

# NYSRC Installed Capacity Subcommittee

Meeting #127

**August 30th, 2011**

**9:30 a.m. – 3:00 p.m.**

Meeting Minutes

## Attendees

	Present	Tel
Members / Alternates:		
Mr. Curt Dahl (LIPA), <b>Chairman</b> .....	<input 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 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 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) <b>Acting Chairman</b> .....	<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 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 checked="" 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Henry Chao (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Howard Tarler (NYISO) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Wes Yeomans (NYISO).....	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Jim D'andrea (Transcanada) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Alan Ackerman (Customized Energy Solutions).....	<input type="checkbox"/>	<input 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..... .....  
Mr. Carlos Villalba (Con Edison)..... .....

**1. CBL data from SCR**

As a part of the discussion on action items, the NYISO reported back to Mark Younger (Slater Consulting) that they are not collecting CBL data from SCR participants and the tariff does not currently provide the authority to do so. Bob Boyle (NYPA) and Mr. Younger will formulate a draft rule for the Reliability Rules Subcommittee to review and approve. The rule will mandate the NYISO to collect SCR data if it is approved. (AI 127-1)

**2. Assumption Matrix changes**

Gregory Drake (NYISO) mentioned that the Assumption Matrix's attachment C chart has been updated with the new graphs of EFORD trends. Mr. Drake also mentioned that the transfer limits between Ontario and Zone A were applied in the wrong direction and has to be changed. The NYISO recommended that the changes be presented to the executive committee after quality assurance of the model has been completed since additional changes may surface. The NYISO would present the topology changes at the next TPAS meeting. (AI 127-2)

**3. Parametric Study Results**

Frank Ciani (NYISO) briefly reviewed the results of the parametric study that was mostly completed during the previous conference call. Mr. Ciani mentioned that the largest driver is the exclusion of 700MW of New England sales from the model.

Mr. Ciani further explained some of the changes seen in the final results. He mentioned that in case 4 (Gold Book 2011 capacity), Astoria unit was removed because it wasn't a unit in the gold book, but it was reintroduced in case 5. The 700MW of forward capacity market New England capacity was also removed for

case 4. He went back to case 4 and placed both elements back into the model and reran the cases from case 4 up to case 9.

Also, Mr. Ciani mentioned that a new set of transition rates were placed into the model for case 15. The transition rate was not consistent with actual data and they were corrected. Mr. Boyle wondered why some data were acceptable and others were not since the calculation is done through a computer. Mr. Ciani believed that this is because the unit reported data in an incorrect format. Mr. Younger and Carlos Villalba (Con Edison) questioned why the changes were rather large with the modification performed on the transition rates. Mr. Drake agreed to review the transition rate changes to find out the cause. (AI 127-3)

Mr. Villalba questioned the big change between case 4 and 5. Mr. Ciani mentioned that the NYC capacity went from 9528 to 9640 and LI capacity went from 5557-5470. Bayonne's 500 MW was added to Zone J in case 5. Mr. Villalba asked how the capacities were shifted and Mr. Ciani said that all zones had capacity shifted proportional to the zone's capacity.

AI Adamson (NYSRC) stated that the parametric table must be agreed upon before table 1 can be formulated. Mr. Boyle recommended that Mr. Villalba speak with Mr. Ciani for additional explanations about the parametric table.

Mr. Ciani will touch base with Yuri Fishman (LIPA) to perform the tangent 45 study on the curve, due to Mr. Fishman's absence during storm restoration efforts. ICS members agree that a backup party would be necessary for the tangent 45 study. Bart Franey (National Grid), Mr. Boyle, and Mr. Villalba all agree that the methodology should be transferred to a third party (or in this case the NYISO) so the results are reproducible if Mr. Fishman is unavailable. (AI 127-4)

Mr. Villalba asked Mr. Ciani to provide the ot09 files for every other point on the curve. Mr. Ciani agreed to provide the ot09 files for every whole percent point. (AI 127-5)

ICS members agreed that a conference call is needed and the agreed upon time is September 6<sup>th</sup> at 3pm for a discussion of the tangent 45 results. (AI 127-6)

#### **4. Environmental Sensitivity Cases**

Peter Carney (NYISO) joined the meeting via phone to discuss the environmental sensitivity cases to be included in the IRM study for this year. Mr. Carney mentioned that there were several different scenarios that were considered to represent changes required to meet CSAPR regulation requirements. He suggested that the sensitivity case should include retirement of some older coal capacity along with some lower capacity factor oil/gas units in New York City zone. He mentioned the scenario included the removal of 350 MW of capacity from western New York and 560 MW of capacity from New York City. These retirements, in combination with trading and emission control, will bring New York State into compliance. Scott Leuthauser (HQUS) asked if the trading included both in-state and out-of-state. Mr. Carney said yes but no specific type of trading was considered solely.

Mr. Carney thinks that fuel switching can prevent some amount of capacity retirements mentioned before. Mr. Drake believed that the worst case scenario should be the sensitivity study.

Mr. Younger asked if New York cannot buy any additional interstate allowance, can New York still achieve compliance. Mr. Carney responded that New York can achieve compliance through other means.

Mr. Villalba also asked if the emergency assistance from PJM has been considered in the scenario, since the regulation may impact PJM greatly. Mr. Carney responded that it has not been considered.

Mr. Boyle questioned how the NYISO intend to restore the Loss-of-Load Expected (LOLE) back to 0.1 in the model if certain units are retired. Mr. Drake responded that capacity will be shifted for all zone to bring back the LOLE to the acceptable level. However this is dependent on the location of which unit(s) was actually removed. Mr. Younger cautioned that the shifting capacity into New York

City under these circumstances may be misleading when the results would show improved reliability. Mr. Villalba agreed and also stated that if the shifted capacity is more than the retirement of 350 MW of capacity due to regulation, then the sensitivity is not necessary. Henry Chao (NYISO) stated that the environmental scenario should be separated from the IRM study. In the end, the ICS agreed with Mr. Younger that the environmental sensitivity is not necessary for the IRM study since the regulation does not pose a reliability impact.

Mr. Villalba wondered if there are any gas turbines in the city that would not meet the NOx reduction required by CSAPR. Mr. Carney responded that old turbines are not regulate by this rule, but instead will follow the NOx RACT (Reasonably Available Control Technology) rule.

## **5. Table 1**

Mr. Adamson said that table 1 will be ready at the next conference call (9/6/2011) if the tangent 45 study is completed before then.

## **6. Proposed Sensitivity Cases**

Mr. Adamson presented the list of the sensitivity cases for consideration. He mentioned that one of the new sensitivity cases was a case without EDRP proposed by Mr. Younger.

The environmental sensitivity cases, as previously agreed upon during this meeting, are no longer being considered. (Cases 4 and 7)

The case of retiring Indian Point 2&3 will be modeled as both units retired, instead of one unit being on maintenance.

300 MW will be modeled in the capacity wheel case. Mr. Leuthauser questioned if New England should be reduced by 300MW. Mr. Younger suggested that the case be set up with a 300MW reduction of the Hydro-Quebec to New York tie capability to represent the wheel through to New England.

Greg Chu (Con Edison) suggested a sensitivity case of 1-in-2 design criteria for load forecast uncertainty (LFU) instead of employing 1-in-3 criteria for zones H, I, and J. The Public Service Commission representative during one of the Load Forecast Task Force (LFTF) meeting inquired about the criteria and the criteria's effect on the reserve margin and location capacity requirement is unclear. Mr. Younger also suggested that the curve may also need to be generated in this case.

For the sensitivity case 5, Mr. Drake responded that the result of the SCR study is not yet available. He also explained that on a preliminary run, SCRs were removed from the EOP step and the LOLE increased to approximately 0.45. Then the ELCC (Electric Load Carrying Capability) were computed as 1800 MW. The preliminary run is to ensure that the model will run fine under this particular setup. Mr. Younger was adamant that the sensitivity case stays in the list and has asked that the NYISO perform the study expeditiously since the outcome of the SCR study may have a major impact on the reserve requirement.

Mr. Adamson asked about when the preliminary sensitivity study results will be available. Mr. Drake stated that some of the preliminary results should be available at the next ICS meeting. (AI 127-7)

## **7. Economic effects on the Load Forecast Uncertainty- Action Item 125-2**

Arthur Maniaci (NYISO) reports that in a one year study, the economic effects on the LFU are negligible when compared with the weather effects.

Mr. Maniaci also mentioned that the mean load shape based on the historical load shape of several years (composite load shape) will be implemented in the model for a sensitivity case. Mr. Younger cautioned that if a less conservative shape is used in the model, the peaks will need to be correlated with the neighboring pools' peaks as well. If not, the results will be misleading and will not reflect the effects of the composite shape.

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

The NYISO reported that the method is being worked on, there are no issues up for discussion, and will be available by the end of September.

## 9. Glossary

Steve Jeremko (NYSEG-RGE) reported that he has put together the glossary and would like the ICS members to review the glossary.

Mr. Adamson stated that the glossary has to be completed and approved by mid September. Mr. Boyle believed that the glossary may not make it into this year's study due to a lack of time for new definition approval. Mr. Boyle suggested also that if there are new terms, the definition should be listed as a footnote.

The ICS agreed that the glossary should include only terms that appear in the IRM report. Mr. Boyle and Mr. Chu will review the glossary and provide comments by the next conference call. (AI 127-8)

## 10. Milestone

Mr. Adamson mentioned that we are currently on schedule with the milestone list and LFTF will approve the fall load forecast for the next meeting.

Secretary: Gregory Chu

*(Con Edison)*

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Next meetings:

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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