

NYSRC Installed Capacity Subcommittee

Meeting #90

July 30th , 2008

9:30 a.m. – 2:00 p.m

Meeting Minutes

Attendees:

	Present	Tel
Members / Alternates:		
Mr. Curt Dahl (LIPA), Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Carlos Villalba (Con Edison), Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Timothy Bush (Generation Owners).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Bart Franey (National Grid)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Steve Jeremko (NYSEG-RGE)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Mark Younger (Slater Consulting - Generation Owners)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Rajee Mustafa (NYPA).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Rich Wright (CHG&E)	<input type="checkbox"/>	<input type="checkbox"/>
Mrs. Patricia Caletka (NYSEG-RGE)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Madison Milhous (KeySpan)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mrs. Jane Shin (Con Edison)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Kelvin Chu (Con Edison).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Cordeiro (Municipal Power Agency).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Han Huang (NYPA).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Glenn Haake (Dynergy, Inc. - Generation Owners)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Harry Joscher (PSEG Power, LLC).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Advisers/Non-member Participants:		
Mr. Al Adamson (Consultant)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Vitale (Consultant)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. John Adams (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Greg Drake (NYISO)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Ciani (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Peter Carney (NYISO)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Arthur Maniacci (NYISO).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Ed Schrom (NYPSC).....	<input type="checkbox"/>	<input type="checkbox"/>
Guests Present:		
Mr. Robert Boyle ()	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. John Charlton (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Bill Lamanna (NYISO).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Francis (BEMI)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Clyde Custer (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ms. Erin Hogan (NYSERDA).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. John Pade (NYISO-Consultant).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mrs. Mary Ann (NYISO)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Mr. Sam Krueger (Dynergy, Inc.).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Alan Ackerman (Customized Energy Solutions)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Paul Gioia (NYSRC).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Chris De Graffenried (NYPA).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

1. Action Items

1.1. Closed

87-3. Policy 5: After a group review of the document last week, Mr. Carlos Villalba was still questioning the definition of Standard Error. Mr. Kelvin Chu explained the difference between Standard Deviation and Standard Error and referred the members to the MARS manual for further clarification. Mr. Chu added that Policy 5 could use either one; if the Standard Deviation definition is used then the number to use would be 0.005 days/year, and if the Standard Error is use the document should use 5%. Mr. John Adams and Mr. Bart Franey agreed with Mr. Chu's definitions. The group agreed to make these changes in the Policy 5 as soon as possible and there was a consensus to use the Standard Deviation definition.

89-1. VFT Model: Mr. Carlos Villalba presented a proposed model that considers the first 100 MW of UDRs from the Linden VFT project that are planned to be in service by the end of June 2009. The new topology splits Zone J to PJM East interface in two interfaces. One interface is used to model the B and C lines, which limit depends on the availability of selected New Jersey generating units as is presently modeled in MARS and the other will model the A line and the Linden VFT project. The transfer limit of the latter will depend on the Arthur Kill and Linden Co-Gen units' unavailability; the more units unavailable the higher the transfer limit. The unit dependency on this second interface is set to capture the bottled resources at the interconnection point of the Linden VFT in Staten Island. The group decided to model the VFT as a sensitivity analysis because the tentative in-service date is at the end of June 2009 which is after the summer capability period starts.

89-5. Comments on SCRs and EDRPs forecast methodology: The group sent their comments to the NYISO a week ago completing this action item.

89-6. NYC 45 MW Riverbay: Mr. Carlos Villalba reported to the group that the NYC Riverbay generator would be in service by the end of 2008. This 45 MW Co-Gen plant will serve a 35 MW load that is already included in Zone J forecast. Mr. John Charlton informed that the unit owner is planning to sell the ICAP in the market. So far is unclear how the unit will be bid in the market. Regardless of their market participation

choice the units will offset the peak load and inject additional 10 MW to the system therefore it will be added to the database as new generation.

1.2. New

90-1. Create a 5-year average EFORd chart to include in the 2009 IRM study.

90-2. Find out if Wind Park Chateauguay I and II projects add to 106.5 MW.

90-3. Re-visit SCRs weighted performance factors. Develop a methodology to factor latest audit results and actual SCRs call events.

90-4. Create a write-up on the topology changes for the 2009 IRM study.

90-5. NYISO to send zonal SCRs performance factors to the group.

1.3. Revised

All items were revised and the following items were discussed in detail.

66-2. MARS Automation: Frank Cianni reported that he received the VB IRM/LCR curve automation program and successfully replicated one of the points in the IRM/LCR curve. As soon as the priorities permit the NYISO will fully test the program to recreate last year's curve.

85-2. Wind modeling: None of the members recalled if there were any outstanding issues and will wait for Mr. Greg Drake.

87-2. FCM: No response has been received yet.

89-4. Actual Load: Mr. Carlos Villalba reported that load management programs, voltage reduction, and zonal outages were added back to rebuild the peak days; however, the actual hourly loads are not adjusted for the analysis of the load shape. This issue will require additional investigation.

2. Clarification of EISOs Policy on Wheel Curtailment

Mr. John Charlton explained that the wheel is curtailable only when transmission security constraints are a concern, this is similar in all ISOs; however, when the system is low in generating resources the curtailment will be Pro-rata. Mr. Curt Dahl asked whether the MISO wheel will be modeled in the basecase and whether or not this project has a level of commitment that

justifies adding it to the basecase. The members decided to exclude the MISO wheel from the basecase at this point.

3. Assumptions Matrix

3.1. Wind Resources

The group worked on reconciling the new wind generation units in the assumption's matrix and the units listed in the RPS spread sheet created by Mrs. Erin Hogan.

3.2. 2008 EFORd Changes

Mr. Villalba asked the NYISO the reason for the large increase of Zone J EFORd shown in the assumption's document. The NYISO responded saying that the EFORds for some units were restated and now the EFORd of these units is closer to class average than before.

Mr. Al Adamson claimed that if there was a re-statement of the GADS data, then the generator(s) involved were in violation of the tariff. Thus, the yearly NYISO compliance to assure the NYSRC that all generators are correctly reporting the GADS data is questionable. Mr. John Charlton responded saying that there are occasions in which the re-statement is not caused by misreporting, but a change in the way the data is being reported and difference in opinions of what had to be reported that are individually resolved with each generator.

3.3. Maintenance Outages

Mr. Frank Vitale reported to the group that he observed by inspection that the average maintenance outage during the last few years has decreased. The average is now approximately 100 MW lower by 50 MW; however, Mr. Charlton reminded the members that the outages of the units rated lower than 25 MW were not included in this average and not tracked by the NYISO. The consensus of the group was to maintain 150 MW as the average maintenance outage during the summer peak weeks and to revisit the calculations next year.

Mr. Charlton explained to the group how the units were reporting forced outages after or during a maintenance outage and how they are categorized.

3.4. Hydro Derate

The group discussed whether the 45% derate was still adequate. Mr. Villalba displayed to the group a previous NYISO's presentation material that substantiated with actual 2007 data the 45% derate. Mr. Charlton,

however, said that the material presented was based on a year in which the performance was exceptional. Mr. John Adams and Mr. Charlton confirmed that the hydro derate should be a number between 25% and 65% (drought conditions) and that 45% was a reasonable assumption. The group opted to maintain the same Hydro derate in the basecase this year.

3.5. SCRs and EDRPs (1 ½ Hrs discussion)

Mr. Clyde Custer reviewed and summarized the methodology to forecast SCRs that will be used in the IRM study, the Gold Book, and the RNA. This methodology uses the latest registration numbers and applies by month and by area specific performance factors and a global growth rate. The methodology was accepted by the members except for the following issues that were discussed and resolved during the meeting.

- Mr. Custer explained how the growth rate of 15.5% was calculated based on the last 3 years average growth rate. This growth rate will be applied evenly to all zones, even though not all zones had the same growth rate. Mr. Villalba disagree on using any growth rate on the SCRs to be conservative modeling this type of resources and that three years of growth were not sufficient data to forecast the SCRs behavior. After the discussions, the group agreed to use a 15% growth rate.
- The group also agreed that zonal performance factors should be applied to each of the zones. Initially the NYISO proposed to apply either the performance factors from the previous year audit results or the actual SCRs performance if they were called upon. This proposal was partially objected by Mr. Younger and Mr. Villalba who proposed to include also previous SCRs actual performances. After a discussion the members recognized that the SCRs response to a call change with new type of SCRs registered, and better enforcement of penalties through the years. Therefore, the members decided to use a weighted average for performance factors that will weight 2006 actual performance by 50%, the 2007 audit in 25%, and the 2008 audit in 25%. The NYISO will send the final calculations to the group.
- Mr. Younger informed the members that he noticed that the SCRs performance factors calculated by the NYISO have been measured referencing the assumed peak of the SCR load. This methodology leads to double counting SCRs when the SCR customer reduces its load to the agreed level when its load is less than his peak. For example, if an SCR customer has a 20 MW load and register for a 5 MW of SCRs then at the time of the SCR's call it will reduce its load to 15 MW. However if the SCR's load was not 20 MW at the time of the call but 17 MW, then the reduction would be only 3 MW instead of 5 MW. The NYISO reported that the ICAPWG is working in a new

methodology to measure the SCRs performance that uses a Customer Contribution to the peak (CBL) instead of the Average Peak Monthly Demand (APMD). This methodology will be soon adopted by the NYISO to enhance the SCRs performance factors measurement. Mr. Custer proposed as a solution to specify the load SCRs in the EOPs step as a percentage of the load and not as a total MW input. By using percentages the amount of effective SCRs will be lower in proportion to the peak load.

3.6. External Capacity

Mr. Franey reiterated his concern regarding the consistency of the policy and methodology employed to model external capacity sales to New York. He stated that the results presented by the NYISO that attempted to capture the impact of the assumed capacity sales in to New York external capacity were inconclusive and that this issue requires further investigation. He suggested continuing testing the impact of the external capacity and to perform a sensitivity analysis to measure the impact of external capacity in the 2009 IRM study. Mr. Franey accepted not adopting a change to the new modeling technique for the external ties because there will be no time to resolve this issue prior to the submission deadline of the assumption's matrix to the EC. Mr. Franey stated that resolving the treatment of external capacity sales in to New York should be a priority for next year. Mr. Dahl agreed.

3.7. Load Forecast Uncertainty

Mr. Arthur Maniaci observed that the curves submitted by Con Edison were wider than the curves from Long Island and NYCA furnished by the NYISO. He has preliminary results of his analysis that he would like to corroborate with LIPA and Con Edison. Mr. Maniaci said that he compared key parameters with Con Edison forecasting group and that there were no major discrepancies in the parameters he was using in his analysis; yet, he arrived to wider curves. Mr. Dahl suggested that this issues should be clarify at the NYISO's LFTF.

3.8. Transmission Topology

Mr. Dahl informed the group that he needed to talk with Mr. Bill Lamanna regarding a Long Island export limit shown in the topology that he couldn't understand in case that he requests later on to change this model assumption.

3.9. Transmission Transition Rates

Mr. Villalba reported to the group that the cable interface EFORD using the 5-year average is more volatile than the 10-year average and given that cables has less moving parts than generators and that fail less often then

a 10-year history gives a better representation of the cable system forced outage rates. Mr. Dahl argued that cables seem to fail often as generators do and that a 5-year history would have sufficient data for the calculation. Mr. Younger added to Mr. Dahl argument that the 5-year average also is in line with the EFORd rolling average used for generators.

3.10. Reserve Sharing

Mr. Dahl explained that there used to exist an old Canadian law mandating that Canadian regions had to share among them the excess resources before providing assistance to other pools, but this law does no longer exist; however, in the MARS model there was still a table that provided for this prioritization and that needed to be removed. This was the first time Mr. Adams, Mr. Villalba, and other members learned about this issue. Mr. Dahl will follow up with Mr. Phil Fedora.

4. Next Meeting

Meeting #91: September 3, 2008, 9:30am – 4:00pm.
Secretary: Carlos Villalba
