

A special joint meeting of the Resource Adequacy Issues Task Force (RAITF) and ISO-NE was held in Albany on Friday November 3, 2006. The purpose of the meeting was for ISO-NE to present the preliminary results of the joint ISO-NE / NYISO "Tie-Benefits" study. The following are comments to the ISO-NE Tie Benefits presentation:

1. Some of the preliminary results of the analysis are counter-intuitive. For example, the results indicate that when the ties between New York and New England are cut, while New England provides 1200 MW of tie benefits to New York, New York provides a -100 MW tie benefit to New England.

Similarly, the 1385 Northport - Norwalk tie provides -40 MW tie benefit to one of New England's most constrained areas and the Cross-Sound Cable provides a -200 MW tie benefit. In other words, being interconnected with New York is a detriment to New England's reliability.

According to ISO-NE staff, one explanation for these counter-intuitive results is that by cutting the ties to Long Island, New England captures a portion of the New Brunswick and Hydro Quebec tie benefits allocated to New York.

An alternate methodology yielded more explainable results. In this case the ties between New York and New England were cut and replaced with total tie benefits. The New York and New England LOLE were brought to 0.1 days/year. The areas then were interconnected and the improvement in LOLE recorded. This methodology resulted in tie benefits to New York of 695 MW and tie benefits to New England of 630 MW. In other words, both areas benefited from being interconnected.

2. In addition to the counter-intuitive results, the analysis deviated from the approved scope, which states that "the MARS model will include:

1. The most recent database used by ISO-NE, combined with the most recent database used by NYISO, updated for the latest assumptions..."

According to the ISO-NE presentation, the 2005 vintage model was used for this analysis.

Recommendations:

Without having access to the database, it is our concern that the reserve sharing option of the model might not have been used properly. ICS / NYISO should request a copy of the database used in the study (redacted for confidential data if necessary) for thorough review. In addition, some of the GE-MARS output files (such as OT07, OT08, OT09 and OT11) need to be requested in order to get a more detailed view of the results. If necessary, GE needs to get involved in determining the reasons for the counter-intuitive results.