

# **NYSRC Installed Capacity Subcommittee**

Meeting #63

**March 29, 2006**

9:30 a.m. – 03:50 p.m.

NYSERDA: 17 Columbia Circle Board Room

## **Meeting Minutes**

### **Attendees**

#### Members/Alternates Present:

Mr. Curt Dahl (LIPA), Chairman  
Mr. Carlos Villalba (Con Edison), Secretary  
Mr. Bart Franey (National Grid)  
Mr. Steve Jeremko (NYSEG-RGE)  
Mr. Rich Wright (CH) - telephone  
Mr. Glenn Haake (IPPNY)  
Mr. Madison Milhous (KeySpan Ravenswood)

#### Advisers / Non-Voting Participants Present:

Mr. Al Adamson (Consultant)  
Mr. Greg Drake (NYISO)  
Mr. Frank Vitale (Consultant)  
Mr. John Pade (NYISO)  
Mr. Ed Schrom (NYSDPS)  
Mr. Steve Keller (NYSDPS)

#### Guests Present:

Mr. Mayer Sasson (Con Edison)  
Mr. Glenn Haringa (Consultant GE) – limited participation

## **1 Review and Approval of Meeting Minutes**

### **1.1 January 4, 2006 ICS Meeting (#62)**

The group reviewed and commented on the draft meeting minutes from meeting #62. The minutes will be re-circulated to reflect the group's comments.

### **1.2 January 16, 2006 ICS Conference Call (#26)**

The group reviewed and commented on the draft meeting minutes from conference call #26. The meeting minutes from conference call #26 will be finalized pending review by John Adams.

### **1.3 ICS Member Roster**

The group reviewed, commented on, and made some editorial changes to the original roster in Microsoft Word format. This format will be posted in the NYSRC website until the

spreadsheet roster format is accepted and adopted by the other committees. Carlos Villalba will update the table in Word and ask the NYSRC to publish it on their website.

## **2 Review of Previous Outstanding Assignments**

### **2.1 Closed**

None

### **2.2 New**

63.1. Summary page for the Lessons Learned. The group assigned this task to Al Adamson and Frank Vitale.

### **2.3 Update of Previous Assignments**

56-1. See minutes numeral 9. "Update of Policy 5".

58-3. Steve Jeremko sent the document related to neighboring pools fuel availability to Curt Dahl, who is working on it.

62-1. The group reviewed a draft outline of the white paper "Reliability Benefits of Selecting the TAN 45 Point for Determining NYCA IRM Requirements". Greg Drake updated the document with the group's edits and comments.

62-2. Greg Drake has an on going investigation with GE about the modeling of SCRs, EDRPs, and Hydro units.

62-4. Work in progress. Carlos Villalba will present at the next ICS committee meeting two modeling solutions to better represent the impact of the Athens units on the UPNY/SENY interface.

## **3 FERC response 90 day report**

Mr. Dahl started the discussion by explaining how the document was assembled and that it includes input and comments from various members of the ICS committee. NYISO attorney, Paul Gioia, reviewed it and customized some sections to make it suitable for filing with FERC. The document is a work in progress and still refers to the 83% LCR rather than the 80% that was approved on March 28, 2006 by the NYISO OC.

Bart Franey proposed a change to the title of the document since the content does not reflect the title. Mr. Franey added that TAN 45 anchoring method does not resolve any of National Grid's (NG) concerns that current requirements distort market signals and Upstate loads are subsidizing the reliability needs of Downstate load due to transmission constraints. Mr. Franey and Steve Jeremko noted that they had submitted comments on the document that were not incorporated into the draft and therefore Both NG and NYSEG-RGE expressed objection to the 90-Day report as currently drafted.

Mayer Sasson asked Mr. Franey if any of the statements in the document were not factual. Another participant remarked that the document has open ended statements and that while there are some appeals pending, they do not address NG's concerns. Mr. Franey added that certain facts were omitted. Specifically, NG and NYSEG-RGE has made numerous motions and presentations in support of the Free Flowing Equivalent

IRM and an alternative to TAN 45 anchoring method. . Mr. Sasson reviewed the events two years ago when the NG proposed methodology was considered by the EC. Jeremko clarified that the EC voted against one of NG's proposed methodology this past summer. At the time there were two methodologies presented: Option 3 and Option 2a (NG made a presentation in support Option 3). .

Mr. Dahl replied that the RAITF was created to coordinate activities between the NYISO and the NYSRC, but it is inappropriate to ask this task force to produce a final report.

Madison Milhous suggested that in addition to the 90-day report, the RAITF should report back to FERC with a closure document explaining the findings and recommendations of the coordinated RAITF activities. Mr. Franey concurred with Mr. Milhous's proposal but added that a final report to FERC would not be as good as establishing a formal resource adequacy policy for New York . Mr. Sasson answered by saying that the TAN 45 methodology was adopted for only one year to calculate the IRM, and therefore the EC is required to vote again for either Option 3 or Option 2a. It is therefore possible that NYSRC could notify FERC about the EC voting results. However, FERC is not requiring filing any other document except for the 90-day report. Therefore if Mr. Franey wishes that the NYSRC be required to make a subsequent filing with FERC then it is up to NG to request FERC for a decision on the matter.

Greg Drake informed the group that the approximate Free Flowing IRM is now around 15.3% after correcting for the operating reserve error in the MARS database and the Free Flowing Equivalent is 16.5%.

Subsequently, Mr. Dahl introduced a graph showing the IRM and the zonal LOLEs' relationship. The graph was built from the results of the GE-MARS runs performed by NYISO to calculate the points plotted to construct the IRM/LCR curve. The graph shows that at lower IRMs the NYCA zones B, I, and E LOLEs are very high in comparison to the downstate zones J and K. Mr. Franey, John Pade, and Mr. Jeremko stated that the reason the graph points show a higher risk on the upstate zones at lower IRMs is a result of the methodology used and MARS reserve sharing logic. Shifting capacity out of zones with surplus capacity means there is less capacity available to assist zones with relatively low amounts of capacity Zones B and I for example. Carlos Villalba recognized that the methodology used has this effect on the zonal LOLEs, however based on the Unified Methodology this was the most efficient way to withdraw capacity from NYCA to obtain the lowest IRM possible while recognizing transmission constraints. Mr. Dahl will add this graph to the 90-Day report to propose a future study to analyze the LOLE results from the IRM/LCR curve.

#### **4 Evaluation of the TAN 45 Anchoring Point Method**

The ICS members reviewed this document. [comment: I believe Curt Dahl prepared this; I certainly did not] This document will become the road map for going forward with the discussions on FFE and the TAN 45 methodology. The group went over Mr. Adamson comments and Greg Drake included additional group comments directly to the document. The ICS members agreed that this paper should serve as an evaluation of the TAN 45 methodology.

## **5 Anchoring White Paper**

Mr. Dahl explained that the objective of this new white paper was to fulfill an EC request that asked for an exact analytical methodology of finding the TAN 45 anchor point on the IRM/LCR curve.

The ICS members commented and edited this first draft created by LIPA. The paper presented by Mr. Dahl described a 5<sup>th</sup> and 6<sup>th</sup> order polynomial approach to define the IRM point on the IRM/LCR curve. Finally, Mr. Dahl encouraged the ICS members to come up with other anchoring methodologies or solutions to the EC request.

## **6 NERC Resource Adequacy Rule**

The ICS members reviewed the NYSRC comments prepared by Al Adamson on the Resource Adequacy SAR assessment. Specifically, the NYSRC is commenting on the substitution of the word "criterion" for the word "framework" in the document.

Mr. Adamson explained that NYSRC strongly believes that a regional specific criterion should be required. Although the NERC already is advocating that each area requires a specific level of reliability, based on the document, NYCA neighboring regions would not be required to meet minimum reliability criteria. Instead, each state will establish a criterion and then only need to demonstrate that they are within the criteria they specify for themselves.

Mr. Dahl and Mr. Adamson already have sent comments to CP9 that were well received by the NPCC regarding the fuel availability and gas adequacy among others.

## **7 Lessons Learned from 2006-07 IRM Study**

Mr. Adamson proposed to divide the Lessons Learned document among the group as tasks to address each of the items. Each group will write a report addressing the concerns and adherence to NYSRC Policy 5.

Greg Drake included all member's comments and edits in the Lessons Learned document directly. The following are some of the ICS member's comments and discussions:

- Mr. Dahl explained that the IRM report deadline is at the beginning of December because filing a change to the IRM to move it away from 18% with FERC might take 2 months. These two months include a challenge period during which objections to the change might be heard.
- John Pade proposed to have a task force to go over the database before the runs are performed. The ICS members agreed to add a "Database Accuracy" item to the Lessons Learned.

## **8 2006 Work Plan**

Frank Vitale prepared and sent a more realistic work plan to Mr. Dahl who will circulate it to the ICS group before presenting it to the EC.

Mr. Dahl proposed to ask the EC to write a letter to the NYISO MC to ask for additional NYISO resources to perform the ICS studies.

## **9 Update of Policy 5**

Greg Drake will send to the group the draft procedure of the Unified Methodology for comments before the next meeting. Once the document is finalized Mr. Drake will update the NYSRC Policy 5 and the NYISO LCR calculation procedure.

## **10 Review Action Items**

See attached action item list.

## **11 Next Meeting**

May 3, 2006 Meeting # 64

Secretary: Carlos Villalba