

NYSRC Installed Capacity Subcommittee

Meeting #164

October 1st, 2014

10:00 a.m. – 3:00 p.m.

Meeting Minutes

Attendees

	Present	Tel
Members / Alternates:		
Mr. Yuri Fishman (PSEG-LI)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Khatune Zannat (PSEG-LI)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Rich Wright (CHG&E)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Gregory Chu (Con Edison), ICS Vice Chair/Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Sanderson Chery (Con Edison)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Richard Brophy (NYSEG-RGE)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Syed Ahmed (National Grid)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Andrea Fossa (NYPA)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Shaun Johnson (NRG)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Younger (Hudson Energy Economics, LLC.)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Advisers/Non-member Participants:		
Ms. Erin Hogan (NYSERDA), ICS Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Howard Tarler (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Dana Walters (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Ciani (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Arthur Maniaci (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Carl Patka (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dr. Kai Jiang (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Richard Quimby (NYPSC)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Ed Schrom (NYPSC)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Al Adamson (Consultant)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. John Adams (Consultant)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Mr. Scott Leuthauser (Consultant for H.Q. Services)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Walling (GE)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Jim Scheiderich (Energy Curtailment Specialist).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Alan Ackerman (Customized Energy Solutions).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Timothy Lundin (Customized Energy Solutions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Liam Baker (US Power Gen)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Glenn Haake (NYPA).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Guests Present:

1. Quality Assurance Findings

Chair Erin Hogan (DOS) asked if anyone had comments on the Con Edison findings. Syed Ahmed (National Grid) asked about the findings shown on WebEx since he wasn't clear on the effects that these questions may have on the base case. Vice Chair Gregory Chu (Con Edison) said that these questions are typically provided to the NYISO and they would review the changes (if necessary) and comment on those directly through a report that will eventually be a part of the IRM report. Vice Chair Chu said that the NYISO is more familiar with the questions since they are about parts of the model software specifically. Mr. Ahmed then asked if we've received the answers to these questions. Vice Chair Chu said not yet, only because we are still in the review phase of the process, as PSEG-LI has not yet supplied their findings. Mark Younger (Hudson Energy Economics) would like these to be translated if possible so the group would know what they mean, which Mr. Ahmed agreed. Frank Ciani (NYISO) said that some of these abbreviations are interfaces in the model. The NYISO will look at the findings and make changes if necessary. Vice Chair Chu suggested that the NYISO can provide a response, possibly in draft form, perhaps next week that would help address these findings, instead of this subcommittee spending too much precious time on each of these details at the meeting itself. Chair Hogan asked if any of the Con Edison findings would affect the model and its result significantly. There wasn't any. She recommended that PSEG-LI can provide the

findings soon and make note of any changes that may affect the model significantly to this group. Al Adamson (NYSRC – Consultant) reminded the group that the NYISO is supposed to provide a separate QA report, this month.

Chair Hogan then asked if PSEG-LI can provide a high level overview of the current findings. Khatune Zannat (PSEG-LI) said that they are still in the review process. She is waiting for some additional information (LI cable transition rates) from the NYISO to complete the process. Mr. Ciani said that there's a problem with E-planning to upload data for PSEG-LI. Ms. Zannat said that the review can be completed by the end of the week, if the data upload was successful.

Chair Hogan asked for clarification on the importance of the QA report, since Mr. Adamson seems concerned about the NYISO not providing the report at this meeting, as suggested in the milestone. Mr. Adamson said that the QA report is really important because the reviews may change the model, even though everyone has agreed and approved the assumption matrix. He further stated that if there is a problem with the model, we don't want to wait until after the approval of the assumption matrix since that would be too late and we would have to go back and redo the study (tangent 45 results for the final base case). Vice Chair Chu said that if either Con Edison or PSEG-LI found a major flaw, we need to make the change BEFORE the final base case gets locked down and tangent 45 is complete, or else we will have to go back and redo tangent 45 for the final base case. He suggested that PSEG-LI should first complete their review, and perhaps next week the NYISO can come back and tell the group that there are no significant changes based on the findings. Ms. Zannat said that we are only approving the assumption matrix for the base case so QA should not affect the process. Chair Hogan believes we can approve the assumption matrix. Vice Chair Chu reminded the group that the final base case lock-down is today, after which changes would not be incorporated. Furthermore, the NYISO will start the final base case study after today, so unless major flaws (if any) are fixed, they will have to go back and redo the study again.

Chair Hogan asked if the QA findings on major flaws can be identified by next Tuesday (10/6). Mr. Ciani said that the NYISO can provide a written response to the findings by then. **(AI 164-1)**

2. Preliminary Tangent 45 Results with PJM Demand Resources

Chair Hogan said that the Executive Committee has directed the group to revisit the preliminary base case to include PJM Annual and Limited resources in the model. The NYISO has returned with the new tangent 45 results. Mr. Ciani said that with the demand resource added, the tangent 45 IRM is 17.39% and the corresponding LCR % are 84.2% for zone J and 105.4% for zone K.

Mr. Adamson asked if the difference in IRM from the previous base case and this case (18.94% versus 17.39%) is solely because of the PJM demand resources. Dr. Kai Jiang (NYISO) said it is.

Mr. Younger said that a recent court order that invalidated the compensation method for demand response in energy market may end up affecting demand response in the capacity market as well. Therefore, he said, we may want to consider a sensitivity case where we would not include PJM demand resources in our study.

Mr. Fishman said that he still had concerns that we are not seeing a 1% IRM change to 1% LCR changes, which is what we were supposed to see in a tangent 45 study. Mr. Ahmed asked if Mr. Fishman would venture to guess what has caused this. Mr. Fishman said that the model has changed over the years and he was not sure what the main cause was.

The members approved these percentages as the results of the preliminary base case.

3. Parametric Results Comparison

Mr. Adamson said that after normalization, outside world model actually lowered the IRM by 1%.

4. Sensitivity Cases

Mr. Ahmed asked for a case 9 but with the PJM LOLE adjusted to 0.1 instead of 0.15. Mr. Adamson said that the EC has asked for a case with all 15,000 MW, and adjusted back to 0.1 LOLE. He said it is basically removing the words inside the parenthesis “same as PJM DR Sensitivity Case #1”.

Jim Scheiderich (Energy Curtailment Specialist) also commented that we shouldn't be putting a cap on the LOLE, but rather, we should put in all of the demand resources and see the results, rather than making LOLE adjustments. His point was that we do not put restriction on the other extreme sensitivity cases, and thus we should not do it for this sensitivity either. Mr. Scheiderich did point out that the treatment of “all or nothing” with PJM demand resources was not proper, and that proved to be a very important aspect in this year's study, which he had foreseen and warned the group previously.

Mr. Younger recommended that we perform a case with no DR anywhere in the model world. This case 5a was later removed as a duplicate of case 8.

Chair Hogan asked about Astoria 2. Liam Baker (US Power Gen) said that the mothball unit was returning to service before June 1st, with 176 MW of capacity. Chair Hogan asked if that would be updated in the assumption matrix. Mr. Adamson said that we should be including this unit in the final base case.

Vice Chair Chu asked if the 4-hour obligation (case 12) would be included, which Former Chair Bob Boyle requested in the previous meeting. Also, Mr. Boyle has asked to clarify case 12 with the sentence “8760 hour model.”

The NYISO said that they've performed a run that included PJM extended and annual demand resources. That run was then adjusted to 0.15, since the 5500 MW of extended and annual did not achieve 0.15 (0.23). Members were wondering where this case came from. Vice Chair Chu reasoned that this may have been a case from the past where we wanted to get PJM adjusted to 0.15. That was all before PJM extended and annual demand resources were even being discussed or considered.

Chair Hogan was wondering if this case would be mechanically more difficult to perform, given the inclusion of limited demand resources. Vice Chair Chu said that with all three classes included, the LOLE is very low, so the NYISO would be increasing load to bring the LOLE back to above 0.1 LOLE. This is no different than any other external area adjustment method.

Mr. Adamson thought this case was the same as the revised preliminary base case. Dr. Jiang clarified that for this case, we are looking at the effects of adjusting PJM from a higher LOLE to a lower value (0.23 to 0.15). Mr. Adamson said he wasn't clear about what information the EC can deduce from this sensitivity case result.

Chair Hogan summarized the case 13 to adjustment done in PJM to bring their LOLE down to 0.15 was performed proportional to the limited DR in their respective zone as a proxy to load adjustments.

Mr. Ahmed was still not comfortable with 0.15 LOLE. Chair Hogan said it was a carry-over and it was a negotiated value. Vice Chair Chu said that if we go back to the start of the year, at the time before any of the extended/annual/limited MW was even being mentioned, the NYISO proposed 0.15 as a possible level of LOLE for external area adjustment. However, the NYISO hasn't provided any supporting document for the 0.15 LOLE and we are not saying with this sensitivity run that the members have accepted this LOLE at this time. Mr. Ahmed is concerned that we would be saying that the group has accepted 0.15 as the standard. This is not the case.

Case 9 will be changed to "no better than 0.1 LOLE".

Dana Walters (NYISO) said that the NYISO will be able to complete all of the cases, except case 12 (SCRs with 6 hour obligation).

Case 8 (no PJM DR modeled) has been removed from the list as it is a repeat of the 1st preliminary base case. Mr. Adamson said that there was an EC member

who is an advocate of no demand response at all that may be interested in this sensitivity case.

5. Fall Load Forecast

Arthur Maniaci (NYISO) provided to the group the latest peak load forecast. He highlighted the differences between this fall load forecast versus the gold book forecast published back in April. 33,587 is the new peak and it is 480 MW lower than the gold book values. Mr. Maniaci said that this drop was due to 3 factors. 1. Decrease in load in zone D, NYPA's transmission district. The load has dropped by 180 MW due to economic factors that affected a particular industry and it is not expected to return for 4 to 5 years. 2. 150 MW lower peak load than the December forecast. 3. Several transmission district reported less growth than expected.

Mr. Adamson asked when the peak load is forecasted to occur. Mr. Maniaci said 4-5pm for this year, which was an hour later from last year.

6. Assumption Matrix

Chair Hogan said that we will need to add Astoria 2 back into the base case. Mr. Baker suggested putting the unit in with 177 MW CRIS, 182.8 DMNC. Mr. Ciani said that since we are modeling the lesser of CRIS or DMNC, we'd add 177 MW back into the model. The new total amount of new generation added to the model for 2015 is 706.4 MW.

Mr. Adamson stated that the NYISO needs to provide the difference between the 2 assumption matrices from the July EC approved version and this version that the members are reviewing today, which should include PJM DR MWs. **(AI 164-2)**

Mr. Maniaci said that the unusual LFU shape for zone K, which is from the transition from bin 5 to bin 6, is due to fast saturation from bin 6 to 7 that doesn't

level out like the previous section on the curve. Since the last section is of more extreme temperature, the saturation is expected to be fast and hence a bump appeared in the distribution curve. Furthermore, LIPA wants to represent bin 5 values from 2013 instead of blending the values. Mr. Maniaci will provide the write-up to Mr. Adamson for the IRM report. **(AI 162-1)**

Dr. Jiang said that Ravenswood GT 3-3 is going to be mothballed, but 3-4 is coming back into service. 42 MW is listed in the mothball notice. Vice Chair Chu asked if we are following the mothball treatment outlined in policy 5, and Carl Patka (NYISO) said that 3-3 has been studied to have no impact on reliability if mothballed (2014 RNA study).

For the EOP section, Mr. Adamson commented that after consulting with the NYISO operation staff, they do not include SCRs in the EOP for operational purposes.

Vice Chair Chu suggested that we should probably put in the topology without all of the future year ratings around upstate zones. Dr. Jiang said that the first 2 of 5 shown interface nomogram limits will be removed to avoid confusion for the readers.

Assumption matrix is approved.

7. IRM Report

Mr. Adamson wondered if the footnote for the New Capacity Zone should still be shown in the report. The group agreed it should be.

John Adams (NYSRC – Consultant) said that the UCAP/ICAP translation for the NCZ will be in the appendix.

Secretary: Gregory Chu

(Con Edison)

Next meetings:

Meeting 165, Tuesday, October 28th at NYISO HQ
Meeting 166, Monday, December 1st at NYISO HQ

Meeting 167, Monday, January 5th as a conference call
Meeting 168, Wednesday, February 4th at NYISO HQ
Meeting 169, Wednesday, March 4th at NYISO HQ
Meeting 170, Wednesday, April 1st at NYISO HQ
Meeting 171, Tuesday, April 28th at NYISO HQ
Meeting 172, Wednesday, June 3rd at NYISO HQ
Meeting 173, Wednesday, July 1st at NYISO HQ
Meeting 174, Wednesday, August 5th at NYISO HQ
Meeting 175, Wednesday, September 2nd at NYISO HQ
Meeting 176, Tuesday, September 29th at NYISO HQ
Meeting 177, Tuesday, October 27th at NYISO HQ
Meeting 178, Monday, November 30th at NYISO HQ
