

**Minutes**  
**New York State Reliability Council, L.L.C. (“NYSRC”)**  
**Executive Committee**  
**Meeting No. 34 - February 8, 2002**  
**Albany Country Club - Voorheesville, NY**

**Members and Alternates:**

Richard J. Bolbrock	Long Island Power Authority (“LIPA”)
William H. Chgett	Unaffiliated Member - Chairman
Roger E. Clayton	Wholesale Seller’s Sector; PG&E National Energy Group
Mark J. Cordeiro	Muni. & Elec. Cooperative Sector; PLM, Inc
Bruce B. Ellsworth	Unaffiliated Member
Larry Eng	National Grid, USA
Joseph C. Fleury	New York State Electric & Gas Corporation - Secretary
Anthony M. Giasi	Consolidated Edison Co. of N.Y.–Alternate (for M. Sasson)
H. Kenneth Haase	New York Power Authority (“NYPA”) – Vice Chairman
John D. Hauber	Rochester Gas & Electric Corporation (“RG&E”)–by phone
George C. Loehr	Unaffiliated Member
Michael B. Mager	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”)
Alan M. Adamson	Consultant & Treasurer
Paul L. Gioia	LeBoeuf Lamb Greene & MacRae (“LLG&M”)–by phone*
Edward C. Schrom, Jr.	NYS Department of Public Service (“NY DPS” or “PSC”)

**Visitors - Open Session**

Erin P. Hogan, P.E.	NYSERDA – Energy Analysis
---------------------	---------------------------

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

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

**I. Executive Session** – An Executive Session was held after the Open Session to discuss the NYISO/NE-ISO Agreement.

**II. Open Session**

**1.0 Introduction**

**1.1 Meeting Attendees** - Thirteen (13) Members/Alternate Members of the NYSRC Executive Committee (“Committee”) participated in person or by telephone.

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

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

**2.1 Approval of Minutes for Meeting No. 33 (January 11, 2002)** – After brief discussion by the Committee, Mr. Ellsworth moved that the Committee approve the Revised Draft Minutes for Meeting No. 33, as modified by the Committee, which was seconded by Mr. Bolbrock, and approved unanimously by the Committee Members in attendance (12 to 0, 1 absent). The Secretary shall issue the final minutes for Meeting No. 33 and post them on the NYSRC web site - **AI #34-1**.

**2.2 Action Items List** - The Committee reviewed the Outstanding Action Items List. The Secretary requested that the responsible individuals report on the status of all older action items at the next meeting. Other 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 January 2002 Summary of Receipts and Disbursements, noting that as of January 31, 2001, the NYSRC had a cash balance of approximately \$189,000. Mr. Adamson's noted that nine (9) of ten (10) Members have submitted payments totaling \$165,000 in response to the Call for Funds to collect the 2002 annual membership fee and the first quarter assessment.
- ii. 2001 NYSRC Financial Audit** – Mr. Adamson reported that Urbach Kahn & Werlin, PC ("UK&W") is scheduled to complete the 2001 NYSRC financial audit and issue a final report by the end of February 2002. Mr. Adamson also noted that Form 1096 was completed and sent to the IRS and 1099 Forms were completed and issued as required for 2001.

**3.2 NYSEG/RG&E Merger** – The Secretary reported that the NYSEG/RG&E merger is now scheduled to be finalized by the end of the second quarter. The Committee discussed and agreed that a fourth Unaffiliated Member will be selected, in accordance with the NYSRC Agreement, to fill the Transmission Owner Member position that will be vacated when the NYSEG/RG&E merger is finalized. The Committee established a Selection Committee consisting of Messrs. Haase, Ellsworth, and Loughney to start developing a list of potential candidates.

## **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 January 31, 2002. The main topics of discussion during the meeting included new reliability rule proposals, an NYISO presentation on reserve sharing, and exceptions to reliability rules. The next RRS meeting is scheduled for on February 28, 2002.

## **4.2 Status of New/Revised Reliability Rules**

### **i. Proposed NYSRC Reliability Rule Revisions**

- a. List of Potential Reliability Rule Changes** - Mr. Clayton reviewed the latest List of Potential Reliability Rule Changes.
- b. Status of New/Revised Reliability Rules** – Mr. Clayton reported on the following Proposed Reliability Rules (“PRR”):
  1. PRR#47: Revision to Local Reliability Rules (“LRR”) No. 3 & 5 – Posted on NYSRC web site for comments which are due on March 1, 2002. Mr. Clayton noted that IPPNY will be submitting comments.
  2. PRR#48: Bulk Power System Facilities – The RRS is reviewing a new draft measurement requiring the NYISO to submit the process for developing the list of bulk power system facilities to the NYSRC for review. – continuation of **AI #33-4**.
  3. PRR#49: Modification to Exception to the Reliability Rules – A draft template revising an existing exception to the Reliability Rules, which was approved by the NYISO Operating Committee and is being reviewed by the RRS, was distributed to the Committee.

Mr. Giasi discussed two (2) new reliability rules that are being proposed by Con Edison. The first deals with the deliverability of installed capacity. Mr. Clayton noted that the Installed Capacity Working Group is working on a deliverability study for the RRS to determine whether a new reliability rule is required. The second rule to be proposed would require that generator megawatt and mega-Var capabilities be provided to Transmission Owners who are responsible for the reliable operation of their systems. Mr. Giasi noted that this issue was raised at the NYISO System Operation Advisory Subcommittee (“SOAS”) where it was stated that this information might be is considered “confidential”. Con Edison is requesting that a new rule be adopted by the Committee on an emergency basis. Mr. Giasi shall prepare and submit a template in accordance with NYSRC Policy No. 1 – **AI #34-2**.

- ii. Revision No. 2 to NYSRC Reliability Rules** – The Secretary reported that Revision No. 2 to the NYSRC Reliability Rules (“Revision No. 2”) was posted on the NYSRC web site. The Committee reviewed a draft transmittal letter to FERC for an informational filing of Revision No. 2. Mr. Clayton moved to approve the draft FERC transmittal letter, which was seconded by Mr. Mennerich and unanimously approved by the Committee Members in attendance (12 to 0, 1 absent). Mr. Gioia shall proceed with the FERC filing of Revision No. 2 – **AI #34-3**.

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

- ### **5.1 ICWG Status Report & Discussion Items**
- Mr. Adamson reported on the activities of the Installed Capacity Working Group (“ICWG”). The Secretary reported that the 2002-2003 Statewide IRM Study (“2002 IRM Study”) Report was posted on the NYSRC web site, sent to

the NYISO under a transmittal letter dated December 20, 2002, and filed with FERC, for information only, on January 14, 2002. The Secretary shall finalize and issue the Press Release regarding the 2002 IRM Study – continuation of **AI #33-5**.

- i. **Deliverability Issues Study** – The ICWG and NYISO are scheduled to start the Deliverability Issues Study by the end of February.
- ii. **IRM Study Criterion in Other Areas** – The ICWG will be investigating what criterion is being used in other areas to determine IRM requirements – continuation of **AI #33-7**.
- iii. **ICWG 2002 Assignments** - Mr. Adamson reported the RRS is finalizing the list of ICWG’s 2002 assignments.

## **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 February 7, 2002. Mr. Loehr briefly summarized some of the RCMS discussion topics. The next RCMS meeting is scheduled for March 7, 2002.

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

- i. **2002 NYRCP Responsibilities & Milestones** - Mr. Loehr reported that the 2002 Responsibilities & Milestones document is being prepared and will be sent to the NYISO for review. The document will include scheduled completion dates for all assessments. Mr. Loehr also reported on the assessments associated with the Transmission Owner Restoration Plans, noting that the NYISO found all restoration plans compliant. The RCMS will also be reviewing the NYISO’s final report on the October UPS failure, when it is issued, and will determine whether a new reliability rule is required.
- ii. **2001 NYRCP Assessments** - Mr. Loehr briefly summarized the final 2001 Responsibilities & Milestones document dated January 25, 2002, indicating the completion of all 2001 assessments. Compliance Monitoring Assessment Forms were issued to the Committee by the RCMS for Assessments No. 2, 3, 4, 6, 7, 12, 13 & 16. Mr. Loehr noted that Mr. Adamson has developed a summary report on the 2001 NYRCP Assessments, which is scheduled to be sent to the Committee prior to the next meeting.
- iii. **Status of NYRCP Compliance Templates** – Messrs. Loehr and Adamson reported that the RCMS is currently preparing Compliance Templates and will be sending them to the NYISO and RRS for review. The RCMS is scheduled to provide a complete set of Compliance Templates to the Committee for review and approval in April 2002.

### **6.3 Other RCMS Issues**

- i. **RCMS Audit of Documentation During Assessments** – Mr. Loehr reported that the RCMS may be required to audit confidential information submitted by parties in order to verify compliance with NYSRC Reliability Rules/Measurements. The RCMS will designate Messrs. Adamson and Vitale to audit this information since they have already signed confidentiality agreements with the NYISO.

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

**7.1 NYISO Transmission Reliability Study** – The study is currently in the approval process within NPCC.

**7.2 NYISO Reactive Resource Adequacy Study** – Nothing to report.

**7.3 NYSERDA/NYISO Gas Study** – The Committee discussed the status of the NYSERDA/NYISO Gas Study, which is scheduled to be completed in May 2002. Mr. Clayton raised a concern with the assumptions being made in the study for a change in gas pressure and whether a given generating unit will remain on line or trip off. Assumptions are being made with no studies to support the assumptions. Further studies will be required to address the impact on reliability. Mr. Adams noted that this study will only address and predict the delta change in pressure at the City Gates and will not extend to the Con Edison or LIPA systems. NYSERDA is considering contacting the New York Facilities Group (Con Edison and KeySpan) for specific system input and modeling data on their respective systems in an effort to produce a more complete study. Ms. Hogan shall check into the availability of NYSERDA staff to make a presentation on the Gas Study at the next Committee meeting – **AI #34-4**.

**7.4 Other Studies** – Mr. Adams reported that the NYISO has been requested by the Governor's Office to complete a study assessing the reliability and economic impacts of shutting down Indian Point 2 and 3 Nuclear Plants. During the Executive Session, the Committee briefly discussed this study and the need for the NYSRC to monitor activities and review the NYISO's study. Mr. Clagett will contact Mr. Adams about the NYSRC's involvement.

## **8.0 Other Issues**

**8.1 Millennium Gas Pipeline Proceeding** – Mr. Gioia provided a written status report to the Committee by email dated February 6, 2002, noting that FERC's dispute resolution process has been invoked in the Millennium Pipeline Company ("Millennium") Gas Pipeline Proceeding, in an attempt to resolve the City of Mount Vernon's siting objections by February 18, 2002. Despite FERC's approval of the pipeline, certain organizations and public officials in Westchester County continue to express strong opposition to the routing.

**8.2 Reliability Legislation Update** – Mr. Gioia's February 6<sup>th</sup> status report to the Committee noted that none of the energy bills in Congress are proceeding due to the focus of the House and Senate energy subcommittees on the Enron issue.

**8.3 NY State Energy Plan** – The Committee reviewed the draft NYSRC comments on the Draft NY

State Energy Plan. Comments on the Draft Plan are due March 15, 2002. The Committee shall review the draft NYSRC comments and submit revisions to Mr. Gioia by March 1, 2002, who will prepare a final draft for discussion and finalization at the next Committee meeting – **AI #34-5**.

**8.4 NYISO Operations Report** - The Secretary distributed the NYISO operations report with a comparison of 2000-2002 operating information.

**8.5 FERC ANOPR on Generator Interconnections** – Mr. Clayton reported on the status of the activities being completed for FERC’s Advanced Notice of Proposed Rulemaking (“ANOPR”) proposing a standard generation interconnection agreement and procedures. FERC issued a consensus report for comments due on February 1, 2002. Next step is for FERC to issue a NOPR in the proceeding.

**8.6 NYISO/ISO-NE Northeast RTO Agreement** – The Committee discussed this topic in Executive Session. During the Open Session, Mr. Adams noted that the NYISO and ISO-NE plan on filing a Northeast RTO proposal with FERC in June 2002.

**8.7 NPCC Executive Committee Meeting** – The Committee discussed two topics on the agenda for the February 12, 2002 NPCC Executive Committee meeting – NPCC 2002 Organizational Goals and International Reliability Assurance – Talking Points. The Committee discussed and agreed to comments that Mr. Bolbrock will raise at the meeting as the representative for the NYSRC.

## **9.0 Visitor Comments**

Mr. Clagett solicited comments from the visitors participating in the meeting. No comments were provided in addition to those noted above.

## **10.0 Meeting Schedule**

<b><u>Mtg No.</u></b>	<b><u>Date</u></b>	<b><u>Location</u></b>	<b><u>Time</u></b>
#35	Mar. 8	Albany Country Club, Voorheesville, NY	9:30 A.M.
#36	Apr. 11	Albany Country Club, Voorheesville, NY	9:30 A.M.
#37	May 10	Albany Country Club, Voorheesville, NY	9:30 A.M.

The Open Session of Committee Meeting No. 34 was adjourned at 12:15 PM.

Completed By: Joseph C. Fleury - Secretary

Final Issue Date: March 8, 2002