

FINAL

New York State Reliability Council (NYSRC) Reliability Rules Subcommittee (RRS) Minutes of Conference Call #2

Wednesday, November 28, 2001

Attendance

| | | |
|----------------------------|-------------------------------------|-------------|
| Roger Clayton (Chairman) | PG&E National Energy Group | Member |
| Ed Schrom | New York State PSC | Member |
| Steve Corey | NYISO | Member |
| Larry Eng | Niagara Mohawk Power Corp. | Member |
| Larry Hochberg (Secretary) | New York Power Authority | Member |
| Phil Davis | KeySpan Energy | Member |
| Ray Kinney | New York State Electric & Gas Corp. | Member |
| Al Adamson | | Consultant |
| Curt Dahl | KeySpan Energy | ICAP WG |
| Frank Vitale | | Consultant |
| Gary Freeland | New York State Electric & Gas Corp. | ICAP WG |
| Mark Cordeiro | PLM, Inc. | ICAP WG |
| Mike Hogan | Central Hudson Gas & Electric Corp. | ICAP WG |
| Art Desell | NYISO | Participant |
| Greg Drake | NYISO | Participant |
| Richard Grehl | Con Edison | Participant |
| Chris DeGraffenreid | New York Power Authority | Participant |

The conference call was called to order by Mr. Clayton at 9:05AM. Mr. Clayton opened the meeting by stating its purpose which was to discuss the results of the 2002/03 IRM study and provide comments on the initial draft report prepared by the ICAP WG. Following is a summary of significant discussions and revisions to the report that RRS agreed on:

Page 1

- Introduction-2nd paragraph--Mr. Hochberg noted that required IRM is adjusted to an LSE requirement. Remove the words "individual unit".
- Executive Summary-last sentence--Mr. Clayton noted that this sentence has caused some confusion regarding the 0.9% added last year by the EC due to intangibles etc. and the 1% capacity uncertainty adder which was included in the 17.1% base result from last year's study. Mr. Adamson also had similar comments in an e-mail he had sent to RRS. Remove this sentence from

the Executive Summary. Mr. Adamsom will add appropriate language to the text under "Resource Capacity Availability" on page 3.

Page 2

- Study Procedure-2nd paragraph--Add "transfer" after "transmission"; add "a" after "due to".

Page 3

- Study Results-1st bullet--Reword without the use of the words "to operate".
- Consistently use "Table B-1".

Page 4

- 1st bullet (Locational Installed Capacity Requirements)--Don't hyphenate "statewide"; change "minimal" to "0.2%"; change "NYCA's IRM" to "NYCA's required IRM".
- 2nd bullet (External ICAP)--Change "an NYCA external ICAP" to "an expected NYCA external ICAP" (refer to discussion of page 7 below regarding this change).
- 3rd bullet (Special Case Resources)--Change "the IRM" to "the required IRM".

Page 5

- 2nd paragraph--Add Mr. Adamson's comment about "in accordance with NYSRC and NPCC criteria" and move the clause "voltage reductions will be required twice per year" to the end.
- 3rd paragraph--After considerable discussion, this paragraph was removed in its entirety. The corresponding case #12 along with its asterisked footnote was removed from Table B-1 accordingly.

Page 6

- Figure 1--Insert "Required" before "Installed" in the label for the y-axis.
- Reword cases 9 and 10 and renumber in accordance with comments to follow.

Page 7

- Mr. Dahl reviewed Table 1 in detail, including the technical reasons for the various changes in % IRM from last year's study. There was considerable discussion over the change due to "updated external ICAP representation". Mr. Hochberg asked whether the 1672MW modeled in this study is considered to be the maximum ICAP that would be allowed from outside of the NYISO next summer. He noted that the external ICAP modeled in last year's study was 2253MW and the previous year it was 3150MW. Mr. Cordeiro noted that the current NYISO ICAP manual allows for a maximum of 2558MW of external ICAP. Mr. Adamson stated that the NYISO must remain in compliance with NYSRC Rule A-R3 that specifically addresses external ICAP requirements.

The NYISO indicated that the 1672MW is what is reasonably expected based on current information. It was concluded that any significant changes in external ICAP which could raise it above the studied level of 1672MW would have to be studied again by the NYISO to determine that the LOLE is in compliance with the NPCC and NYSRC once in ten years criterion. Mr. Adamson noted that the amount of external ICAP in the NYISO ICAP manual would be subject to compliance review by the NYSRC RCMS.

Based on these discussions, the text was changed to include "expected" where reference is made to external ICAP. Also, a footnote to reference the 2001-2002 IRM study will be added to Table 1 so that interested readers may compare the two studies.

Mr. Dahl noted the very significant reduction in required IRM (-2.5%) due to shifting of 100's of MW of scheduled maintenance from summer peak to off peak periods. He also observed the significant (+1%) increase in required IRM due to an additional 361MW of special case resources (these resources are modeled with only 20-50 hours of availability thus dragging down the overall performance of resource capacity).

Page 16

- Capacity Models-1st paragraph--Delete the last two sentences. This information is included under the Load Models section.

Page 18

- Generating Availability--Place the last three paragraphs on combustion turbine derating under a separate heading.

Page 25

- Load Models-Last paragraph--Change "desirable property" to "conservative property". Mr. Dahl suggested adding an hourly peak curve since the LOLE is calculated on an hourly basis. Mr. Dahl will review the hourly curve and add as appropriate or explain why the daily peak curve is presented in the study.

Page 26

- After the table, add the resultant standard deviation.

Page 30

- Transmission Capacity Model-5th bullet--Add a sentence stating that the Marcy FACTS Phase I project increased the Central East transfer limit by (?) MW, but the transmission capacity model

used for this MARS study was not updated to include this increase because (?). RRS requested Mr. Corey to add in this sentence.

Page 31

- Last paragraph--add a reference to the Con Edison-PSEG PAR contract.

Page 37

- Mr. Dahl reviewed Table B-1 in detail. Revise descriptions of cases 8 and 9 to tie in with the headings used on p.16. Change case #10 to 18.1%. Remove case #12 and the related footnote. Fill-in numbers for case #23.

Mr. Clayton thanked the ICAP WG for a job well done. The conference call was adjourned at 12:15PM.

Final Minutes of Conference Call #2. Submitted to RRS by Larry Hochberg on December 13, 2001.