

NYSRC Installed Capacity Subcommittee

Meeting #75

April 4, 2007

9:30 a.m. - 3:00 p.m.

NYSERDA: 17 Columbia Circle, New York City Conference Room

Meeting Minutes

Attendees

Members/ Alternates Present:

Mr. Curt Dahl (LIPA), Chairman
Mr. Bart Franey (National Grid)
Mr. Steve Jeremko (NYSEG-RGE)
Mr. Rajee Mustafa (NYPA)
Mr. Glenn Haake (IPPNY)
Mr. Harry Joscher (PSEG Power) - Telephone
Ms. Jane Shin (Con Edison), Acting Secretary

Advisers/Non-member Participants Present:

Mr. John Adams (NYISO)
Mr. Greg Drake (NYISO)
Mr. Al Adamson (Consultant)
Mr. Steve Keller (NYPSC) - Telephone
Mr. Ed Schrom (NYPSC)
Mr. Frank Vitale (Consultant)
Mr. Timothy Bush (Consultant)

Guests Present:

Mr. John Charlton (NYISO) - Limited Participation
Mr. Bill Lamanna (NYISO) - Limited Participation
Mr. Cenk Yildirim (NYISO)
Mr. Phil Phedora (NERC) - Telephone
Mr. Glenn Haringa (GE) Telephone / Limited Participation

1. Action Items

1.1 Closed

No items were closed.

1.2 New

75-1 Mr. Bill Lamanna is to provide a written document to describe the current method for modeling HQ imports in MARS and PSSE as well as propose alternate methods, with supporting arguments.

75-2 Mr. Lamanna is also to provide a written document to detail what differences are recommended. This document should explain the benefits of using different models for the IRM and RNA studies.

75-3 Mr. Steve Jeremko is to provide a summary version of the IRM Study Schedule and Project Timeline.

75-4 Mr. Glenn Haringa is to discuss switch settings at Meeting #76 on May 4th, 2007.

1.3 Revised

74-1 The committee determined this to be an ISO procedure that will be reviewed by the NYSRC. Mr. John Charlton requested greater visibility of how import rights are determined as an outcome of the IRM, LCR Study. Mr. Curt Dahl mentioned that the report due on December 15th should address these concerns fully.

2. Development of the NYCA Transmission Topology

Mr. Lamanna reviewed the draft of pertinent assumptions for the NYCA transmission system representation (topology), Mr. Lamanna is seeking modeling recommendations from ICS so he may provide exactly what the committee requires (technical decisions) in a timely manner (efficient use of time).

Mr. Lamanna is developing an assumptions "whitepaper" for both the NYISO Transmission Planning Advisory Subcommittee (TPAS) and NYISO Operating Committee (OC) to describe how transfer limits are calculated. He is also working on establishing greater consistency between the Reliability Needs Assessment (RNA) and the other planning studies. Mr. Lamanna supports the use of different topologies for the IRM and the RNA, particularly for future years of the RNA.

Mr. Bart Franey expressed concern that different topologies for different planning studies may lead to conflicting results.

Mr. Ed Schrom requested that Mr. Lamanna document (in writing) what differences he felt were needed and why.

In this context, Mr. Dahl also mentioned the need to add Hudson Valley to the list to be discussed with Con Edison by May 1st.

2.1. Modeling of HQ Imports

The group reviewed methods for modeling imports at Chateauguay. The group agreed on the importance of this decision - and how it could influence the results of the IRM study.

Mr. Lamanna pointed out that modeling New England Phase II could move the IRM in either direction, depending on other assumptions. To determine the magnitude would require actually running the model. He also mentioned that developing a policy on how to treat externals and Capacity Benefit Margins would make this process easier to deal with in the future.

Again, Mr. Schrom asked that Mr. Lamanna document how the model currently handles these concerns and make recommendations for changes with supporting arguments. This will enable the committee to determine a method for modeling external areas and fully understand the impacts of their decisions.

2.2. UDRs

Mr. Lamanna wants to know how much detail the committee requires when modeling the limits of other pools and if we need to change how anything is modeled. For example, how much detail is required in modeling the internal limits of other pools? Mr. Dahl mentioned that this may affect how the Neptune line may impact the wheel through the ABC lines.

There is much work to be done with the PJM model and Mr. Lamanna is certain this work will not be completed in time for this year's study. However the plan is to get a modeling of PJM that everyone is comfortable with for this year.

2.3. Long Island Exports to NYC

Mr. Dahl will provide the new export limits from Long Island in the next few weeks. The increases due to Neptune may help mitigate loop flow (circulation) concerns for New York City and the Rest of State.

2.4. Assistance Priority

The committee is not currently seeking to change any switch settings but is open to changes if recommended by GE. The committee may have GE run sensitivity cases for whether or not to allow assistance to flow through external pools, because this switch setting affects the power flow. Mr. Haringa further will discuss such switch settings and procedures at the next meeting.

3. HQ-OH wheel cases

Mr. Greg Drake ran two cases discussed previously and sent out an email of the findings. In the first case he reduced the HQ - OH and HQ - D ties to

zero and reduced the OH – A tie by 350 MW. This resulted in no significant change to LOLE. In the second case, Mr. Drake also reduced the contracts from NE to 200 MW, which improved the LOLE to 0.088 days/year from 0.091 days/year. This may be due to increased emergency assistance from NE.

Mr. Bart Franey expressed concern that capacity imports to the NYCA have reduced the emergency assistance to the NYCA. He believed that establishing the 2755 was not supposed to impact the LOLE but the results show otherwise. He requests a written procedure describing the treatment of outside assistance. Mr. Drake had thought that this was to be addressed by modeling the forecasted contracts determined by the NYISO.

Mr. Charlton discussed the differences between imports rights that are granted, what actually flows across the lines, and contracts. Import rights do not assure that energy will be flowing; only that the associated Installed Capacity must be offered in the Day-Ahead Market (DAM) and will only flow if economic or scheduled bilaterally. He also brought up the fact that ISO-NE, PJM and HQ imports may be curtailable. Mr. Charlton feels that how Installed Capacity is modeled needs to be carefully considered. This process should be developed openly. He also made the point that the ICAP market is driven by the IRM determined by the committee and that the way external emergency assistance is modeled drives the availability of Import Rights. He does not expect much ICAP assistance from ISO-NE. Mr. Al Adamson added to Mr. Charlton's point that assistance to NY is paid for by ratepayers and lowering IRM requirements actually saves money for NYCA ratepayers.

The committee is waiting on a response from Mr. Mark Younger on this issue.

4. IRM Sensitivity

Mr. Drake is rerunning the curve with PJM capacity restored in order to determine the impact of the Neptune line to the LOLE, IRM, and LCR. In the Free Flowing Equivalent (FFE) method there was little change, 14.1 to 14.0. The Tan-45 results are not yet completed. The preliminary results seem to indicate very little change to Zone-K and about a 3% improvement in Zone-J. When completed, the results will be summarized and graphed by Mr. Dahl and sent to the group via email.

5. Reliability Council Workshop

5.1. Administrative Issues

The Resource Adequacy Workshop will be held on June 7th at the NYS Nurses Association. An email will be sent requesting RSVPs to determine the expected number of attendees. The workshop will cost \$100 per

attendee. The course may be approved for applicable graduate school credits. In order to apply for these credits a draft of all slides needs to be submitted by next week.

5.2. Workshop Agenda

The three groups presenting are the NYSRC, the NYISO and GE. Mr. Dahl added a section that provides background information about the groups involved and the process. Someone still needs to talk about how wind generation is modeled. GE needs to talk about number of iterations, confidence intervals, and sensitivity case results. Mr. Adamson will add a slide to discuss the NERC survey on criteria and the Standard Authorization Request (SAR).

All draft slides are to be emailed to ICS members by Friday. They will be reviewed by the committee and finalized via email and sent to Mr. Adamson by Wednesday, April 11th.

6. 2007 IRM Study Schedule

Mr. Jeremko presented the initial draft of the IRM Study Schedule. Utilizing an Excel spreadsheet-based, format this schedule reflects a daily activity format. Steve indicated that he used Excel at this stage for simplicity and accessibility. Several members expressed concern over the level of detail – and recommended a less granular, simplified format. Steve agreed to condense the timeline and utilize Microsoft Project software to develop the timeline for ease of monthly updating.

Mr. Franey questioned a date, which brought to light the fact that the timeline must be continually examined by the committee for accuracy as dates may shift.

7. 2007 Lessons Learned / 2008 Work Plan

The group reviewed the second revised of the 2007 Lessons Learned document. This version categorized issues as either: 1) Active, 2) Deleted/Combined or 3) “Parking Lot” (deferred for later action). Other changes were to remove the issue owner (names) and adding due dates where applicable.

The group reviewed each item – making determinations as to which items would be carried forward, particularly as “Active Issues”; these items will constitute the 2008 Work Plan. Mr. Jeremko will make the necessary changes and bring a revised version back to the next ICS meeting. Highlights of group discussion included:

- IRM Basecase Documentation (Item 2): This item is to be dropped.
- NYISO Staff/Resources (Item 3): This item should be highlighted in RC/ISO discussions.
- Sensitivity Cases (Item 7): The ICS and NYSRC Executive Committee (EC) both need to abide by and enforce the October due date for sensitivities. Mr. Adamson expressed a concern that new sensitivities are being proposed and accepted by the EC late in the process. Mr. Dahl agreed that the ICS need remind the EC of the urgency of meeting the schedule citing this example. However, the EC still has the right to accept late proposals. A level flexibility is required to make changes that may greatly improve the robustness of the study.

Mr. Glenn Haake reminded the committee that the original "Lessons Learned" cited an issue where a standard sensitivity case that was not completed in time for the final 2007 IRM Study. The committee agreed that standard sensitivities should be completed by the October due date and included in the final IRM draft report.

NY/NE Tie Benefits Study (Item 8): Mr. Dahl expressed disappointment with this experience. At this time ISO-NE is reluctant to share their database and Curt lacks confidence in their data. Mr. Wayne Coste of the ISO-NE noted confidentiality concerns, even though Mr. Drake believed that there is already an agreement in place. There are informational and modeling discrepancies between NY and NE that need to be resolved. NE has turned to CP-8.

The committee still needs to determine how NE will be modeled in the future. Mr. Franey expressed concerns about the firm transactions from NE and whether or not they are actually firm. This is to be determined by FERC.

- Megawatt Scaling (Item 10): This item does not belong on this list and will become a RAITF item.
- Document Modeling Enhancements (Item 11): Changes to the model are already included in the IRM report. This item can be moved to the deleted items section.
- Simplify Presentation (Item 13): The IRM report includes an executive summary and covers this item.

- NYISO-PJM Tie Benefits Study (Item 14): Reiterated the importance of this item.
- Interregional Planning (Item 15): Mr. Jeremko will email the link for conference slides that address this topic.

Two new items were added to the lessons learned:

- Provide a clarification on the definition of “on average” as per the reliability rule of 0.1 LOLE on average.
- Provide the long term (five year) annual horizon forecast for IRM evaluation.

8. Upstate/Downstate (U/D) Study

Mr. Haringa reported that the U/D Study is progressing and that GE expects to have preliminary results at the end of April.

9. Other Business

- LCRs - Mr. Charlton informed the committee that the ISO may want to further clarify how the Locational Capacity Requirement (LCR) is calculated. Currently the zonal peak is used to calculate the LCR. The ISO wants to eliminate an apparent ambiguity between how Installed Capacity tags are established in Zones J and K to set LSE requirements. Under current rules, it is not clear whether to use the zonal peak hour or the NYCA peak hour on which to base ICAP tags. Greg Drake pointed out two potential challenges of this change. One is the use of a 2002 load shape, which decides the hour of the coincident peak in the model and may not reflect what this change is trying to accomplish. Two is the need for coincident peaks for each zone to be developed as model inputs.
- NYSRC Biennial Report - Copies of the NYSRC Biennial report were made available to the committee.
- Administration - Mr. Carl Courant (NYPA) is to be removed from all email distribution lists.

10. Next Meeting

Meeting #76: May 4, 2007, 9:30am – 4:00pm.

Acting Secretary: Jane Shin