

NYSRC Installed Capacity Subcommittee

Meeting #109

March 3rd, 2010

9:30 a.m. – 2:30 p.m.

Meeting Minutes

Attendees

	Present	Tel
Members / Alternates:		
Mr. Curt Dahl (LIPA), Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Carlos Villalba (Con Edison), Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Kelvin Chu (Con Edison)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ms. Hilary Goldman (Con Edison)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Madison Milhous (National Grid)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Syed Ahmed – filling in for Mr. Bart Franey (National Grid)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Steve Jeremko (NYSEG-RGE)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mrs. Patricia Caletka (NYSEG-RGE)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Edward Gilroy (NYSEG-RGE)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Rajee Mustafa (NYPA)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Han Huang (NYPA)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Glenn Haake (Dynegy, Inc. - Generation Owners)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Harry Joscher (PSEG Power, LLC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Chris Wentlent (AES-NY)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Younger (Slater Consulting - Generation Owners)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Cordeiro (Municipal Power Agency)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Richard J. Bolbrock (MEUA/NYMPA)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Rich Wright (CHG&E)	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Erin Plasse – filling in for Rich Wright (CHG&E)	<input type="checkbox"/>	<input type="checkbox"/>
Advisers/Non-member Participants:		
Mr. John Adams (NYISO)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Peter Carney (NYISO)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Ciani (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

- Mr. Clyde Custer (NYISO).....
- Mr. Greg Drake (NYISO).....
- Mr. Bill Lamanna (NYISO).....
- Ms. Tracy Landers (NYISO)
- Ms. Mariann Wilczek (NYISO)
- Ms. Erin Hogan (NYSERDA).....
- Mr. Ed Schrom (NYPSC).....
- Mr. Glenn Haringa (GE Energy)
- Mr. Gary Jordan (GE Energy).....
- Mr. Al Adamson (Consultant)
- Mr. Frank Vitale (Consultant)
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- Mr. John Pade (Consultant)
- Mr. Arthur Maniaci (NYISO).....
- Mr. Yannick Vennes (HQ)
- Mr. Scott Leuthauser (Consultant for H.Q. Services)..... ..

Guests Present:

- Mr. Robert Boyle (NYPA)
- Mr. Frank Francis (BEMI).....
- Mr. Sam Krueger (Dynergy, Inc.).....
- Mr. Alan Ackerman (Customized Energy Solutions)
- Mr. Paul Gioia (NYSRC)
- Mr. Chris De Graffenried (NYPA)
- Dr. Roy Shanker
- Mr. Liam Baker (US Power Gen).....
- Mr. Wes Yeomans (NYISO)
- Ms. Kathune Zannat (LIPA).....
- Mr. Will Dong (NYISO)
- Mr. Yuri Fishman (LIPA).....

1. Action Items

Closed

- 98-4.** Frank Ciani discussed ot.09 file outputs with Hilary Goldman on loop flow analysis.

Revised

New

109-1. Mark Younger and Carlos Villalba to get out white paper in order to make formal recommendation to the EC on Policy 5.

109-2. Action item added for a sensitivity with HQ-NE ties plus 300 MW wheel through NY from HQ-NY-NE

2. Upstate/Downstate Study update

- 2.1. To be discussed at next meeting.

3. 2010 Workplan – Continued

- 3.1. Capacity shift methodology (**Item 3a on agenda**) – review comments from ICS members (Con Ed, Mark Younger, NYISO)
- 3.1.1. Document to be circulated that show key points of using two different methodologies of removing methodology
- 3.1.1.1. One is policy 5 – requires removing generation out from zones that only have excess capacity
- 3.1.1.2. One is removing capacity from all zones in upstate region
- 3.1.2. Examples circulated and shown on WebEx.
- 3.1.3. Shows that there is an impact on the reliability of our system by how the ICS decides where generation is removed to get to 0.1 – sends different market signals and shows variations in deficient zones depending on where generation is removed.
- 3.1.4. Mark Younger brought up the point that policy 5 doesn't send the right signals to the market for capacity needs.
- 3.1.5. Mark Younger and Carlos Villalba to get out white paper in order to make formal recommendation to the EC on Policy 5.
- 3.2. High level presentation on environmental impact and timing of different regulations and overview of January DEC meeting (Pete Carney). (**Item 3b on agenda**)

- 3.2.1. Went over high level environmental presentation provided to ICS committee discussing markets and cleaner energy, NYISO planning process, RGGI update, multitude of environmental initiatives, and renewable portfolio standards
- 3.2.2. Shows state-wide heat rates of power plants is decreasing as well as the plant emission rates
- 3.2.3. Excess RGGI allowances in the market
- 3.2.4. NYISO planning process
 - 3.2.4.1. Reliability planning study goes into the RNA, then the request for solutions, to the reliability plan. From there economic planning comes into the picture – where a congestion study and review of specific proposals is conducted.
- 3.2.5. Presentation highlighted that forecasting demand is no longer just economically driven growth rates. The policies such as 45 x 15 and NYSPSC EEPS proceedings and NYSERDA programs must be incorporated into the demand forecast
- 3.2.6. RNA incorporated environmental modeling risks such as failure to implement EEPS, NoxRACT without flexibility, and high CO2 allowance prices
- 3.2.7. Congestion study identified three areas where congestion is highest on a present value basis – Leeds Pleasant Valley, Central East, and West Central.
- 3.2.8. Congestion and fuel price relationship discussed
 - 3.2.8.1. Statement that there is a strong positive correlation between congestion values and fuel prices
 - 3.2.8.2. Price of natural gas correlates with congestion prices.
 - 3.2.8.3. Statement that if fuel were free, there would be no congestion costs, although there would be constraints.
- 3.2.9. Generic solutions were examined to address constraints and load growth issues
 - 3.2.9.1. Transmission line solution – building a new 345 kV transmission line rated at 1,000 MVA connecting upstream and downstream.
 - 3.2.9.2. Generation solution consists of building a new 500 MW combined cycle plant connected downstream of congested element

- 3.2.9.3. Demand response solution consists of installing 100 MW of energy efficiency and 100 MW of demand response in zone located downstream of congested element
- 3.2.10. Presentation showed that the highest savings in production costs would be achieved if the Leeds to Pleasant valley constraint was mitigated.
- 3.2.11. Projected aggregate changes in NYCA emissions from reducing congestion (CO₂, SO₂, and NO_x changes/impacts) were shown in the presentation.
- 3.2.12. RGGI update was reviewed
 - 3.2.12.1. Raised a half a billion dollars in the states involved for allowances sold to date. As a consequence, emissions have gone down.
 - 3.2.12.2. Large surplus of RGGI allowances has caused prices to go down – 2008 Q4 was around \$6.00/allowance and it's projected to go for less than \$2/allowance in the next auction (in a weeks time).
- 3.2.13. Environmental initiatives planned to arrive by 2015 – outlined in presentations, including: Best Available Retrofit Technology, Reasonably available control technology for NO_x emission, Maximum achievable control technology for hazardous air pollutants Hg, Best Technology Available for water intake, New Source Performance Standard CO₂, Low Carbon Fuel Standard, National Ambient Air Quality Standards for NO₂, SO₂, and Ozone.
- 3.2.14. EPA lower ozone standards being revised – will classify many more states as non-containment areas.
- 3.3. ICAP/UCAP IRM Study Section (**Item 3c on agenda**).
 - 3.3.1. Not covered

4. MARS Database “Information Use Agreement”

- 4.1. Contracts must be masked by GE and then the database will be released to those parties who signed the information use/confidentiality agreement.

5. NYS Energy Plan – ICS to review for EC (NYISO [Tracy Landers] and All ICS)

- 5.1. Tracy Landers showed presentation on WebEx.
- 5.2. Assumed generator retirements in assumptions – 1300 MW of thermal units

- 5.3. Assumed 5000 MW of added capacity/repowering by 2018 – wind is approximately 3600 MW of this total 5000 MW.
- 5.4. No LOLE violations observed at least in the first two cases – the NYS Energy Plan and the 15x15 case.
- 5.5. Showed differences between NYS Energy Plan RNA cases (RNA referring to load) and 15x15 EPS standards. For 15 x 15, they are retiring additionally units of 2300 MW vs. 1300 MW in NYS Energy Plan. In 15 x 15, they didn't include the retiring of Arthur Kill.
- 5.6. Document requested to be sent around to ICS committee to go through Energy Plan and go through any areas of concern from a reliability concern.
- 5.7. Summary table in the report that will be circulated and a component of the response to the EC.
- 5.8. Recommendations in the Energy Plan were labeled as low, medium, and high concern.

5.9. No feedback received regarding the SEP Implementation list.

6. Next Meetings

- 6.1. Meeting 110 – Wednesday March 31st
- 6.2. Meeting 111- Tuesday May 4th
- 6.3. Meeting 112, Tuesday June 1st

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Secretary: Carlos Villalba

Reported by: Hilary J. Goldman

(Con Edison)
