

NYSRC Installed Capacity Subcommittee

Meeting #77

May 30, 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. Steve Jeremko (NYSEG-RGE) – Telephone
Mr. Rajee Mustafa (NYPA)
Mr. Carlos Villalba (Con Edison), Secretary
Mr. Mark Younger (Generation Owners)

Advisers/Non-member Participants Present:

Mr. Madison Milhous (KeySpan)
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 (Municipal Power Agency) - Telephone

Guests Present:

Mr. Bill Lamanna (NYISO)
Mr. Cenk Yildirim (NYISO)
Mr. Glenn Haringa (GE) Telephone / Limited Participation
Mr. Peter Carney (NYISO)
Ms. Erin Hogan (NYSERDA)
Mr. Steve Knach (NYISO)
Mr. Glenn Haake (Generation Owners)

1. Action Items

1.1 Closed

74-2 Bill Lamanna finalized the transmission transfer limit calculations (see Item 5). This item is now closed.

75-1 The tasks that correspond to this action item are included in 73-2.

1.2 New

77-1 NYISO will prepare a presentation on the Load Forecast schedule and methodology.

1.3 Revised

The group reviewed all Action Items. New target completion dates were assigned for each task.

2. Review of Meeting Minutes for Meeting #76

The group reviewed and approved the meeting minutes for Meeting #76 after minor changes.

3. Electricity and Environment Regulations

Peter Carney, Senior Environmental Engineer from the NYISO, presented a summary to the group on forthcoming environmental regulations. Mr. Carney's objective was to inform the group on how all the new environmental regulations fit together and how they may impact the amount of future capacity in the State. The following are the highlights of the presentation and subsequent group discussion:

- Steve Jeremko clarified that RGE will replace the existing Russell generating plant by year 2014.
- Curt Dahl asked the presenter to quantify the approximate impact of the Mercury regulations. Mr. Carney responded that a recent study performed by the NYSERDA shows an increase of \$1/MWh.
- Mark Younger explained that the generators may not run less to comply with the RGGI but may instead look into the allowance market to meet their requirements. The cost of banking allowances will become a capital cost requirement. This may or not be included in the LBMP.
- Mr. Carney indicated that in order to achieve the state proposed NOx reductions it may be necessary to either reduce the energy output of the units or to reduce the capacity of high-emitting CTs and load-following boilers by approximately 2300 MW. Mr. Carney noted that most of the CTs are located in the J and K zones. Some of the load following boilers are located there as well.
- Mr. Carney noted that the reliable operation of nuclear units in the last couple of years has resulted in few High Electrical Demand Days (HEDD) and low emissions of CO2 per year.
- Mr. Carney pointed out that regulations capping the total hours of operation of distributed generation will not be in effect until 2009.
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4. Load Shape

After Cenk Yildirim's presentation on the 2006 load shape statistics, the ICS members unanimously decided to keep the 2002 load shape.

5. Transmission Topology

Bill Lamanna presented the new changes to the transmission topology and the interfaces transfer limits. Mr. Lamanna then proposed to reduce the PJM East to Area G (Branchburg to Ramapo) interface limits to zero. He reasoned that since this interface can only carry up to 1000 MW, and of this, the first 500 MW is dedicated to the RECO load while the other 500 MW must be redirected to the Waldwick Phase Angle Regulators (PARs), the net transfer capability is 0 MW. Mr. Dahl and Mr. Villalba asked the NYISO for documentation on these changes to the currently understood topology.

6. Assumptions Matrix

The group reviewed each item of the assumptions matrix. Highlights of the discussions are as follows:

6.1. Load Forecast

The ICS members continue to advocate that all TOs should have their load forecast completed by October 1st for the following year IRM study, including Zonal breakdowns. Mr. Villalba explained that Con Edison could only provide the Consolidated Edison load forecast by October 1st, and that the NYISO could estimate the breakdown for Zones I, H, and J based on this total number.

Mr. Maniaci from the NYISO suggested using the load forecast published in the Gold Book as input into the model. If the previous year's forecast is within 1% of the current forecast then no modifications would be necessary since the metering error is approximately 1% in any case. However if the ICS finds out that the error is greater than 1% after the IRM and LCR have been calculated, it may be too late for making any corrections to the model.

Mr. Maniaci shared the NYISO plan to weather normalized the loads with their own data including any effects of demand response by October 17th. If Con Edison or LIPA has available the zonal weather normalized loads before the NYISO issues the forecast to the ICS, the NYISO will defer to the TO's load forecast. Mr. Al Adamson advised the group that the ICS should not decide which forecast to use, and that this decision should only be taken by the NYISO.

Mr. Maniaci added that the following checks are necessary to use the next year's forecast as shown in the Gold Book:

- Total energy check

- Energy growth check
- Weather adjustment check
- Forecast check.

If all of these checks line up, then it is acceptable to use the Gold Book forecast.

Mr. Villalba suggested that more error statistics will be require to determine the confidence level on using the previous year's forecast and the potential impact on the IRM and LCR calculations if the previous year's forecast is off by more than 1%.

6.2. MARS Version

Mr. Dahl asked Glenn Haringa what version of MARS was the latest and if there are any fundamental changes to this version of which the committee should be aware. Mr. Haringa responded by saying that the latest version of MARS is the 2.83. Mr. Haringa then indicated that this version of MARS had a problem in the first replication when using transmission outages, but the error is very small and has no effect in the model results because the model executes more than 2000 replications.

6.3. MARS Switches Configuration

Mr. Villalba asked Glenn Haringa about the switch configuration regarding the pool reserve sharing in MARS. Mr. Villalba asked specifically for the correct switch configuration to allow each pool to use its own transmission system first to then receive emergency assistance from neighboring pools before other pools use the transmission system to provide assistance to themselves. Glenn said in order to stop the pools to provide assistance to themselves through the neighboring pools this switch could be set off. This allows, for example, NYCA to use all its transmission resources before New England can assist itself through New York's transmission system.

Mr. Adamson then asked Mr. Haringa if there is a switch for each area, to what Mr. Haringa responded that there is only one switch for all the pools.

6.4. DADRP

The group had a discussion on considering Day Ahead Demand Resource Program (DADRP) in the MARS model while updating SCRs and EDRPs values in the assumptions matrix. Mr. Villalba asked the group why DADRP are not taken into account since they are bid in the market and are expected to perform 100%. Mr. Glenn Haake noted that there are some DADRP that are EDRPs, but there are some that are not. Mr. Dahl asked Mr. Drake to investigate.

Mr. Younger suggested not considering the DADRP program since the bid registered in the program do not coincide with the peak load days, instead only certain holidays.

6.5. Wind Resources

The ICS group indicated that it is considering only those wind projects that are in the Gold book and clearly scheduled to be in service before the summer for the 2008 IRM Study.

6.6. Cable Forced Outage rate - NUSCO 1385 Cable Re-conductoring

Mr. Dahl indicated that LIPA is re-conductoring the NUSCO 1385 cable from Connecticut which has had a historical EFORD of 17%. The new cable will be buried approximately half a mile apart from the old one and will be assumed to have an EFORD of 1%. This is similar to the CSC cable's performance.

6.7. Hydro Quebec Database.

Mr. Drake stated that this year the NYISO is having trouble obtaining the network data from HQ to update the MARS model. The NYISO will continue negotiating with HQ.

7. New England Tie Benefit Study

Mr. Dahl summarized the May 17th meeting with NEPOOL to the ICS team. The following are the conclusions and follow ups highlights:

- Mr. Wayne Coste's presentation on May 17th again arrived at the conclusion that the NEPOOL-NYCA ties pose a negative benefit to NEPOOL and a positive for NYCA.
- The ICS team disagreed with Mr. Coste's conclusion and explained during the meeting that the model that was used for the calculations is incomplete. The model didn't include PJM and Ontario which are large providers of emergency assistance.
- The model used by NEPOOL is a two-year-old representation from CP8 that needs to be updated.
- Mr. Adamson added that the "AS IS" issue will need to be brought to the NPCC attention. The "AS IS" issue consist of the neighboring pools using "as is" capacity levels of their neighboring pools to perform their IRM calculations, while NYCA uses the capacity levels according to their reserve requirement to apply a level of conservatism. Because, this assumption by the neighboring pools results in lower IRMs, the NYCA IRM that considers the neighboring pools increases. As a consequence, the neighboring pools will over rely on emergency assistance from NYCA and NYCA will potentially subsidize the neighboring pools.

Mr. Dahl was not comfortable with NEPOOL unwillingness to share its MARS input data, stating that the ICS team may need to perform its own analyses. Mr. Drake indicated that there is a problem in general in obtaining data from the neighboring pools. Mr. Villalba suggested that GE could perform the Tie Benefit Study similar to the Upstate/Downstate study since information sharing was an issue.

8. Next Meeting

Meeting #78: June 27, 2007, 9:30am – 4:00pm.

Secretary: Carlos Villalba
