

NYSRC Installed Capacity Subcommittee

Meeting #85

March 5th, 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 (Generating Owners).....	<input type="checkbox"/>	<input checked="" 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 (Generation Owners)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Rajee Mustafa (NYPA).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Rich Wright (CHG&E)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mrs. Patricia Caletka (NYSEG-RGE)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Madison Milhous (KeySpan)	<input type="checkbox"/>	<input type="checkbox"/>
Mrs. Jane Shin (Con Edison)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Cordeiro (Municipal Power Agency).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Han Huang (NYPA).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Chris Graphen (NYPA).....	<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 type="checkbox"/>	<input type="checkbox"/>
Mr. Greg Drake (NYISO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Ed Schrom (NYPSC).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Steve Keller (NYPSC)	<input type="checkbox"/>	<input type="checkbox"/>
Guests Present:		
Mr. Robert Boyle (NYPA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. John Charlton (NYISO)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Yuri Fishman (LIPA).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Phil Smith (Mirant).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Ciani (NYISO)	<input 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"/>
Glenn Haake (Generation Owners).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. John Pade (NYISO-Consultant).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Kelvin Chu (Con Edison).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Meeting Minutes

Meeting Minutes #84 - The committee members reviewed, commented on, and made some editorial revisions to the meeting minutes. During the minutes' review, the group discussed wind generation extensively. This will be discussed below.

Conference Call #36 – The committee added a few statements to reflect the NYISO's support for the methodology used to calculate the IRM from the IRM/LCR curve.

2. Action Items

2.1. Closed

84-5. Completed. Peter Carney updated the group regarding RGGI and HEDD. See details below.

2.2. New

85-1. NYISO will run the IRM/LCR point in MARS with and without the external capacity.

2.3. Revised

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

84-2 Forward IRM proposal - Mr. Adamson drafted a proposal and presented it to the group. Mr. Dahl and Mr. Mark Younger questioned the assumed capacity additions needed to calculate the 5-year-forward IRM.

84-4 Propose reliability tie-benefit methodology to the ISONE – Mr. Curt Dahl reported to the group his conversation with Mr. Peter Wong from ISONE in which he proposed to use a consultant like GE to perform the tie-benefit study. Mr. Dahl said that ISONE was receptive to using GE and the methodology used in the upstate/downstate study and that he will pass his proposition to the New England stakeholders. Mr. Dahl also reported that Mr. Wong was concerned about the cost of the study. The tie-benefit study methodology should be completed by June so that the ISONE filing is not delayed.

3. Wind Generation Sitting and Permit Process

Mrs. Erin Hogan explained to the group that the RPS process is mostly confidential and that the decision is made public only after the contract is awarded. Mr. Younger added that the NYSERDA also send a press release with the details of the award. Mr. Carlos Villalba asked if the RPS targets certain zones in the state for wind generation. Mr. Younger answered saying

that the RPS proposals does not target specific zones. Mr. Younger added that the challenge is to determine which projects that have won the contracts are likely to be built. In addition, there are other wind projects that will not go through the NYSERDA process and need to be monitored as well. Mr. Younger further said that the interconnection agreement is the last agreement that can assure the ICS that the wind farm will be built and included in the database. This agreement is between the TOs and the developer. The TOs must therefore be aware of when and/or whether these projects are close to completion. The group also briefly discussed the issuance of the DPS Certificate of Public Convenience and Necessity and concluded that the certificate was not a guarantee that a wind project will be built.

Mr. Younger asked the NYISO who in the NYISO was in charge of the short term interconnection. He suggested that having their input will be valuable since they are definitely a required step for the wind units interconnection.

4. LCR presentation

Mr. Greg Drake informed the group that the LCR report was presented to the NYISO Operating Committee on February 28th, 2008. Mr. Drake reported that given a 15% IRM, the lowest LCR possible for NYC and Long Island would have been 79% and 94%, respectively. However because of the release of the final ICAP load forecast and the recent announcement regarding the delay on the installation of the Millwood Cap Banks and its affects on the Cable Interface limit, the NYISO found that LCR of 80% for NYC and 94% for LI were needed to meet the LOLE criteria.

5. Upstate/Downstate study

Mr. Dahl started by reminding the group of its commitment to verify the Upstate/Downstate study calculations for the next three years. Mr. John Pade followed by describing GE's study methodology and then reviewed the study's preliminary results. For the second consecutive year, the Upstate/Downstate study demonstrated that the Downstate zones (J and K) have adequate resources when compared to the Upstate zones (A through I) after accounting for capacity purchase and delivery through the state's transmission system. Mr. Pade noted that these results are from the draft report, and that this report has not gone for the NYISO internal review. He also noted that this analysis will be performed for two more years as per the NYISO RAITF agreement in response to National Grid's complaint last year.

Mr. Pade also reported that the equal risk equilibrium contract was 4500 MW. This is 400 MW lower than last year's of 4900 MW and that the study's calculations were made with a 79% LCR for NYC and not 80%.

6. HEDD and RGGI

Mr. Peter Carney starting by saying that the main goal of his group was to feed the RNA with information about the environmental programs. Mr. Carney then proceeded to update the group on the Regional Greenhouse Gas Initiative (RGGI) and High Emissions Degree Day (HEDD) programs.

In reference to the RGGI program, Mr. Carney announced that the RGGI cap and trade program will start in 2009 and that there is a three year compliance period. This means that the plants will have three years to meet their total three-year emissions allowance.

Mr. Carney also reported that the New York State Department of Environmental Conservation (DEC) is considering other options to reduce NOx emissions to achieve the HEDD program goals. This program had proposed to restrict 541 MW of load pocket generation from NYC and Long Island during high demand days. Instead, the DEC is now proposing to target specific units to cap NOx emissions using a Reasonable Available Control Technology (RACT) known as the NOx RACT.

7. New England ISO summary

Mr. Vitale reported the key events of the last NE-PSPC meeting of the ISONE. In summary ISONE is still waiting for proposals on the methodology to calculate the Tie-Benefits. Mr. Curt said that ISONE is running out of time since the filing should be completed by July.

8. External capacity

Mr. Drake explained to the group how the amount of external capacity that is allowed to participate in the state's capacity market is calculated. The group methodology needs some clarification and next meeting, the ICS will analyze a MARS run to determine the validity of the NYISO's methodology as it was presented and whether or not there was an impingement on the LOLE when removing external ICAP assistance..

9. Policy 5 Refinement

Mr. Dahl will draft and circulate the polynomial approximation methodology to determine the TAN 45 so the group can discuss it next meeting. Mr. Adamson suggested making this methodology an appendix of Policy 5-1.

In addition, Mr. Dahl suggested to also including in the Policy 5-1 a methodology to treat wind units. Mr. Villalba proposed and briefly explained a methodology. Mr. Dahl asked if the NYISO could ask GE for a methodology to add this type of units.

10. Other

Mr. Jeremko presented the NYSRC roster and all members agreed with the format change.

11. Next Meeting

Meeting #86: April 2, 2008, 9:30am – 4:00pm.
Secretary: Carlos Villalba
