



**NYCA INSTALLED CAPACITY
REQUIREMENT FOR THE PERIOD MAY
2006 THROUGH APRIL 2007**

**ADDENDUM TO THE JANUARY 31, 2006
REPORT**

AND

JANUARY 31, 2006 REPORT

New York State Reliability Council, L.L.C.

May 3, 2006

Addendum

to the NYSRC Technical Study Report
“NYCA Installed Capacity Requirement
for the Period May 2006 through April 2007”

On January 31, 2006, the Executive Committee of the New York State Reliability Council (NYSRC) adopted an 18.0% New York Control Area (NYCA) Installed Reserve Margin (IRM) requirement for the Capability Year from May 1, 2006 through April 30, 2007. This decision was based on IRM study results in the NYSRC report, “*NYCA Installed Capacity Requirement for the Period May 2006 through April 2007*” (2006 IRM Report), dated January 31, 2006. The 2006 IRM Report follows this Addendum.

On March 10, 2006 the New York Independent System Operator (NYISO) informed the NYSRC that errors had been discovered in the General Electric Multi-Area Reliability Simulation (GE-MARS) data base for the above technical study that was relied on by the NYSRC for its adoption of the 18.0% IRM. The data base that was used to calculate the previous statewide IRM had incorrectly modeled locational operating reserves. This was caused by incorrectly applying on a zonal basis, emergency operating procedures -- resulting in a capacity shift from the New York City (NYC) and Long Island (LI) zones to Western New York zones.

The NYISO corrected these data base errors, reran the study, and provided the NYSRC with updated 2006-2007 IRM study results. The updated study also used the latest NYCA load forecast, which had been used by the NYISO in setting the original LCRs. All other study assumptions remain unchanged from those used in the 2006 IRM Study. Due to time and resource limitations, sensitivity cases were not prepared for the updated study.

The Unified Method as described under “Study Procedure” in the 2006 IRM Report was used to develop updated study results, which was the basis for curves in the attached Figure A. Figure A depicts the relationship between NYCA IRM Requirements and resource capacity in NYC and LI. The IRM Anchoring Method, also described under “Study Procedure”, provided TAN 45 anchor points on the Figure A curves from which the base case IRM was evaluated. The use of the corrected data base eliminated an understatement of downstate capacity which resulted in a change in the curves in Figure 2 of the January 31, 2006 report to the curves depicted in Figure A.

From these updated curves it was concluded that using the corrected data base, as well as the latest load forecast, results in the NYCA base case IRM requirement remaining at 18.0%. Although the TAN 45 anchor point remained at 18.0% IRM - the same as depicted on Figure 2 - the anchor point minimum LCRs were reduced to those shown in Figure A, as described below. On March 20, 2006, the NYSRC Executive Committee reaffirmed the 18.0% for the NYCA IRM for the 2006-2007 Capability Year.

As was the case with the IRM Study, the NYISO’s Locational Capacity Requirement (LCR) Study was rerun by the NYISO in March 2006 using the same updated data base and Unified and IRM Anchoring Methods as used for the IRM Study. The updated LCR study, approved by the NYISO Operating Committee on March 28, 2006, resulted in the lowering of the NYISO’s February 2006 LCR study results from 82.5% / 106.0% to 80.0% / 99.0% for New York City and Long Island, respectively. The updated NYISO LCR study is described in the NYISO report, “*Revised Locational Capacity Requirement*

Study Covering the NYCA for the 2006-2007 Capability Year", dated March 28, 2006
(This NYISO report can be found on the NYISO Web site, www.nyiso.com .)

Figure A
NYCA Locational ICAP Requirements vs.
Statewide ICAP Requirements
UDR Base Case

