

NYSRC Installed Capacity Subcommittee

Meeting #53

June 1, 2005

9:30 a.m. – 3:30 p.m.

NYISO: Washington Ave Ext. Conference Room WD

Meeting Minutes

Attendees

Members/Alternates Present:

Mr. Curt Dahl (KeySpan/LIPA), Chairman
Mr. Bart Franey (National Grid)
Mr. Steve Jeremko (NYSEG)
Mr. Harold Joscher (PSEG Power) – Telephone
Mr. Carlos Villalba (Con Edison) – Telephone
Mr. Steve Whalen (NYSEG) – Telephone
Mr. Rich Wright (Central Hudson)
Mr. King Look (Con Edison), Secretary

Advisers/Non-member Participants Present:

Mr. John Adams (NYISO)
Mr. Al Adamson (Consultant) – Telephone, Limited Participation
Mr. Greg Drake (NYISO)
Mr. Steve Keller (NYPSC)
Mr. Ed Schrom (NYPSC)
Mr. Frank Vitale (Consultant)

Guests Present:

Mr. John Charlton (NYISO) – Limited Participation
Mr. Glenn Haake (IPPNY, EC Member)
Mr. Glenn Haringa (GE) – Telephone, Limited Participation
Mr. Gary Jordan (GE) – Telephone, Limited Participation
Mr. Ray Kinney (NYSEG, RRS) – Telephone
Mr. Bill Lamanna (NYISO) – Limited Participation
Mr. Madison Milhous (KeySpan Ravenswood)
Mr. John Pade (NYISO) – Limited Participation
Mr. Cenk Yildirim (NYISO)

1. Review and Approval of Meeting Minutes

1.1. Meeting #52 on 5/4/05

The Meeting Minutes from Meeting #52 (held on 5/4/05) were reviewed. A motion was made and accepted to finalize these minutes with some editorial corrections.

2. Review of Previous Outstanding Assignments

Action Items List #52 was reviewed and resulted in closing out items 44-6, 50-3, 51-3, 51-6, 52-2, and 52-4. With regard to action items 44-6 and 50-3, they were made redundant by 52-2 and therefore were rolled into action item 52-2. See Action Items List for specifics. Since action items 49-3 and 49-7 are duplicates of Issue 5 (Outside World Representation) and Issue 3 (Resource Capacity Availability) of the 2006-2007 IRM Study Work Plan Matrix, respectively, their scheduled completion dates were changed to 6/29/05 to match the dates on the IRM Study Work Plan Matrix.

3. Review of 2006-2007 IRM Study Work Plan Matrix

3.1. LCR/IRM Relationships

- ICS reviewed Curt Dahl's 5/31/05 draft presentation, "Joint ICS/NYISO Conclusions Related to the Methodology of Conducting NYCA Installed Reserve Margin (IRM) & Locational Capacity Requirement Analyses". Curt is scheduled to present this to the EC at the 6/10/05 EC Meeting.
 - Bart Franey disagreed with a statement in the draft presentation, which says that the "unified" methodology avoids the Cedars and SCR phenomena. Bart suggested that the "unified" methodology does not eliminate the cause of the Cedars and SCR phenomena as identified in the Cedars White Paper. Notwithstanding Bart's objection, ICS reached consensus to change the wording to say that the "unified" methodology virtually eliminates (in lieu of avoids) the Cedars and SCR phenomena.
- Bart Franey said that National Grid does not support the curve segment approach. Bart recommended that the NYSRC should continue to determine the IRM. Under the "unified" methodology, allowing the NYISO to select the LCR prior to the NYSRC determining the IRM essentially means that the NYISO has also select the base case IRM. Curt Dahl said that it would be difficult for ICS / NYSRC to select the anchored point, because all points on the LCR/IRM curve have the same 0.1 LOLE reliability.
- In the discussion on the curve segment approach, some ICS members indicated they would prefer an anchored range that includes the "unconstrained" case while some indicated they would prefer a range that is plus / minus delta around the IRM/LCR point with a slope of negative $\tan 45^\circ$. King Look said that to set the IRM/LCR at the unconstrained case, assuming it were feasible, could cause market response, such as ROS capacity leaving the market. And with less ROS capacity, there may even be adverse impact on ROS energy prices. King acknowledged that this concern about potential

market impact is outside the jurisdiction of ICS/NYRSC, which should focus only on reliability.

- In the “unified” methodology, perfect capacity was used to adjust the level of capacity to reach 0.1 LOLE, after which the perfect capacity was translated to real capacity. Greg Drake indicated that separate translation factors for NYC, LI and ROS were used to convert the perfect capacity to real capacity. Greg also indicated that the translation factors he used were average availability rates, which included maintenance. It was then brought up, and agreed to, that the translation factors should exclude maintenance and should only reflect forced outages.
 - *As a new action item (#53-1), Greg Drake will determine the methodology to convert perfect capacity to real capacity.*
- The LCR/IRM curve using the “unified” methodology was missing the point that reflects the “unconstrained” case.
 - *As a new action item (#53-2), Greg Drake will determine the IRM and LCRs for the “unconstrained” case using the “unified” methodology. Greg will assume infinite transmission from ROS to NYC and LI to solve for the IRM, and then put back the transmission to solve for the LCRs.*
- King Look showed an example illustrating even with a curve segment along the LCR/IRM curve of 0.1 LOLE, it should really be an anchored region above (and including) the curve segment to account for the uncertainties in the input assumptions and in the MARS modeling. A case in point is the 18% IRM, the 80% NYC LCR and 99% LI LCR, which are above the LCR/IRM curve of 0.1 (using the current IRM and LCR methodologies).
- ICS agreed that the NYSRC should not impose locational capacity requirements on the NYISO without getting the NYISO stakeholders involved (e.g., presentation to the NYISO OC at the minimum, but should also include the NYISO BIC). John Adams mentioned the need to get on the OC meeting calendar to discuss the LCR/IRM issues at possibly the July OC meeting. ICS also discussed the possibility of raising the LCR/IRM issues with BIC through the NYISO ICAP Working Group.
- Curt Dahl concluded the discussion on LCR/IRM relationships by indicating that at the 6/10/05 EC meeting, he will tell the EC that ICS recommends the “unified” methodology but seeks EC guidance on the anchoring options and NYSRC/NYISO governance issue.
- Steve Jeremko on the behalf of his company (NYSEG/RG&E) is requesting ICS to do a study to determine separate IRMs for NYC/LI (combined) and ROS, assuming NYC/LI and ROS are two separate areas. Steve

acknowledged that this request is beyond the scope of the 2006-2007 IRM Study.

- *As a new action item (#53-3), Steve Jeremko will develop a study scope to determine separate IRMs for NYC/LI (combined) and ROS.*

3.2. Resource Capacity Availability

This agenda item was not discussed due to lack of time. Curt Dahl will schedule a conference call on the week of June 13th to reconvene ICS to complete agenda items missing from today's (June 1st) ICS discussions.

3.3. New Generating Units and Retirements

New units to be included for the 2006-2007 IRM Study are the NYPA Poletti unit (500 MW, January 2006 in-service date), SCS Astoria (500 MW, April 2006 in-service date), the additional 32 MW from Pinelawn that is not available for summer 2005 but will be in service in fall 2005, and Flat Rock (120 wind turbines, each rated 1.65 MW, December 2005 in-service date).

3.4. Outside World Representation

This agenda item was not discussed due to lack of time.

3.5. Horizon Year

The EC has asked for the horizon year to be studied as a sensitivity case. John Adams suggested that this should be tied in to the NYISO Comprehensive Reliability Planning Process (CRPP).

4. Review of 2006-2007 IRM Study Assumptions Matrix

4.1. Load Shape Model

John Pade made a presentation to ICS comparing the 2002, 2003 and 2004 load shapes. After some discussions, ICS concluded that there is no compelling reason to move away from the use of the 2002 load shape at this time. As a result, ICS will stay with 2002 load shape, which will be used in the 2006-2007 IRM Study.

John Pade also discussed the NYCA load forecast uncertainty model, which incorporated zone J update from Con Edison and zone K update from LIPA. The updated zone J load probability distribution curve is shifted to the left, because the zone J load forecast from Con Edison is a 1-in-3 year load forecast (i.e., 33% probability that the load will equal or exceed the base load forecast), whereas NYCA's load forecast is a 1-in-2 year load forecast (i.e., 50% probability that the load will equal or exceed the base load forecast). In past IRM studies, the zone J load forecast was treated as a 1-in-2 year load forecast. The updated zone K load probability distribution curve has slightly wider tails. The load probability distribution for zones A through I is the difference between the NYCA load probability distribution and the sum of the zones J and K load probability distributions. Both the zones A through I and the NYCA load probability distribution curves remain unchanged from last year's curves. Greg Drake

reported that the updated zone J load forecast uncertainty model would have reduced the 2005 base case IRM from 17.6% to 17.1%; the updated zone K load forecast uncertainty model would have increased the 2005 base case IRM from 17.6% to 17.9%; but the updated J and K load forecast uncertainty models collectively would have caused no change to the 2005 base case IRM.

4.2. Transmission System Model

Greg Drake indicated that he needs the updated transmission topology by July 1st, which Bill Lamanna is currently working on.

4.2.1. PSEG - Con Edison Wheel

Bill Lamanna and John Adams said that the NYISO is working with PJM on the modeling of the wheel. The wheel requires PSEG to deliver 1000 MW into zone J, except when PJM declares an emergency only 600 MW into zone J would be guaranteed. Bill Lamanna noted that the PSEG transmission ties into zone J are for 1500 MW but NYCA conservatively counts on only 1000 MW from those PSEG transmission ties.

4.2.2. LIPA / Con Edison Cable Forced Outage Rates

Curt Dahl indicated that the updated Long Island cable interties EFORD overall improved. Carlos Villalba explained that the updated New York City cable interties EFORD overall increased slightly.

5. Committee Reports

None reported.

6. Other Business

None reported.

7. Review Action Items

See attached action item list.

8. Next Meeting

June 29, 2005 Meeting # 54

Secretary: King Look