to the Committee. Mr. Gioia noted that FERC referenced the NYSRC’s filed comments in sections 6-10 and 6-11. No maps have been issued to date showing the final pipeline route.

**8.2 Reliability Legislation Update** – Mr. Gioia provided a status report on both the Senate and House proposals being discussed. An email from NERC was distributed summarizing the testimony of NERC’s General Counsel to a House subcommittee on the need for reliability legislation.

**8.3 NY State Energy Plan** – No status report was provided on the NY State Energy Plan.

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

**8.5 September 11, 2001 WTC Attack – Impact on Con Edison** - Mr. Sasson gave a presentation on the World Trade Center attack and the work completed by Con Edison. The Committee agreed that the NYSRC should issue a press release acknowledging Con Edison’s efforts in, and preparedness for, responding to a disaster of this magnitude, along with noting that the NYSRC promotes higher reliability standards for New York City and the reasons for that. Mr. Loehr shall prepare a draft press release and send it to the Committee for comments – **AI #30-6**.

**8.6 Committee 2002 Meeting Schedule** - The Committee discussed and agreed on the proposed schedule for 2002 Committee meetings. The Committee agreed that all meetings will be held in Albany.

**8.7 Gas Industry Standards Board** – Mr. Ellsworth reported that the Gas Industry Standards Board (“GISB”) recently expanded its charter to include the development of electricity standards under a new Energy Industry Standards Board (“EISB”), which will be discussed at the FERC RTO workshops in October.

## **9.0 Visitor Comments**

Mr. Clagett solicited comments from the visitors participating in the meeting. Mr. Plewinsky commended Con Edison for their efforts in responding to the WTC attacks.

## **10.0 Meeting Schedule**

Below are the scheduled dates, locations and starting times for the remaining Committee meetings in 2001:

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

The Open Session of Committee Meeting No. 30 was adjourned at 1:55 PM.

Completed By: Joseph C. Fleury - Secretary

Final Issue Date: November 9, 2001