

# NYSRC Installed Capacity Subcommittee

Meeting #128

October 5th, 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 checked="" 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 type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>
Mr. Peter Carney (NYISO).....	<input type="checkbox"/>	<input type="checkbox"/>

- Mr. Frank Ciani (NYISO).....  .....
- Mr. Dave Lawrence (NYISO) .....  .....
- Mr. Greg Drake (NYISO).....  .....
- Mr. Bill Lamanna (NYISO) .....  .....
- Mrs. Kathy Whitaker (NYISO) .....  .....
- Ms. Mariann Wilczek (NYISO) .....  .....
- Ms. Erin Hogan (NYSERDA) .....  .....
- Mr. Ed Schrom (NYPSC) .....  .....
- Mr. Glenn Haringa (GE Energy).....  .....
- Mr. Al Adamson (Consultant).....  .....
- Mr. Frank Vitale (Consultant) .....  .....
- Mr. Arthur Maniaci (NYISO) .....  .....
- Mr. Yannick Vennes (HQ).....  .....
- Mr. Scott Leuthauser (Consultant for H.Q. Services) .....  .....
- Mr. Henry Chao (NYISO).....  .....
- Mr. Howard Tarler (NYISO) .....  .....
- Mr. Wes Yeomans (NYISO).....  .....
- Mr. Paul Gioia (NYSRC) .....  .....
- Mr. Dana Walters (NYISO) .....  .....

Guests Present:

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

Mr. Richard Quimby.....	<input type="checkbox"/>	.....	<input type="checkbox"/>
Mr. Carlos Villalba (Con Edison).....	<input type="checkbox"/>	.....	<input type="checkbox"/>
Mr. Randy Wyett (NYISO).....	<input checked="" type="checkbox"/>	.....	<input type="checkbox"/>
Mr. David Allen (NYISO).....	<input checked="" type="checkbox"/>	.....	<input type="checkbox"/>

**1. New Capacity Zone**

Dave Lawrence of the NYISO presented the current status of the criteria for proposed new capacity zone. The NYISO and NYTO filed with FERC the criteria and considerations for creating new capacity zones on January 4<sup>th</sup>, 2011. FERC issued an Order on September 8<sup>th</sup> that accepted parts of the proposal and rejected other parts. FERC also asked the NYISO to develop tariff revisions for criterion implementation within 60 days of the Order.

FERC agreed that the test to determine if new capacity zones are needed should be a Deliverability Test performed under “as-found” condition, not the minimum installed capacity “as-designed”, and follows the Deliverability Test Methodology in NYISO OATT section 25.7.8.

FERC agreed that the evaluation of new capacity zones should coincide with the demand curve cycle (every 3 years). FERC also wanted a report within 6 months that discusses the desirability and feasibility of creating new zones on an annual basis.

FERC rejected the proposed Reliability Test in the January proposal.

The NYISO plans to respond by November 7<sup>th</sup>, 2011.

Al Adamson (NYSRC) asked if this method will end up creating a “12<sup>th</sup> Zone”. Mark Younger (Slater Consulting) states that there are only 3 reliability imposed zones, and this would only decide on a new “capacity” zone, and may not create a 12<sup>th</sup> zone from a reliability point of view.

Chairman Curt Dahl (LIPA) wondered when the methodology will be implemented. Mr. Lawrence responded 2014. Mr. Younger strongly believed that there is a chance that the methodology will be implemented earlier than that.

Bob Boyle (NYPA) asked about how long it would take to recode the ICAP software to include a new zone. Mr. Lawrence believes that it would take several years to recode.

Erin Hogan (NYSERDA) inquired about the guideline for dissolving zones when they are no longer needed. Mr. Lawrence responded that FERC did not address this issue yet in the current Order.

Mr. Boyle suggested that if an unnecessary zone is not removed, capacity prices may end up being lower.

Chairman Dahl suggested that being that this may be a change that would require a long lead time, the NYISO should keep ICS updated with information when it becomes available.

Mr. Adamson wondered if this would change the MARS model. The answer from the NYISO is no.

Bart Franey (National Grid) wondered how the nested zone would work, i.e. how will the current zones get grouped together. Mr. Franey cautioned that zones J and K should not be changed and the concept is complex.

Scott Leuthauser (HQUS) mentioned that PJM changes their capacity zone all the time and recommend that the NYISO find out more detail about their method.

## **2. Assumption Matrix changes**

Gregory Drake (NYISO) mentioned that there will be another version of the Assumption Matrix that would include GE's scrubbing analysis results. The NYISO only received the analysis prior to the meeting so they will need time to

review and incorporate the findings in table A-3. Chairman Dahl recommended a conference call to finalize the data scrub findings. The call will be set tentatively at 8:30 AM on October 12<sup>th</sup>. Materials for the call will be circulated prior to the call. (AI 128-1)

### **3. Special Case Resources – Proposed Data Request Reliability Rule**

Wes Yeomens of the NYISO spoke on behalf of the NYISO on a proposed new rule, as drafted by Mr. Younger. The NYISO preferred no rule because at the next ICAP working group on October 17<sup>th</sup>, the NYISO will outline the approach to SCR performance evaluation. The approach will include required SCR data submission required to conduct CBL evaluation, making the rule extraneous. Furthermore, the rule can only directly affect the NYISO and not stakeholders/market participants, who have yet to decide the method to adapt. The NYISO will be taking the lead with or without the rule in place. The NYISO is also against setting a rule as a long-term requirement since the method of performance evaluation is not yet finalized.

Mr. Younger stated that payment rules are not in contention here. The performance data is important for the reliability study and the NYISO has not provided the requested data for many years. Mr. Younger was also concerned with a “finite” time period that the NYISO claims to want to implement on data collection. He and other ICS members agreed that a reliability rule is necessary.

The NYISO is concerned with the need for market rule change and that may potentially change the data submitted. ICS stated that the reliability rule will be written to allow flexibility in the future, in case a better methodology is adapted later.

Mr. Adamson also pointed out that a reliability rule requiring demand side resource data existed in the past, but this rule was removed because there was no need at the time for demand side data for reliability studies. Also, he reminded that the proposed rule is similar to an existing rule requiring the

submission and processing of GADS data. This process has helped with the NYISO data collection process and improved accuracy.

Mr. Yeomens suggested that the NYISO would prefer a one-time data collection first and use the obtained data to determine the best data collection process base on the methodology agreed upon. Mr. Boyle cautioned that several years will pass before we even decide on the proper method since they have to wait till next year for the data to be collected. Mr. Younger responded that it is not acceptable to wait a few years while new IRM studies will be done on misrepresented resource data.

Donna Pratt (NYISO) stated that previous mentioned 1% EDRP response is not the complete story. EDRP is a voluntary program and while only 1% of the response reported during the call, it does not mean that the rest of the EDRP registrants did not respond. She also mentioned that the data from the event will be gathered and recomputed at a zonal basis for performance.

The long discussion on this topic ended with ICS members agreed that a reliability rule needs to be formulated and applied to SCR data collection by the NYISO. The rule will mandate that both ACL and CBL information from all events be collected by the NYISO and provided to the ICS, annually.

The NYSIO agreed to perform analysis on summer's SCR data (2010, 2011), which will be available this week, and provide the results to the ICS for the IRM study. The analysis will use the current CBL data as a representation for the SCR group, as recommended by Mr. Younger. (AI 128-2)

The NYISO will also provide comments on the verbiage of the reliability rule.

Mr. Younger mentioned that if the NYISO propose a new method of analysis for the rule, they must provide the analysis (in full detail) for review. Mr. Adamson suggested that the proposed rule could be modified to be less specific with regard to details of the SCR data to be submitted by Installed Capacity Providers; specific SCR data requirements could be included in Policy 5 instead.

#### **4. Load Forecast Update**

Arthur Maniaci (NYISO) presented the final version of the load forecast vetted by the Load Forecasting Task Force working group.

The final forecast deviated from the assumption matrix values. The growth factors were determined by the transmission district owners' input, instead of using the growth factor from the Gold Book.

The estimated SCR/EDRP MWs shown in the table included a 5% derate on SCR and 34% on EDRP.

The final forecast present was:

33,335 MW for NYCA

11,607 MW for Zone J

5,521 MW for Zone K

Mr. Adamson wondered why the weather adjustment for National Grid, when compared to the load, is rather large compared to the Con Edison weather adjustment. Mr. Maniaci responded that because Con Edison uses 1-in-3. If Con Edison was to use 1-in-2 forecast criteria, the weather adjustment would be larger. LIPA's weather adjustment was greater than Zone K's weather adjustment because Zone K locality peak is a non-coincident peak. LIPA coincident peak is lower than non-coincident peak so the weather adjustment in LIPA is a larger adjustment.

Mr. Maniaci stated that the regional load growth factors and weather adjustments are still preliminary, as this may still change.

Mr. Leuthauser asked for a comparison between this year and last year's ICAP forecast. Mr. Maniaci stated that last year the ICAP forecast was 33,712 MW. This year the forecast looks to be a 68 MW (0.2%) over last year's forecast. The primary drives were weather and demand response.

ICS members approved the load forecast presented at this meeting.

## **5. Sensitivity Case Results**

Mr. Drake reported that all of the traditional cases were complete and only 1 of the special sensitivity case was complete. The results will be discussed at the October 12<sup>th</sup> conference call. All of the cases will be completed by the November ICS meeting. (AI 128-3)

Mr. Drake did note that cases 9 and 10 (higher/lower EFORds) were performed with a slightly different method than last year. The NYISO increased/decreased EACH generator's EFORds by 1%. Units that had EFORd below 1% were left unchanged.

## **6. Quality Assurance Reviews**

Chairman Dahl stated that LIPA has reviewed the database and had forwarded some comments to the NYISO about the SCR modeling and the transmission topology, in particular the nomogram for western Nassau generation interface should be dynamic but it is not in the model. ICS is requesting Bill Lamanna of the NYISO to explain the nomogram that's currently in the database. (AI 128-4)

Con Edison was also a recipient of the database and will provide comments by October 7<sup>th</sup>. (AI 128-5)

Kathune Zannat (LIPA) was wondering if adjustment of renewable resources was included in the model. Mr. Drake mentioned that the assumption matrix numbers do not match up with the database values because the August rating is not the maximum rating for wind resources and thus the numbers between assumption matrix and the modeled values do not agree.

Mr. Drake agreed to distribute GE review paper on their data scrubbing results. The NYISO will also review the comments and provide explanations (i.e. SCR modeling) for the model. (AI 128-6)

## **7. EFORd/Transition Rates (APA) methodology**



Mr. Drake mentioned that the transition rates are developed. The transition rate tables will need to be validated. The NYISO will input the rates into the model and perform a sensitivity run.

The NYISO is also pursuing a parallel path. The person (Ron Fluegy?) who originally worked on GADS extraction program is creating software that can generate the transition rates from the available GADS data.

The NYISO thinks that even with the APA methodology properly implemented, the current SAS code from the NYISO has issues performing this particular task. Mr. Drake said that his code did not have the ability to line up events that were occurring at the same time. The units in a derate state can transition into a number of other states and that cannot be captured based on the submitted GADS data and by the SAS code. He further mentioned that if the unit is on derate, all the hours are counted as force outage when calculating EFORD, which would be exaggerated.

## **8. SCR Study Results**

Mr. Drake mentioned that a sensitivity case would be performed using the data from 15 days of SCR calls. The NYISO will provide more information during the conference call.

Mr. Younger requested that the NYISO provide some explanation (presentation) of the study results and their implementation into the model for the sensitivity.

## **9. IRM Report**

Mr. Adamson mentioned that he needs a paragraph from the NYISO for APA method, environmental, and transmission sections of the report. Mr. Drake will follow-up with the write-up. (AI 128-7)

Mr. Adamson also mentioned that table 1 for this year's study has additional information explaining the changes in the IRM, which was not included in the previous report. The ICS members agreed that explanations are helpful.

A draft will be available at the end of the month. (AI 128-8)

## 10. Glossary

Mr. Adamson asked if the definition needs to be with the term it describes in the body of the report, given that a page number for each term is supplied in the glossary. The members agreed that the IRM report glossary, consistent with the existing NYSRC glossary terms, should be included the report as is, with the page number references removed.

Steve Jeremko (NYSEG-RGE) inquired about the process to get proposed glossary terms that are not currently in the NYSRC glossary to the RRS for review. ICS members need to first approve the list of the new terms PRIOR to presenting the list of terms to RRS.

Mr. Boyle stated that he will look through the glossary to ensure all the terms are currently in the body of the report and he will submit the glossary to be included in this year's report. (AI 128-9)

Secretary: Gregory Chu

*(Con Edison)*

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Next meetings:

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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