

# NYSRC Installed Capacity Subcommittee

Meeting #126

August 3rd, 2011

9:30 a.m. – 3:00 p.m.

Meeting Minutes

## Attendees

	Present	Tel
Members / Alternates:		
Mr. Curt Dahl (LIPA), <b>Chairman</b> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Yuri Fishman (LIPA) .....	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Kathune Zannat (LIPA) .....	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Erin Plasse (CHG&E).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Rich Wright (CHG&E).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Kelvin Chu (Con Edison) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Gregory Chu (Con Edison), <b>Secretary</b> .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Syed Ahmed (National Grid).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Bart Franey (National Grid).....	<input type="checkbox"/>	<input 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. Steve Jeremko (NYSEG-RGE) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Robert Boyle (NYPA).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Han Huang (NYPA) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Rajee Mustafa (NYPA) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Bradley Kranz (NRG Energy, Inc.).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Chris LaRoe (IPPNY).....	<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. Michael Mager (Couch White, LLP) .....	<input type="checkbox"/>	<input type="checkbox"/>
Advisers/Non-member Participants:		
Mr. John Adams (NYISO) .....	<input checked="" 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. Dave Lawrence (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Greg Drake (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Bill Lamanna (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mrs. Kathy Whitaker (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Mariann Wilczek (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Erin Hogan (NYSERDA) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Ed Schrom (NYPSC) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Glenn Haringa (GE Energy).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Al Adamson (Consultant).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Vitale (Consultant) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Arthur Maniaci (NYISO).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Yannick Vennes (HQ).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Scott Leuthauser (Consultant for H.Q. Services) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Henry Chao (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Howard Tarler (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Wes Yeomans (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Paul Gioia (NYSRC) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Dana Walters (NYISO) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Guests Present:

Mr. Charlie Shafer (AES).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Luke Tougas (Con Edison) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Dean Ellis (Dynergy).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Jim D'andrea (Transcanada) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Alan Ackerman (Customized Energy Solutions).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Chris De Graffenried (Con Edison) .....	<input type="checkbox"/>	<input type="checkbox"/>
Dr. Roy Shanker .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Phil Phedora (NPCC) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Arvind Jaggi (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Francis (Brookfield).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Tom Patrit (EPS) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Ruben Brown .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. John Dalwin.....	<input type="checkbox"/>	<input type="checkbox"/>

Mr. Richard Quimby..... .....

## 1. Special Case Resources Study Scope

Robert Boyle (NYPA) mentioned that the optimization of SCR performance comment on the SCR study scope was missing in the revised scope. John Adams (NYISO) responded that it was incorporated into page 3 of the study scope. Mr. Adams also mentioned that MARS does not optimize and can only be studied deterministically for optimization. Wes Yeomans (NYISO) suggested that ELCC can help with the behavior of dispatch. Syed Ahmed (National Grid) wondered if ELCC can be calculated from historical data. Gregory Drake (NYISO) responded that the NYISO will investigate historical ELCC values.

Chairman Curt Dahl (LIPA) asked if the NYISO can optimize SCR dispatch from an operational point of view. Donna Pratt (NYISO) said that tariff does not grant authority for optimizing dispatch. Mark Younger (Slater Consulting) suggested that if the calls can be used to spread out an 8-hour event, requiring still a 4-hour mandatory response, the “fangs” effect may be reduced. Ms. Pratt mentioned that a staggered deployment will affect the SCR availability reporting and calculation.

Mr. Adams also clarified that environmentally limited SCRs will be a part of the “categorized resources”.

## 2. Special Case Resources Performance Evaluation

Mr. Yeomans presented a summary of the SCR performance from observed summer 2010 events. Time period covered in the study was 7/6/2010 and 7/7/2010 from hours beginning 13:00 to 19:00 on each day.

97% of the SCRs in zone J reported data during the event. (3% will receive a 0 MW and this is factored into their performance calculation)

Average (6 hours) capacity performance is 80% on July 6<sup>th</sup> and 84% on July 7<sup>th</sup>.

Less than 2% of the enrolled SCR did not continue beyond 4 hours of required event response. Mr. Younger stated that last hour may not be as relevant, and the method of choosing the best 4 hours based on performance calculation is not the best representation. Ms. Pratt clarified that the duration of the responses were observed on each individual resource, and not in the same format as the “4 best hours” used to calculate future performance factor.

8% of the enrolled resources actually used 16% MORE than their average maximum capacity. These are “non-performing” resources. Mr. Younger wondered if these 8% were included in the 58% performance on July 6th, and Ms. Pratt said yes.

Mr. Younger also pointed out that the reductions that may have appeared during hour 18 may not be due to the intention to reduce load, but rather a normal condition as workers leaving their office (for example) and that lead to a reduction in load.

Because this performance analysis is mostly based on only the reported data, Mr. Younger wanted the NYISO to go back to look at performance that INCLUDES 3% of resources who didn't report AND resources who promised an amount of reduction but couldn't deliver that level of reduction during the event. He argued that those are the real indication of performance. (AI 126-1)

Mr. Younger wondered why SCRs can NOT respond with an estimate of their response, since the program requires a mandatory response. The NYISO will check to see how many SCRs did not respond with an estimate and why/how they were allowed to do so. (AI 126-2)

Ms. Pratt also mentioned that the difference between CBL and ACL methods was approximately 4.3%. The 95% SCR translation factor therefore is a reasonable assumption agreed upon by the ICS members.

ICS has approved the SCR Study Scope (with some minor changes).

Ms. Pratt said she will check with Cathy about collecting CBL data from SCR participants. (AI 126-3)

### **3. Assumption Matrix**

Chairman Dahl mentioned that 628.6 MW in retirements should be lowered to 578.1 MW since Indeck Oswego is in the model.

Some of these retirement MWs are already reflected in the Gold Book and should be noted as such to avoid confusion.

### **4. Environmental Regulation Impact Update**

Peter Carney (NYISO) gave an update of the impact of the upcoming environmental regulations on the IRM study. He presented a power point presentation and the main points were as followed:

CATR (Clean Air Transportation Rule) is now finalized and renamed as CSAPR (Cross State Air Pollution Rule)

CSAPR requires a larger reduction of CO<sub>2</sub> emissions than CATR. NY State received a smaller budget for emission under CSAPR due to a difference in the environmental (Air Quality vs. IPM) model that led to unfavorable results for NY. (11 zones vs. 4 zones respectively)

Under CSAPR, SO<sub>2</sub> allocation for NY downstate is significantly greater in 2012. However, downstate NO<sub>x</sub> will need to be reduced.

The NYISO evaluated 3 scenarios of the regulation impact.

1. Operate as usual and buy allowances.
2. Switch to a cleaner fuel and buy allowances.
3. Retire low capacity factor units and buy allowances.

For each of the scenarios, they've computed an "assurance level" that included the state allocation plus 18% of emission trading between states (21% is used for ozone season NOx). Emissions for each scenario (SO2, NOx and ozone season NOx) must be below the assurance level. Ozone season is defined from May to September.

Mr. Carney stated that environmental regulations will have no impact on the base case, but they are to be studied under sensitivity scenarios.

Chairman Dahl asked if CSAPR can be challenged, given that it has been finalized. Mr. Carney mentioned that the rule can be amended either through a technical correction or through the court system.

Mr. Boyle questioned about who controls the 18% trading limit on emissions. Mr. Carney responded that EPA is the authority and will judge at a state by state level to ensure the states are trading below the limit.

Mr. Carney stated that the load growth was not accounted for in the scenarios, but the system won't be less reliable since we have an abundance of low emission units coming online. Mr. Carney also mentioned that New England and Delaware are exempt from CSAPR.

ICS members also commented on other factors, such as the retirement of Indian Point power plants, combined with environmental regulations, may affect the reliability of the system. Sensitivity runs will need to account for these combination scenarios.

The other regulations mentioned by Mr. Carney included Maximum Achievable Control Technology (MACT) from USEPA, 316 b, BTA, NOx Reasonably Achievable Control Technology (RACT) and none of them would affect the base case but will be considered for sensitivity studies. Sensitivity study scenarios will be formulated at the next ICS meeting.

## **5. Parametric Studies**

Frank Ciani (NYISO) presented the results of the ongoing parametric study up to case 7. The results were as followed:

Case # - IRM%

- 1 (change to 2012) = 15.56%
- 2 (Gold Book load forecast) = 19.07%
- 3 (Gold book retirement) = 15.95%
- 4 (Gold book capacity) = 19.07%
- 5 (New Fossil units) = 16.54 %
- 6 (2012 LFU model) = 16.02 %
- 7 (New Solar) = 16.02%

A total of 18 cases are to be performed and they include SCR, transition rates, and maintenance.

According to the IRM study schedule, parametric study should be completed by end of July. ICS members agreed that the study should be done by August 15th to avoid delay and a conference call will be scheduled on the 15<sup>th</sup>. (AI 126-4)

## **6. Associated Power Analysts, Inc. (APA) method**

The NYISO reported that the method is being worked on and there are no issues up for discussion.

## **7. IRM Report Additions**

Steve Jeremko (NYSEG-RGE) reported that he is working on the parametric IRM impact analysis and ICAP-UCAP translation documents. Al Adamson (NYSRC) stated that the glossary has to be completed by September.

## **8. ICS meeting schedule for 2012**

Mr. Adamson presented a tentative ICS meeting schedule. The January and December meetings were listed as TBD. ICS agreed to set the meeting dates on January 4<sup>th</sup> and November 27<sup>th</sup>. Also, February 28<sup>th</sup>, May 29<sup>th</sup>, and October 30<sup>th</sup> were agreed upon to avoid conflicts with the NYISO.

Secretary: Gregory Chu

*(Con Edison)*

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Next meetings:

Meeting 127, Tuesday, August 30<sup>th</sup> at NYISO HQ

Meeting 128, Wednesday, October 5<sup>th</sup> at NYISO HQ

Meeting 129, Wednesday, November 2<sup>nd</sup> at NYISO HQ

Meeting 130, Monday, November 28<sup>th</sup> at NYISO HQ

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