

Minutes
New York State Reliability Council, L.L.C. (“NYSRC”)
Executive Committee
Meeting No. 42 – October 11, 2002
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
Curt Dahl	KeySpan Energy - Alternate
Bruce B. Ellsworth	Unaffiliated Member
John D. Hauber	Rochester Gas & Electric
Michael Hogan	Central Hudson Gas & Electric - Alternate (for Thomas Duffy)
George C. Loehr	Unaffiliated Member
Michael Mager	Large Consumer’s Sector; Couch, White, LLP – Alternate
A. Ralph Rufrano	New York Power Authority (“NYPA”) - Alternate
Mayer Sasson	Consolidated Edison Co. of NY, Inc. – Alternate
Herbert Schrayshuen	National Grid, USA - Alternate
George E. Smith	Unaffiliated Member

Others:

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

Visitors – Open Session:

None

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

Agenda Items – (Item # from Meeting Agenda)

I. Executive Session – An Executive Session was not requested.

II. Open Session

1.0 Introduction

1.1 Meeting Attendees – Fourteen (14) Members/Alternate Members of the NYSRC Executive Committee (“Committee”) participated.

1.2 Requests for Additional Agenda Items – The Committee reviewed and approved the agenda with one additional item covered under Item 8.8.

2.0 Meeting Minutes/Action Items List

2.1 Approval of Minutes for Meeting No. 41 (September 13, 2002) – After brief discussion by the Committee, it was moved and seconded that the Committee approve the Revised Draft Minutes for Meeting No. 41 as modified. The motion was approved unanimously by the Committee Members in attendance (13 to 0). The Secretary shall issue the final minutes for Meeting No. 41 and post them on the NYSRC web site – **AI #42-1.**

2.2 Action Items List – The Committee reviewed the Outstanding Action Items List. The Committee closed out one Outstanding Action Item, 6-1, and discussed the others 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 2002 Summary of Receipts and Disbursements, noting that as of October 1, 2002, the NYSRC had a cash balance of approximately \$54,000. All but two (2) Members have submitted their payments in response to the Call for Funds issued for a 4th quarter assessment of \$25,000 to the Transmission Owners.
- ii. 2003 NYSRC Budget** - Mr. Adamson presented a draft 2003 NYSRC Budget, which represents a total annual expenditure of \$570,000. After discussion, it was moved and seconded that the Committee approve the 2003 NYSRC Budget. The motion was approved unanimously by the Committee Members (13 to 0).

3.2 Code of Conduct – At the September 13, 2002 meeting, Mr. Gioia was requested to amend the Code of Conduct to provide for the confidential treatment of information provided to the NYSRC, the release of which might compromise the security of the NYS Bulk Power System. Mr. Gioia reviewed draft versions of an amended Code of Conduct and Confidentiality Agreement. After Committee Members reviewed possible changes to these documents, Mr. Claggett requested that any additional comments be forwarded to Mr. Gioia for consideration at the November 8 meeting - **AI #42-2.**

3.3 2003 Meeting Dates – Mr. Claggett recommended that the Committee continue to meet on the second Friday of each month during 2003. The Committee approved this schedule. The January 2003 meeting will be held at the NYISO's Washington Avenue Extension office, while all other meetings in 2003 will be held at the Albany Country Club.

3.4 Other Organizational Issues

- i. NYSRC Certificate of Formation** - Mr. Gioia reported that he has received a letter from the I.R.S. responding to submission of an amended Certificate of Formation, informing that the I.R.S. has accepted the NYSRC petition as a tax exempt organization.

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 October 3, 2002. The next RRS meeting is scheduled for October 30, 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 Reliability Rule Changes. He reported that RRS is currently drafting templates for PRR #29, Short Circuit Criteria. RRS proposes that three related short circuit rules be prepared, covering planning, operating and data base requirements, respectively. RRS plans to update NYSRC operating reserve rules (PRR #46) to be consistent with NPCC A-6 revisions that have been posted by NPCC for comment. In addition, some RRS members are working with NYISO operating staff to reconcile a NYISO concern about its inability to comply with operating reserve reporting requirements in accordance with an existing operating reserve measurement.

b. New/Revised Reliability Rules for Committee Approval – Mr. Clayton requested Committee approval for the following PRRs:

PRR #51 – Definition of Reactive Power Capacity: Mr. Clayton requested Committee approval of a revised glossary definition of Reactive Power Capacity. This version incorporates Committee comments from the September 13 meeting. Mr. Schrayshuen moved that the Committee approve this definition change, which was seconded by Mr. Bolbrock, and approved unanimously by the Committee Members (13 to 0). The new definition for Reactive Power Capacity will be incorporated into the NYSRC Reliability Rules Manual's Glossary.

PRR #53 (RR02-05) - NYISO Communications Measurement for J-R2 & PRR #54 (RR02-06) - Compliance Elements for Measurement B-M4, List of BPS Facilities: Mr. Clayton reported that these two templates were posted for comment and none were received. He moved that the Committee grant final approval of PRRs #53 & #54, which was seconded by Mr. Bolbrock, and unanimously approved by the Committee Members (13 to 0) - **AI #42-3.**

4.3 Other RRS Issues

i. Multiple Utilities on Same ROW – Mr. Clayton reported that, in accordance previous Committee agreement, this proposed rule was referred to NPCC for implementation. Mr. Eng was requested to recommend to the Task Force of Coordination of Planning that NPCC adopt a criterion concerning multiple utilities on the same ROW.

ii. Non-ICAP Generator Obligations During Emergencies – Mr. Clayton referred to a draft letter to Mr. Museler that he prepared in accordance with a Committee request at the September meeting. The draft letter expresses concern that the NYISO may not have the authority to direct non-ICAP generators to respond in order to prevent entering into the Major Emergency State, and suggests that the NYISO revise its operating manuals to provide the NYISO with such authority.

The Committee reviewed suggested changes to the letter prepared by Mr. Gioia. After some discussion, it was agreed that Messrs. Clayton, Gioia, and Sasson meet during the lunch break and formulate a final draft. Afterwards, the Committee agreed that Mr. Gioia should finalize the letter as drafted by the group - **AI #42-4.**

- iii. **Application of Loss of Generator Gas Supply Rule I-R3 - Kings Park Energy** - Mr. Clayton reported on a request from Mr. Marron of the Kings Park Energy Project (KPE) asking NYSRC's opinion on whether Local Rule I-R3, "Loss of Generator Gas Supply," applied to KPE. After discussion, it was agreed that this local rule does apply. Mr. Clayton will prepare such a response and send to Mr. Marron - **AI #42-5.**
- iv. **NPCC & NERC Criteria Tracking Program** - Mr. Clayton reported that NPCC is in the process of making substantial changes to criteria document A-2, "NPCC Basic Criteria", which may impact NYSRC Rules. RRS will review A-2 and provide appropriate comments to NPCC following its open process posting. At its last meeting RRS reviewed two additional NERC SARs. Mr. Campoli of NYISO staff has agreed to serve as RRS's liaison to NPCC CP-9, which coordinates NPCC Area comments on proposed NERC SARs and Standards.

5.0 Installed Capacity Subcommittee Status Report/Issues

5.1 ICS Status Report & Discussion Issues – Mr. Dahl reported that since the last Committee meeting ICS has met three times, on September 20 and 24 and October 7. The next meeting is scheduled for October 24, 2002.

5.2 2003–2004 Statewide IRM Study – Mr. Dahl reported that ICS has finalized model improvements and assumptions for the 2003-04 Study and run several preliminary MARS cases. The base case and several sensitivity cases will be completed in October. The technical report is in the process of being prepared. It is expected that a preliminary draft report will be available for review by the Committee at its November 8, 2002 meeting.

5.3 ICS White Paper: Adequacy of LSE Unforced Capacity During the 2002 Summer– At its September 13 meeting the Committee requested ICS to examine several issues associated with a possible shortfall of sufficient LSE unforced capacity (UCAP) to meet the statewide installed capacity requirement as determined by the NYSRC for the 2002 summer capability period. To satisfy this request ICS prepared a white paper describing its findings. The white paper concludes that LSE ICAP requirements, as determined by the NYISO UCAP translation process, did result in a statewide ICAP shortfall. This shortfall, therefore, caused the NYISO be non-compliant with NYSRC Reliability Rule A-R2. The white paper also addresses an interim translation methodology, which is being developed by the NYISO to remedy non-compliance. The Committee accepted the ICS white paper, which will be posted after minor revision - **AI #42-6.** ICS referred its A-R2 non-compliance conclusion to RCMS for further action (see Item 6.3 ii.).

6.0 Reliability Compliance Monitoring Subcommittee Status/Issues

6.1 RCMS Status Report & Discussion Issues – Mr. Loehr reported that RCMS last met on October 10. He reviewed the RCMS discussion topics. The RCMS is scheduled to meet again on November 7, 2002.

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

- i. 2002 NYRCP Responsibilities & Milestones (“Scorecard”)** – Mr. Loehr briefly summarized the 2002 Responsibilities & Milestones document, which includes scheduled completion dates for all assessments and designated compliance levels.
- ii. 2002 NYRCP Assessments** – At its October 10 meeting RCMS reviewed monthly NYISO Alert State and Reserve Activation trends for 2000 to 2002. For its next meeting, RCMS has requested the NYISO staff for a presentation on its system restoration plan, including blackstart generation, as part of RCMS' review of NYISO compliance with Rules G-R1 & 2.

6.3 Other RCMS Issues

- i. Letter Regarding NYSRC Review of NYC Breaker Fault Duties** – This letter was transmitted to KeySpan on September 16, 2002.
- ii. RCMS Review of NYISO Compliance with Rule A-R2, LSE Installed Capacity Requirements** – Mr. Loehr reported that at its last meeting, RCMS reviewed the ICS white paper on LSE UCAP adequacy during the 2002 summer period (see Item 5.3), and agreed with ICS that the NYISO was non-compliant with Rule A-R2 during the 2002 summer. RCMS prepared a compliance review report and a draft non-compliance notification letter to the NYISO Board Chairman, in accordance with NYSRC procedures. The Committee approved the notification letter with minor changes. Mr. Adamson will finalize and distribute the letter - **AI # 42-7**. RCMS plans to monitor NYISO compliance with A-R2 for the 2002-03 winter capability period.

7.0 NYISO Studies – Reports were presented to the Committee on the following NYISO studies and issues:

7.1 NYISO Transmission Reliability Study – Mr. Adams reported that the annual NYISO transmission assessment report was transmitted to TPAS for review. RCMS is scheduled to review the report at its November meeting as part of its 2002 Compliance Program.

7.2 Reactive Resource Adequacy Study – Mr. Adams provided a status report on the NYISO Operations Reactive Study. Reactive power capacity verification test delinquency notices have been issued to 82 units, half of which have been tested. It was noted that inconsistencies have been found between GADS and on-line generating unit availability data for certain units. The NYISO will be reviewing this issue. The NYISO has been reviewing a locational load factor requirement process similar to that used in ISO-NE.

7.3 NYSERDA/NYISO Gas Study - There was nothing new to report.

8.0 Other Items

8.1 Millennium Gas Pipeline Proceeding – Mr. Gioia reported that FERC has prepared an order approving the project, pending NYS permit review and appeals.

- 8.2 Reliability Legislation Update** – Mr. Gioia discussed details of Federal energy legislation. He reported that the Senate and House versions of the energy bills are similar. Mr. Gioia plans to speak with the staffs of Senators Shumer and Clinton to suggest that they consider the need for maintaining the NYSRC role in the pending legislation.
- 8.3 NY State Energy Plan** – Because the NY State Energy Plan has been issued, this item will be removed from future agendas.
- 8.4 NYISO Operations Report** – Mr. Fleury has updated this report to include September 2002 operating data.
- 8.5 FERC NOPR on Generator Interconnections** – This item is no longer required and will be removed from future agendas.
- 8.6 North American Energy Standards Board (NAESB) Report** – Mr. Ellsworth reported highlights of the last NAESB Board meeting.
- 8.7 FERC SMD NOPR** – Mr. Gioia suggested that the resource adequacy requirement section of the SMD NOPR is the only portion that directly affects the responsibilities of the NYSRC and may be the only section for which NYSRC may wish to provide comments. The deadline for making comments on this portion of the NOPR has been extended to January 10, 2003. He referred to highlights of the FERC resource adequacy proposal and a preliminary list of suggested issues for consideration in preparing NYSRC comments, which he transmitted to the Committee on October 9. ICS was requested to provide draft comments on the resource adequacy portion to Mr. Gioia for Executive Committee review at the November 8 meeting - **AI #42-8**.
- 8.8 NYSRC Progress Report** - At the October Committee meeting, Mr. Adamson was requested to prepare an outline for a document that will review NYSRC programs and activities for ensuring NYS reliability which have been initiated since the start up of the NYSRC in 1999. He suggested that the scope of the document be expanded to also include NYSRC's mission, objectives, organization, and goals for the future, which were included in an outline that was distributed. Committee Members suggested additional topics and were requested by Mr. Clagett to send additional NYSRC accomplishments and goals not covered in the outline, along with other suggestions, to Mr. Adamson for review at the next meeting - **AI #42-9**.
- 9.0 Visitor Comments**
No visitors were present at the meeting.

Meeting Schedule

<u>Mtg. No.</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>
#43	November 8	Albany Country Club, Voorheesville, NY	9:30 A.M.
#44	December 13	Albany Country Club, Voorheesville, NY	9:30 A.M.
#45	January 10	NYISO Washington Ave. Extension Offices, Albany, NY	9:30 A.M.

The Open Session of Committee Meeting No. 42 was adjourned at 2:00 P.M.

Completed By: Alan M. Adamson – Acting Secretary

Final Issue Date: November 11, 2002