

NYSRC Installed Capacity Subcommittee

Conference Call #25

January 17, 2006

1:30 p.m. – 3:30 p.m.

Meeting Minutes

Attendees

Members/Alternates Present:

Mr. Curt Dahl (LIPA), Chairman
Mr. Carl Courant (NYPA)
Mr. Bart Franey (National Grid)
Mr. Steve Jeremko (NYSEG-RGE)
Mr. Steve Whalen (NYSEG-RGE)
Mr. Carlos Villalba (Con Edison) Secretary
Mr. Rich Wright (Central Hudson)

Advisers/Non-member Participants Present:

Mr. Al Adamson (Consultant)
Mr. Greg Drake (NYISO)
Mr. Steve Keller (NYPSC)
Mr. Frank Vitale (Consultant)

Guests Present:

Mr. Madison Milhous (KeySpan Ravenswood)
Mr. John Pade (NYISO)
Mr. John Charlton (NYISO)
Mr. Glenn Haringa (GE)
Mr. Gary Jordan (GE)

1. UDR modeling

Curt Dahl summarized the Executive Committee's (EC) meeting on Friday January 13, 2006. During the meeting, the EC decided to ask the ICS workgroup to recalculate the Installed Reserve Margin (IRM) / Locational Requirement (LCR) curves for NYC and LI by modeling the benefits of the Cross Sound Cable (CSC) as Unforced Capacity Delivery Rights (UDRs) in the GE MARS Model. Mr. Dahl explained that LIPA decided recently to utilize the UDRs of the CSC controllable line between Long Island and NEPOOL, and that forced the change to the MARS system's topology. The EC recognized that this change affects both the base case IRM and LCRs for both Areas J and K, and it may

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affect the IRM/LCR curve itself by changing the curve's inflection points, including the tangent 45°-point

The members at the EC unanimously agreed to this decision. The EC extended the ICS workgroup's report submission deadline until January 31st.

The changes to the IRM/LCR curve were necessary in order to accurately capture the effects of LIPA's new interest in additional economic benefits from the CSC tie.

Following Mr. Dahl's remarks, Greg Drake explained two techniques to model UDRs in MARS. One technique models the NEPOOL unit(s) contracted by LIPA by locating these units in a new dummy area in NYCA between Zone K (NYCA) and Connecticut (Zone CT in NEPOOL). The other method models UDRs as a perfect capacity (330 MW minus the EFORD and maintenance equivalent MW of the cable and the unit) using the MOD-MDMW table in MARS.

While both techniques can represent the modeling of UDRs, the first technique was the preferred method by the ICS members.

After Mr. Drake's explanation the ICS members discussed in detail the technique and the feasibility of implementing the assumptions in the model. The following three paragraphs summarize the members' conclusions.

In addition to adding a new dummy area as described before, the generation unit that will be contracted by LIPA is moved to this dummy area. This unit will maintain the same or the updated characteristics (maintenance outage and transition rates) provided by LIPA. Due to the way that MARS models reserve sharing, it will be more realistic to model the contracted NEPOOL unit(s) as two units with one located in the dummy zone with a generating capacity up to 330 MW and with the other (with the remainder of the capacity of the unit) located in its respective zone in NEPOOL. The method will obviate the need for nomograms and changes to the unit's transition rates since the contracted energy take out is prorated to the plant output.

Garry Jordan noted that the location of the unit in NEPOOL would have very little impact on NYCA reliability, but it will affect NEPOOL reliability.

All ties in and out of the dummy zone will have a rating of 330 MW. The tie from the dummy zone to K will be modeled with the CSC transition rates, while the tie between the dummy zone and NE will not.

If there is time the ICS Workgroup will run one or two sensitivities from Table 1 of the report to determine the differences between the original and new UDR base cases and to use these sensitivities to extrapolate the differences to the rest of the sensitivities.

John Charlton and John Pade asked Mr. Dahl for the unit DMNC and the GADS statistics data. This information will be sent to the NYISO as soon as it becomes available to

LIPA. The ICS has so far received EFORD data from the unit, but not the name of the unit or its location. These last two pieces of information are important to start the modeling of the UDRs. Once this information is received, the EFORD of the unit in the model database will be checked against the one provided by LIPA.

2. Report Modifications

The ICS will not re-run the sensitivities shown in Table 1 of the IRM report for this new UDR base case due to time constraints. However, the ICS will develop a change analysis that may include running one or two of the sensitivities.

Al Adamson suggested having the draft report ready by January 27th. Mr. Adamson noted that the Executive Summary should contain a description of why UDRs are included as part of the new base case. He was concerned about developing the sensitivities results in Table 1 and Table 2 of the report and suggested that perhaps the report should have two base cases: one already developed and the one modeling the UDRs.

Madison Milhous asked whether or not the I-to-K and I-to-J interfaces (Dunwoodie South + Y49Y50) will be modeled using the interface dynamic limits developed for the base case or the sensitivity analysis. He also asked if updated load forecasts would be used, since these will soon be available; John Pade responded that the load forecasts would not be changed.

3. Schedule

The ICS will first calculate the 17%, 17.5, and 18% points of the curve. By Friday 20th, the ICS expects to have the first set of results for one of these State Reserve Margin (SRM) points.

The February 1st ICS meeting was moved to January 30th to allow the members go over the report before the submission to the EC on January 31st. Mr. Adamson offered to call NYSERDA to schedule the conference room for January 30th.

Secretary: Carlos Villalba