

RRS Goal B1.2  
Consider Revisions to Policy 1, Section 5  
Exception Process & Criteria  
Draft Discussion Paper  
June 5, 2025

**RRS Goal B1.2:** Consider revisions of Policy 1 with respect to Section 5 Exception process & criteria. Report to EC with Recommendations in Q4/2025

**May 2025 RRS Meeting:** At the May 2025 RRS 298 Roger Clayton provided a review of his November 5, 2024 memorandum to NYSRC EC describing;

- Current Policy 1, Exception 5
  - Procedures
  - Criteria for granting new, modified, or removal process of exceptions
- Notes on NYSRC guidelines for applicants seeking exceptions involving IBR's
- NERC's Risk Assessment Considerations during NERC Review of Exception Requests
- NERC's Appendix 4D to the Rules of Procedure
- Conclusions – A list of issues that require RRS discussion as a prerequisite for considering formal changes to Policy 1, Section 5. See Below

**Issues for RRS Discussion (Issues identified in R Clayton November 5 Memorandum “Conclusion” section);**

1. Who has regulatory authority on existing exceptions, TOs or NYSRC? Are they grandfathered?
  
2. Should any new or revised exception be approved?

3. Should there be an expiration condition on all new or revised exceptions?
4. Is the reliability benefit of a new or revised exception greater than the potential reliability risk?
5. Should there be a periodic mandatory review of all exceptions?
6. Should there be consideration of the reliability impact of new or revised exceptions regarding:
  - A. Involvement with flow gate, nuclear or RAS facilities?
  - B. Does element supply capacity and/or ancillary services?
  - C. Impact of exception on aggregate facilities (current & future)?
  - D. Operating experience of elements involved in exception request?

**Next Steps:**

1. Decide How Should RRS Proceed? In January 2025 RRS members stated preference in keeping this issue at RRS as an RRS agenda item. Is that still the case or would RRS prefer a task force? It is possible to schedule additional, single-agenda item “closed” RRS meetings to focus on this issue.
2. Need round-table discussions of the questions posed in R Clayton’s November 4 letter.

3. Need a formal report with recommendations to NYSRC EC.
4. Need a written report to the NYSRC EC.