

NYSRC Installed Capacity Subcommittee

Meeting #56

September 2, 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 (LIPA), Chairman
Ms. Patti Caletka (NYSEG-RGE)
Mr. Bart Franey (National Grid)
Mr. Carlos Villalba (Con Edison)
Mr. Steve Whalen (NYSEG-RGE) – 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)
Mr. Greg Drake (NYISO)
Mr. Steve Keller (NYPSC) – telephone
Mr. Frank Vitale (Consultant)

Guests Present:

Mr. John Charlton (NYISO) – Limited Participation
Mr. Glenn Haake (IPPNY, EC Member)
Mr. Hebert Joseph (NYPSC)
Mr. Bill Lamanna (NYISO) – Limited Participation
Mr. Madison Milhous (KeySpan Ravenswood)
Mr. Jim Scheiderich (Select Energy) – Telephone

1. Review and Approval of Meeting Minutes

1.1. Meeting #55 on 8/3/05

The Meeting Minutes from Meeting #55 (held on 8/3/05) were reviewed. A motion was made and accepted to finalize these minutes with some editorial corrections.

1.2. Conference Call #21 on 8/8/05

The Meeting Minutes from Conference Call #21 (held on 8/8/05) 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 #55 was reviewed and resulted in closing out items 51-7 and 55-3.

3. Highlights from the August 12, 2005 EC Meeting

Curt Dahl discussed the following highlights from August 12, 2005 EC meeting:

- IRM/LCR Implementation: Both option 2A and option 3 failed to receive the necessary 9 votes during the initial vote in the morning. A second vote using a secret written ballot was held. During the second vote, option 2A was approved by the EC.
- 2006-2007 IRM Study Base Case Assumptions: The EC approved the final draft (8/9/05) IRM base case assumptions.
- Separate Upstate and Downstate IRMs: The EC asked ICS to provide at the next EC meeting a study scope that should also discuss how this study as a sensitivity case would help the EC to set the IRM.

4. Review of the Final 2006-2007 IRM Study Assumptions Matrix

At today's ICS meeting, review of the *Base Case Modeling Assumptions for the 2006-2007 IRM Requirements Study (Final Draft – August 9, 2005)* focused on wind resources, DMNC derating and transmission system model, as discussed below:

- Wind Resources: Curt Dahl reported that George Smith at the August 12, 2005 EC meeting asked about correlating the wind model with the load model, because there is usually less wind blowing when load is highest. In the IRM base case assumptions, both the wind model and the load model used will be based on 2002 wind and load data, respectively. However, the wind model will not be correlated with the load model, in order to meet the schedule to complete the 2006-2007 IRM Study by December this year. The ICS will consider correlating the wind model with the load model in the subsequent IRM study to the 2006-2007 IRM Study.

Greg Drake noted that on page 1 of the *Base Case Modeling Assumptions for the 2006-2007 IRM Requirements Study (Final Draft – August 9, 2005)* the wind resources will be based on Flat Rock at 10.9% capacity factor for the 2pm to 6pm summer peak hours and 33.8% annual capacity factor.

- DMNC Derating: The latest DMNC derating is 125 MW for NYCA (versus 711 MW in last year's IRM study). However, ICS indicated that before it can formally adopt the latest DMNC derates in the IRM base case assumptions, the NYISO ICAP Working Group would need to review and agree with the GADf paper (i.e., *Adjusting for the Overstatement of Resource Availability in Resource Adequacy Studies for the New York Control Area During the 2006-2007 Capability Year*). The NYISO ICAP Working Group will next meet on September 16, 2005 and the GADf paper will be discussed at that meeting. In addition, ICS indicated that RCMS should also review and discuss the GADf paper at the next RCMS meeting on September 7, 2005. Al Adamson will bring the GADf paper up for discussion at the September 7, 2005 RCMS meeting.

- Transmission System Model: The IRM base case assumptions approved by the EC at the August 12, 2005 EC meeting reflect no impact from the Sprain Brook / Dunwoodie 345 kV series reactors on interface transfer limits. However, the IRM study will evaluate the potential impact of the Sprain Brook / Dunwoodie 345 kV series reactors through sensitivity cases of reduced transfer limits on the UPNY/SENY, UPNY/Con Ed, and Dunwoodie South interfaces.

Bill Lamanna informed ICS that the NYISO will be using a reduced transfer limit of 3400 MW for Dunwoodie South in the NYISO's Draft Reliability Needs Assessment (RNA). Bill Lamanna indicated that the 3400 MW for Dunwoodie South is an average value over the 2006-2010 period.

Bart Franey raised the issue that the transmission limits used by the NYISO in the draft RNA is different from the transmission limits in the IRM base case assumptions approved by the EC at the August 12, 2005 EC meeting. Bart Franey stated that in the event this issue is not resolved, National Grid will support the more conservative limits.

King Look indicated that Con Edison will not agree to a reduced transfer limit for Dunwoodie South until the NYISO, Con Edison and LIPA come to an agreement on the effect, if any, of the Sprain Brook / Dunwoodie 345 kV series reactors may have on the interface transfer limits.

Curt Dahl asked that the sensitivity case to evaluate the potential impact of the Sprain Brook / Dunwoodie 345 kV series reactors to be done using unit sensitive Dunwoodie South transfer limits. Bill Lamanna suggested that relating Hudson Valley generation availability to the UPNY/SENY transfer limit might be more appropriate.

5. Review of Draft Procedures

5.1. Modeling of Wind Resources

Greg Drake reviewed with ICS a draft outline of a procedure to be written on modeling wind resources. Curt Dahl asked for the wind modeling procedure be ready for ICS review and discussion at the next ICS meeting on October 5, 2005. Per Curt Dahl, the wind modeling procedure should include: a mention that the rules for capacity accreditation of wind are being developed and a discussion on correlating wind with load.

5.2. Unified Method

ICS discussed Bart Franey's comments on the draft unified method procedure. Bart Franey asked that the unified method procedure should also include using the MW IRM vs. MW LCR curve to determine the tan 45° point in addition to using the % IRM vs. % LCR curve. Curt Dahl said that ICS had previously looked at the tan 45° point on a MW IRM vs. MW LCR basis and had found no difference with looking at it on a % IRM vs. % LCR basis. Bart Franey will work with Greg Drake to develop the next draft of the unified method procedure for ICS review and discussion at the next ICS meeting on October 5, 2005.

As action item (#56-1), Bart Franey and Greg Drake will draft the unified method procedure. This replaces the unified method procedure portion of action item #55-3.

5.3. Unconstrained IRM Case

ICS reviewed the draft procedure on running the unconstrained IRM case using the unified method. ICS concluded that it is not necessary to have a separate procedure on the unconstrained IRM case.

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

6.1. Sensitivity Cases

ICS reviewed the sensitivity cases listed by the Splinter Group (i.e., John Adams, Greg Drake, Al Adamson, Frank Vitale). ICS recommended that two more sensitivity cases be added: the no internal constraints sensitivity case and the Cross Sound Cable UDRs sensitivity case.

There were discussions about establishing for each sensitivity case its own $\tan 45^\circ$ anchoring point on its own IRM vs. LCR curve. Developing separate IRM vs. LCR curves for the sensitivity cases would not be practical given the schedule to complete the IRM study by December this year. ICS reached consensus that the LCRs from the IRM base case will be used in all sensitivity cases except for the interface transfer limit sensitivities. In the sensitivity cases where interface transfer limits are changed, separate IRM vs. LCR curves will be developed and their $\tan 45^\circ$ anchoring points will be identified.

6.2. IRM Study Milestones

ICS reviewed and agreed with the IRM study milestones prepared by the Splinter Group. The IRM study milestones include an IRM test case that uses the old IRM methodology of adding load. Running the IRM test case will allow for isolating the impact of each of the changes in the study assumptions as well as the impact of the change in the IRM methodology.

6.3. Horizon Year

ICS reached consensus that the horizon year study should be a separate study and not be a sensitivity case in the 2006-2007 IRM Study. This is consistent with the minutes of the February 11, 2005 EC meeting, which states, "The Committee asked Mr. Dahl/ICS to investigate whether there is benefit to be derived from a horizon year assessment of both IRM and/or LCRs where the horizon year is sufficient ahead in time to accommodate the lead time of new generation and/or transmission.

6.4. Outside World Representation

Based on comments from ICS at the August 3, 2005 ICS meeting, Greg Drake removed the 4500 MW of recently added PJM capacity from the outside world model. This simulates at criteria level. The updated world model is now fully tested and will be used in the 2006-2007 IRM Study.

6.5. Monte Carlo Error Range Analysis

Greg Drake will be working with General Electric to perform a Monte Carlo error range probabilistic analysis. According to the *NYSRC 2006-07 NYCA IRM Study Work Plan Major Modeling and Study Assumption Issues* matrix accepted by the EC at the March 11, 2005 EC meeting, this is an ICS action item action with a targeted completion date of October 5, 2005.

6.6. Fuel Availability

According to the *NYSRC 2006-07 NYCA IRM Study Work Plan Major Modeling and Study Assumption Issues* matrix accepted by the EC at the March 11, 2005 EC meeting, this is an ICS action item action with a targeted completion date of October 5, 2005. Earlier this year, Curt Dahl had drafted a white paper on the fuel availability issue and later updated to incorporate comments from John Charlton. Curt Dahl will work with Steve Jeremko to update the fuel availability white paper to include how the fuel availability issue is addressed in the PJM Reliability Pricing Model (RPM).

7. Separate Upstate and Downstate IRMs

ICS reviewed the NYSEG-RGE draft study scope and provided extensive comments to NYSEG-RGE, mainly related to the procedure on how to perform this study. Patti Caletka who is the NYSEG-RGE alternative representative in attendance at today's ICS meeting agreed to incorporate ICS' comments and resubmit a revised draft study scope at the October 5, 2005 ICS meeting for further ICS consideration. It was noted that IRM sensitivity testing does not get underway until October, so the proposed NYSEG-RGE sensitivity case of separate upstate and downstate IRMs would lose no ground if the EC agrees to it at the October 14, 2005 EC meeting. A concern of impacting the IRM study schedule was expressed.

8. Committee Reports

John Charlton reported on the activities of the NYISO ICAP Working Group and the statuses of the New England LICAP proposal and the PJM RPM proposal.

9. Other Business

None reported.

10. Review Action Items

See attached action item list.

11. Next Meeting

October 5, 2005 Meeting # 57

Secretary: King Look