

NYSRC Installed Capacity Subcommittee

Conference Call #26

March 17, 2006

2:00 p.m. – 5:00 p.m.

Meeting Minutes

Attendees

Members/Alternates:

Mr. Curt Dahl (LIPA), Chairman
Mr. Mark Younger (IPPNY)
Mr. Bart Franey (National Grid)
Mr. Steve Jeremko (NYSEG-RGE)
Mr. Carlos Villalba (Con Edison), Secretary
Mr. Rich Wright (Central Hudson)
Mr. Madison Milhous (KeySpan Ravenswood)
Mr. King Look (Con Edison)
Mr. Glenn Haake (IPPNY)

Advisers/Non-member Participants:

Mr. Al Adamson (Consultant)
Mr. Greg Drake (NYISO)
Mr. Steve Keller (NYPSC)
Mr. Herbert Joseph (NYPSC)
Mr. Frank Vitale (Consultant)
Mr. John Pade (NYISO)

Guests:

Mr. John Charlton (NYISO)
Mr. Carl Patka (NYISO)
Mr. Gary Jordan (GE)
Mr. Mayer Sasson (Con Edison)

1. NYISO Explanation of Database Anomaly and IRM Results

John Adams introduced the NYISO's presentation by first describing when the NYISO realized the operating reserve had shifted and how the shift was found. Mr. Adams said that the anomaly was discovered when an ICS TO member consulted with the NYISO about the correct amount of operating reserves for each of the NYCA areas. After

reviewing the data together with the TO and consulting with GE about the correct distribution of the operating reserves in the MARS tables, NYISO realized that approximately 400 MW of the NYCA operating reserves resources were shifted from downstate, Zone K to upstate in the base case. NYISO then estimated that this shift had a significant impact in the LOLE results and therefore determined that it should recalculate the IRM and LCRs.

Mr. Adams briefly discussed how the operating reserves should be modeled in MARS. He explained that the operating reserve emergency steps modeled in MARS are solely to track the number of occurrences an area or pool invokes this emergency step. The operating reserve is input for each area by first subtracting resources in the amount of the operating reserve the area contributes to the system or pool and then adding the same amount on the same table later in the emergency step such that the results should be the same as if no operating reserves were modeled. However subtracting resources from one area and adding them to another may create an unnecessary deficiency in the area the operating reserves were subtracted from.

Subsequently, Mr. Adams explained how the shift in operating reserves from East to West caused the difference in the base case LOLE, as well as the IRM and LCRs percentages. Essentially the shift of operating reserves in the EOP MARS table was mostly subtracting capacity to Zone K and adding capacity to the West of the Total East interface increasing the emergency flows through the “UPNY/SENY”, the “Y49/Y50”, and the “Dunwoodie” interfaces. Therefore less resources were available to meet the Zone K load and because its proximity, Zone J load as well.

Mr. Adams added that to ensure that the data was accurately input, NYISO asked GE to help verify more than 25,000 lines of input data, including the generating units EFORD and other confidential information. NYISO and GE did not find additional discrepancies in the database. NYISO believes that this verification process should be used for next year.

Mr. Adams also clarified that the SCRs, modeled in the same EOP table, were not affected by the shift in operating reserves. The 1016 MW of SCRs were added to the table after multiplied by 8% EFORD.

RESULTS

NYISO presented the results graphically in two IRM/LCR curves, sent in advance to the ICS members. The curves showed that at TAN 45 the IRM was 18%, the LI LCR 99%, and the NYC LCR 80%.

Mr. Franey objected to the TAN 45 methodology used to derive the 18% IRM and said that the current methodology is arbitrary and that the correct IRM is the Free Flowing Equivalent point on the IRM/LCR curve.

The ICS members agreed to draft an addendum to the 2006-07 IRM Study Report describing the anomaly, the new IRM/LCR curves, and the TAN 45 inflection point.

2. IRM/LCR Sensitivities

A few members of the ICS group asked the NYISO to perform some EDRPs and SCRs sensitivities during the weekend. Mat Milhous was particularly interested in a sensitivity that reflected the performance of the SCRs in Zone J. NYISO responded that it would perform the sensitivities if it has the resources available. Mark Younger asked to re-run the sensitivities in the IRM report by removing EDRPs and SCRs.

Mr. Franey was interested in measuring the impact of the UDRs on the IRM and proposed the sensitivity of modeling the IRM without the UDRs.

King Look suggested in addition to the error, another reason for the lower locational requirements may be the updated load forecast, which now shows the load in Zones J and K representing a smaller percentage of the NYCA load than in the prior load forecast. John Adams agreed with Mr. Look's assessment.

Mr. Adams finalized the call by saying that NYISO appreciated finding the anomaly in time to recalculate the IRM and LCRs before the generation capability auctions and to prevent the propagation of it to the planning process.

Secretary: Carlos Villalba