

**Minutes**  
**New York State Reliability Council, L.L.C. (“NYSRC”)**  
**Executive Committee**  
**Meeting No. 31 - November 9, 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                                     |
| Robert M. Loughney   | Large Consumer’s Sector; Couch, White, LLP - Alternate  |
| Kenneth A. Mennerich | Central Hudson Gas & Electric Corporation (“CHG&E”)     |

**Others**

|                       |  |
|-----------------------|--|
| John M. Adams         | New York Independent System Operator (“NYISO”)       |
| Edward C. Schrom, Jr. | NYS Department of Public Service (“NY DPS” or “PSC”) |

**Visitors - Open Session**

|                     |                                       |
|---------------------|---------------------------------------|
| S. Mark Petro       | Mirant New York, Inc.                 |
| Erin P. Hogan, P.E. | NYSERDA – Energy Analysis – by phone* |
| Rich Miller         | City of New York – by phone *         |

“\*” - 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; (2) NYSRC/NPCC issues; (3) a draft press release regarding Con Edison’s restoration efforts following the September 11<sup>th</sup> World Trade Center attacks; and (4) the NYISO response to the NERC National Security Assessment Survey.

**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 two new items were added to be covered under Agenda Items 8.6 and 8.7.

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

**2.1 Approval of Minutes for Meeting No. 30 (October 12, 2001)** - Mr. Ellsworth moved that the Committee approve the Revised Draft Minutes for Meeting No. 30, which was seconded by Mr. Bolbrock, and approved unanimously by the Committee Members in attendance (11 to 0, 2 absent). The Secretary shall issue the final minutes for Meeting No. 30 and post them on the NYSRC web site - **AI #31-1**.

**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** – The Secretary presented the Treasurer's Report to the Committee in Mr. Adamson's absence.

- i. Summary of Receipts & Disbursements** – The Secretary presented the October 2001 Summary of Receipts and Disbursements, noting that all 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 November 1, 2001, the NYSRC has a cash balance of approximately \$156,600. Mr. Adamson's projections indicate that NYSRC expenditures for 2001 should be within the approved budget. The Committee shall act on the first assessment for 2002 for Membership Fees, at the December Committee meeting.

**3.2 Selection of NYSRC Sector Representatives** – The Secretary distributed a summary of the responses received regarding the October 11, 2001 notice 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. All parties (33 total) responding to the notice designated Multiple Intervenors ("MI") as the representative organization. MI shall submit a letter designating who will be the Member and Alternate Member on the Committee – **AI #31-2**. The Secretary noted that a letter dated October 31, 2001 was submitted to the NYSRC by the New York Municipal Power Agency stating the results of the selection process for the Municipal System & Electric Cooperative ("Municipal") Sector representative, noting that Mr. Cordeiro will remain as the Member on the Committee. The Committee questioned the July 31, 2002 expiration date of the current term for the Members as noted in Mr. Gioia's November 8, 2001 letter to the Committee. The Secretary shall confirm the expiration date and send out an email to the Committee – **AI #31-3**.

## **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 31, 2001. 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 will be a conference call on November 28, 2001.

#### **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 revised draft was submitted to the Committee for review and comments on November 2, 2001. A final draft will be issued and the RRS will request final Committee approval at the December Committee meeting.

#### **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 and noting that the RRS is now reviewing Priority 2 rules. Mr. Clayton also noted that the RRS discussed an issue regarding the table of Exceptions to the NYSRC Reliability Rules (“Exceptions”), which is included in the NYSRC Reliability Rules. It appears that one of the Exceptions is being discussed by the NYISO System Operations Advisory Subcommittee. The Committee discussed the need for the NYSRC to be involved in any discussions of the Exceptions since they are included in the NYSRC Reliability Rules. Messrs. Clayton and Adams shall review the NYISO/NYSRC Agreement regarding any reference to the role of the parties with regard to Exceptions- **AI #31-4**.

**b. Status of New/Revised Reliability Rules** – Mr. Clayton reported that Proposed Reliability Rules (“PRR”) #43, 45 & 45A (RR01-15, 17 & 18), dealing with Local Reliability Rules (“LRR”) No. 3 & 5, have been posted on the NYSRC web site for comments, with comments due by November 29, 2001. Mr. Clayton noted that Independent Power Producers of New York (“IPPNY”) submitted a letter dated October 30, 2001, with comments and questions on these PRRs. The RRS discussed the issues with IPPNY at the last RRS meeting. The Committee concluded that the existing LRRs No. 3 & 5 should remain unchanged pending the completion of the NYSERDA/NYISO Gas Study. Mr. Clayton summarized the concerns raised by IPPNY and after significant discussion, the Committee agreed that IPPNY should submit formal comments prior to November 29<sup>th</sup>, in accordance with the open review procedures. The Committee will then address these and any other comments received during the comment period.

**c. Generation Deliverability & Transmission Expansion – Status of Deliverability Issues Study** – No update was provided on the Deliverability Issues Study to be started by the Installed Capacity Working Group during the first quarter of 2002.

#### **4.3 Other RRS Issues**

- i. **Draft Response to Orion Power on NYSRC Confidentiality Issues** – The Secretary distributed the draft response to Orion Power addressing NYSRC confidentiality issues. The Committee agreed to send the response to Orion Power with no revisions. The Secretary shall finalize the letter for Mr. Clagett’s signature – **AI #31-5**.

## **5.0 Installed Capacity Working Group Status Report/Issues**

**5.1 ICWG Status Report & Discussion Items** – Mr. Cordeiro reported on the activities of the Installed Capacity Working Group (“ICWG”). The ICWG last met on November 8, 2001, by conference call, and continue to focus on the 2002-2003 Statewide IRM Study (“Study”).

- i. **Status of Statewide IRM Study** - Mr. Cordeiro noted that the ICWG finalized the sensitivities being studied and reviewed the draft Study Report. Mr. Cordeiro reported that preliminary results indicate that the baseline IRM for the 2002-2003 capability year will be about 18.0%, compared to 17.1% for the current year. Mr. Cordeiro responded to a number of questions from the Committee regarding the Study. The ICWG is on schedule to provide a draft Study Report to the RRS prior to the RRS’ November 28, 2001 conference call. A joint RRS/ICWG meeting will be held on December 6, 2001 to finalize the Study Report. The Study Report shall be forwarded to the Committee for review prior to the December Committee meeting. The ICWG/RRS will present the report and request Committee approval at the December Committee meeting.
- ii. **White Paper on 2002 Study (UCAP)** – No update was provided on the ICWG 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”) last met on November 1, 2001. Mr. Loehr summarized some of the RCMS discussions. The next RCMS meeting is scheduled for December 13, 2001.

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

- i. **2001 NYRCP Responsibilities & Milestones** - Mr. Loehr briefly summarized the latest Responsibilities & Milestones document noting that there have been no revisions since the last report.
- ii. **2001 NYRCP Assessments** - Mr. Loehr reported that there were no new Compliance Monitoring Assessment Forms issued to the Committee by the RCMS. He also noted that the RCMS is developing a list of assessments to be completed by the RCMS in 2002.
- iii. **NYRCP Sample Compliance Template** – Mr. Loehr presented the sample Compliance Template proposed to replace the current Template and Assessment Forms. The Committee agreed to the use of the new template and agreed that the specific templates for each reliability rule/measurement shall be posted for comments on the NYSRC web site as they are completed by the RCMS and approved by the Committee.

### **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 be sending a letter to Mr. Calimano of the NYISO to 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 presented the revised RCMS Work Scope being submitted for Committee approval. After brief discussion and one modification by the Committee, Mr. Clayton moved for approval of the revised RCMS Work Scope, which was seconded by Mr. Eng and unanimously approved by the Committee Members in attendance (11 to 0, 2 absent). The Secretary shall post the revised RCMS Work Plan on the NYSRC web site –**AI #31-6**. During the discussion of the RCMS Work Scope, the Committee discussed the process for informing parties that they are not in compliance with a specific reliability rule/measurement. A process is detailed in NPCC document A-8. The Committee agreed that this process must be better defined by the RCMS.
- iv. **RCMS Audit of Documentation During Assessments** – Mr. Loehr requested that an agenda item be added for the next Committee meeting to discuss the scope of RCMS' work during the completion of assessments, to audit documentation submitted by parties to verify compliance with NYSRC Reliability Rules/Measurements. The topic shall be added to the Agenda for Meeting No. 32.

**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") is expected to approve the annual transmission reliability assessment ("ATRA") without the short circuit capability studies.

**7.2 NYISO Reactive Resource Adequacy Study** – The NYISO is developing a "going forward plan" and is expected to issue an interim report by year-end.

**7.3 NYSERDA/NYISO Gas Study** - The consultant completed the first deliverable of the study in October. A meeting is scheduled at NYSERDA the week of November 12<sup>th</sup>.

**7.4 Other Studies** – Mr. Adams reported that FERC issued a ruling in the cost allocation study, overturning the NYISO Board's decision on the threshold amount, and requiring the NYISO to submit a compliance filing.

## **8.0 Other Issues**

**8.1 Millennium Gas Pipeline Proceeding** – Mr. Gioia’s November 8, 2001 email to the Committee noted that FERC Staff issued the Final Environmental Impact Statement (“FEIS”), clearing the way for a FERC decision on the Millennium Pipeline Company (“Millennium”) Gas Pipeline Application, which is expected by year-end.

**8.2 Reliability Legislation Update** – No update was provided on the reliability legislation.

**8.3 NY State Energy Plan** – Mr. Adams reported that there have been no recent meetings on the NY State Energy Plan.

**8.4 NYISO Operations Report** - The Secretary provided a brief operations report for October 2001, noting that there were no Major Emergencies declared during the month. Other information shall be forwarded to the Committee when it is issued by the NYISO.

**8.5 October 16, 2001 NYISO Power & UPS Failure** - Mr. Adams reported on the October 16<sup>th</sup> power and uninterruptible power supply (“UPS”) failure at the NYISO Power Control Center.

**8.6 FERC ANOPR on Generator Interconnections** – Mr. Clayton reported that FERC issued an Advanced Notice of Proposed Rulemaking (“ANOPR”) proposing a standard generation interconnection agreement and procedures. Mr. Clayton summarized the FERC meetings conducted with all parties and the consensus reached to provide three products – simple interconnect, a minimum interconnect, and a network resource interconnect. Meetings will continue for several weeks and FERC is expected to issue a NOPR in December, 2001.

**8.7 Gas Industry Standards Board** – Mr. Ellsworth reported that the FERC has requested the Gas Industry Standards Board (“GISB”) to develop a white paper on their proposal to develop electricity standards under a new Energy Industry Standards Board (“EISB”). Mr. Ellsworth noted that NERC has stated that they should be the EISB. The Secretary shall forward the GISB status reports to the Committee – **AI #31-7**.

**8.8 Security Issues** – The Committee briefly discussed some of the changes occurring in the industry in response to the recent terrorist attacks. The Committee agreed that further discussions be held during the Executive Session.

## **9.0 Visitor Comments**

Mr. Clagett solicited comments from the visitors participating in the meeting. Mr. Petro provided further information on security issues.

## **10.0 Meeting Schedule**

| <u>Mtg No.</u> | <u>Date</u> | <u>Location</u> | <u>Time</u> |
|----------------|-------------|-----------------|-------------|
|----------------|-------------|-----------------|-------------|

#32            Dec. 14            Albany Country Club, Voorheesville, NY            9:30 A.M.

The Open Session of Committee Meeting No. 31 was adjourned at 1:25 PM.

Completed By: Joseph C. Fleury - Secretary

Final Issue Date:            December 17, 2001