



NORTHEAST POWER COORDINATING COUNCIL, INC.
1515 BROADWAY, NEW YORK, NY 10036-8901 TELEPHONE: (212) 840-1070 FAX: (212) 302-2782

Regional Standards Committee (RSC) Report

Since the last NPCC BOD Meeting the RSC activities have included:

- Drafted, submitted and promoted a NYSRC sponsored SAR to initiate revision to FAC-011-1 recently approved by the FERC. Coordinated the response to the issue that Category C contingencies, which NPCC considers to be normal design criteria contingencies, being excluded from the FAC -011 standard when determining System Operating Limits. NPCC is involved in the drafting of the TPL Standard and coordinating the reclassification of the Category C contingencies into “credible” single contingencies from multiple element contingencies. NPCC has contacted the FERC staff to promote the furtherance of our reliability objectives for this issue.
- Promoted and managed the development of the first NPCC Directory, #7 SPS through the full member approval, and retired the existing A-11 SPS Criteria.
- Developed and approved the first NPCC Regional Standard Authorization Request “RSAR” to begin the development of the first NPCC Regional Standard, “Classification of Bulk Power System Elements”, effectively beginning the FERC approved NPCC Regional Standards Development Procedure.
- Performed a detailed review of the addition of Violation Severity Levels (VSL) being added to all the standards. The RSC identified certain concerns with the NERC Drafting Team and also with NERC Compliance Staff. An issues paper is being prepared and will be distributed before the VSL Balloting commences.
- Coordinated consensus NPCC comments for the following and instituted positive change to:
 - System Operator Certification
 - System Restoration and Blackstart (Through input from CO11)
 - Reliability Based Control
- Developed ballot recommendations for the following interpretations
 - VAR-001-1 Voltage and Reactive Control
 - BAL-005-1 R-17 Automatic Generation Control
 - TPL-002 and 003 R-1.3.2 and R 1.3.12 Trans Planning Standards
- Developed ballot recommendation for the PRC-023-1 “Relay Loadability” standard.

- Drafting revisions to the NPCC more stringent mapping for filing with the New York State Public Service Commission
- Refine a draft work plan for the development of NPCC Regional Reliability Standards and a work plan for translation of NPCC Documents into Directories
- Review of FERC Order 705 that accepted the FAC-010, 011, and 014 standards and the FERC issued “Directives”.
- Coordinating a Regional Response with TFSS and TFCP to the posted Assess Future Transmission Needs and Develop Transmission Plans
- Coordinating participation in all drafting teams and ensuring that NPCC is represented and provides a forum for those who participate
- Following the activities of the NAESB Wholesale Electric Quadrant Version 1.1 Standards for Reliability Issues
- Coordinating issues pertaining to the NERC Reliability Standards Procedure by participation in the NERC Standards Committee
- Investigation and discussion of addressing FERC concerns through NERC filings and providing member input into that process.

Guy V. Zito 1/22/08
Chair Regional Standards Committee
Assistant Vice President of Standards



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Compliance Committee (CC) Report

Since the last NPCC BOD Meeting the CC activities have included:

- **Key Compliance Issues NPCC has presented to the NERC BOT Compliance Committee**
 - NPCC recommends that a consistent set of interpretations of the aggravating and mitigating factors influencing the determination of penalties identified in NERC's Sanction Guidelines be developed.
 - NPCC recommends that, consistent with the CMEP, Registered Entities be issued two notices of violation, an initial and an alleged with penalty if appropriate, regardless of whether the Registered Entity enters into a settlement agreement.
 - The NERC process for the development and dissemination of compliance reporting forms and templates needs to be enhanced and should include regional and stakeholder input.
 - Realistic data retention policies need to be developed to assure that all Regions and Registered Entities maintain appropriate and accurate records of compliance submittals, audits, spot checks and other aspects of the CMEP.
 - The relative impact of significant numbers of "*de-minimis* entities" needs to be addressed through revised registration criteria.

- **Compliance Violation Investigations**
 - Compliance Violation Investigation of Con Edison June 27, 2007 Event – Investigation of the shutdown of Astoria West, Bruckner and Hell Gate Substations has been completed. The investigation examined the event from a compliance perspective and preliminarily identified that, based on the nature of the event, i.e. an event in a load pocket feeding the distribution system; there were no applicable bulk power system Reliability Standards and therefore no violations. NPCC has sent its final report to NERC for review and comment on January 14, 2008.

 - Compliance Violation Investigation – Hydro Quebec TransÉnergie – October 3, 2007 Event – The NPCC Compliance Staff has begun its Compliance Violation Investigation of the October 3, 2007, Hydro Quebec TransÉnergie event. This event involved the tripping of a 735 kV line (7086) on the Bay eastern corridor while another line in same corridor was out of service for maintenance. The Operational Event Analysis was completed in mid-November and the Compliance Violation Investigation is scheduled to be completed by the end of January, 2008.

- **Compliance Trends**

- Vegetation performance – As indicated in the 3rd Quarter Vegetation Management Report of Compliance Performance to NERC Reliability Standard FAC-003-1, one Category 1 violation (grow-in within the right-of-way) was reported in the Canadian portion of NPCC. NPCC Compliance Staff requested and received a copy of the Registered Entity's Vegetation Management Plan and supporting documentation. During the course of review of this documentation the Registered Entity expressed interest in possibly initiating a settlement proceeding. Discussions are continuing.

- **Compliance Committee Activities**

- Developing draft internal Compliance Procedure (CP-1) detailing NPCC implementation of NERC Compliance Monitoring and Enforcement Program (CMEP). Final draft to be presented for approval at January 31-February 1, 2008 Compliance Committee Meeting.
- Revised Scope for Compliance Committee to be presented at next Compliance Committee meeting for discussion and subsequent submittal to Board of Directors for approval. Scope will more clearly define Compliance Committee oversight role and assure that it is in concert with latest NERC Rules of Procedure and latest version of CMEP.

- **NPCC 2007 Compliance Audit Program**

- All fourteen scheduled on-site audits were completed.
- All twenty off-site audits have also been completed.
- Twelve audit reports are posted on the NPCC website <http://www.npcc.org/compliance2/AuditSpot.aspx>.
- All forty responses to Spot Check requests for 2007 have been received and evaluated.
- 2008 schedule has been finalized

- **Pre- June 18th Violations**

- All mitigation plans associated with the identified forty-five pre-June 18th violations have been completed.
- Also all four hundred and ninety two mitigation plans for self-certifications submitted by entities that were later found to be compliant have also been completed.

Stanley E. Kopman 1/22/08
Chair Compliance Committee
Assistant Vice President of Compliance



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Reliability Coordinating Committee (RCC) Report

Reliability Coordinating Committee (RCC) recent activities included:

Approvals:

- The 2008-2009 Task Force and RCC Work Plans
- The 2007 Ontario Interim Review of Resource Adequacy
- The 2007 New York Interim Review of Resource Adequacy
- The 2007 New England Interim Transmission Review
- The 2007 Maritimes Interim Transmission Review
- The NPCC Review of Interconnection Assistance Reliability Benefits
- The Summer 2008 Multi-Area Probabilistic Reliability Assessment Scope & Schedule
- Proposed modifications to the Type 1 Sarnia-Scott Generation Rejection Special Protection System and the proposed New Lambton Generation Rejection Special Protection System.
- Proposed modifications to the Type 1 Special Protect Systems associated with the Orrington to Pt. Lepreau 345 kV circuit (Northeast Reliability Interconnect project)
- The technical changes made to the criteria portion of the Reliability Requirements Directory #7 – Special Protection Systems; the new format of the Reliability Requirements Directory #7, including a Table of Contents; and, the subsequent retirement of the A-11 Special Protection System Criteria be sent the Full NPCC Membership for their approval.

In addition, the RCC endorsed:

- The TFIST Regional Risk Methodology Recommendation addressing a set of guiding principals for consistent interpretation of Critical Assets within NPCC, as the term is used in NERC's CIP-002 Reliability Standard.
- The TFIST Cross-Border Emergency Communication Recommendation for the NPCC areas to move to a uniform satellite phone approach and directed TFIST to coordinate the use of the common protocols.

The RCC asked the TFCO and TFSS Chairs to work with NPCC Staff and come to the March 2008 RCC meeting with a proposal of how to manage the confidentiality of the NPCC Bulk Power System list.

Philip A. Fedora 1/22/08
Reliability Coordinating Committee
Assistant Vice President of Reliability Services