

# NYSRC Installed Capacity Subcommittee

Meeting #86

**April 2<sup>nd</sup>, 2008**

**9:30 a.m. – 2:00 p.m**

Meeting Minutes

**Attendees:**

	Present	Tel
<b>Members / Alternates:</b>		
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 checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Bart Franey (National Grid) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Steve Jeremko (NYSEG-RGE) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Mark Younger (Generation Owners) .....	<input 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 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 checked="" 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"/>
<b>Advisers/Non-member Participants:</b>		
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 checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Ed Schrom (NYPSC).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Steve Keller (NYPSC) .....	<input type="checkbox"/>	<input type="checkbox"/>
<b>Guests Present:</b>		
Mr. Phil Fedora (NPCC) .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. John Charlton (NYISO) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Bill Lamanna (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Glenn Haringa (GE) - Limited.....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Frank Francis (BEMI) .....	<input type="checkbox"/>	<input checked="" 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. Rich Felak (Athens).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. John Pade (NYISO-Consultant).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Kelvin Chu (Con Edison).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## 1. Meeting Minutes

Meeting Minutes #85 - The committee members reviewed, commented on, and made editorial revisions to the meeting minutes.

## 2. Action Items

### 2.1. Closed

**74-1.** Draft a procedure to determine the treatment of external capacity. Mr. Bart Franey proposed changing the modeling of external capacity in MARS. He suggested removing the reservation of transmission capacity for the external capacity contracts except in the case of grandfathered contracts.

Mr. Curt Dahl described Mr. Franey's proposal as overly optimistic regarding emergency assistance from the neighboring pools. He expressed concern that it could result in a low IRM, making NYCA too reliant on external emergency assistance. Mr. Carlos Villalba agreed with Mr. Dahl.

Mr. Villalba explained that his concern was due to loop flows. Loop flows could allow emergency assistance to be transferred from one neighboring pool to another, thereby loading up the internal NYCA transmission resources and over-estimating neighboring pool resources.

Mr. Franey responded that as long as the amount of resources modeled within the neighboring pools does not change and does not minimize the amount of emergency assistance, then there should not be more emergency assistance flowing into NYCA.

Mr. Mark Younger agreed with Mr. Franey's proposal, as long as the modification does not impinge on the LOLE. Mr. Younger proposed a test in which the external ties are not derated in order to determine the amount of imports without impacting emergency assistance.

Given that the amount of external capacity is increasing (from 2755 MW to 2840 MW according to Mr. John Charlton), Mr. Dahl was concerned that Mr. Franey's proposal suggested reducing these amounts to zero. Mr. Franey responded by noting that the modeling of external capacity should be indifferent to the market.

Mr. Franey suggested a sensitivity study to find out if the external capacity has any impingement on the LOLE.

**85-1.** Perform MARS runs without external capacity derates to determine if there is any impact in the NYCA LOLE

**84-3.** Policy 5 refined to include using polynomials to determine the TAN 45.

## **2.2. New**

**86-1.** List of RPS incentive program from NYPA.

**86-2.** Continue with the External Capacity discussion

**86-3.** Incremental or unsubscribed capacity from Ontario to use for the MISO wheel.

## **2.3. Revised**

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

**66-1.** Collapsing of EOP steps needs to be finalized before August as per Curt Dahl.

**84-7.** Determine a methodology to identify wind resources that will be interconnected by May of the IRM study year. This is a group investigation. Mr. Villalba explained that during the last meeting the direction was unclear. All members of the group agreed to investigate how to monitor the wind project progress by either looking at the interconnection agreements, purchase agreements for the interconnection, and Renewable Portfolio Standard (RPS) solicitations from NYSERDA.

The members discarded the idea of using the Interconnection Agreements (IA) as a guideline for wind units because the IA is usually one of the last steps to interconnection. The members agreed that the Transmission Owners (TOs) project managers have the best insight into the progress of these projects and the TOs agreed to update the group in their development.

Mr. Villalba proposed the use of agreements between wind generators and their local Transmission Owners (TOs) for the purchase of substation equipment required for interconnection.

Mrs. Erin Hogan then presented an RPS list to the group that she said the group could use as a guideline for determining whether or not a wind project will be interconnected. She explained that the main tier solicitations are interconnection projects that have the greatest financial incentives to build. She added that the NYISO has the universe of the database and what she is presenting just a subset of it. The projects entering into agreement with NYSERDA should complete their interconnections by the first day of January prior to the summer for which

they are contracted. However, these projects have the option to extend their in-service date, usually from January 1<sup>st</sup> to November 1<sup>st</sup>.

Mr. Curt Dahl and Mr. Mark Younger defined this task as a list of short-lead time projects. It should be assumed that these projects can be online within 9-10 months of completing the IRM Study assumptions.

Mr. John Adams and Mr. Clyde Custer indicated that the NYISO requires new Market Participants to fill out a registration package 60 days in advance of interconnection through their Customers Relations Department, however the registration is not an assurance that they will be online.

Mr. Dahl suggested adding the connecting TOs to the table. Mrs. Hogan replied saying that NYSERDA does not require having this information to sign the contract, but that she will add best information available to the table. Mr. Dahl and Mr. Villalba then recommended adding a place in the table for the TOs to update the status of wind projects as well.

NYPA and LIPA have their own incentive RPS programs; information from these programs will be added to the table Mrs. Hogan is creating.

Mr. Al Adamson suggested differentiating between those units that will definitely be connected and those units that might be connected later. He suggested performing a sensitivity analysis with this second group.

**84-1.** GE to review the sensitivity analysis methodology used in the IRM study. GE conclusion is that to better perform the sensitivities it is best to plot the entire IRM/LCR curves.

**85-2.** Wind units modeling. Currently the model uses the wind profile of 101 sites built by AWS for the NYSERDA wind study. Mr. Haringa recommended always using the same year wind profile to not lose the weather relationship between the load and the wind. Mr. Younger's main concerns were the unusual high performance of Maple Ridge during a summer peak day, and the diversity of the data used to model the wind units. Mr. Younger suggested obtaining and analyzing wind speed data from multiple sites from the Northeast to compare with the data the model is using. He also suggested analyzing the first peak days from a load duration curve with its respective wind data. Mr. Villalba asked Mr. Haringa if the wind units could be modeled using energy limited units in MARS. Mr. Haringa answered saying that modeling the wind units as energy limited would lose the relationship of their performance to the peak hours.

There was no definite conclusion after numerous discussions on the correlation between wind speed and peak load days.

### 3. Topology Update

Mr. Bill Lamanna updated the group by listing the changes from last year in the NYCA topology. The following are items of interest:

- Con Edison Mott Haven substation: The new substation and its impact on reliability and transfer limits have been studied already.
- The M29 feeder could be in-service until December 2010, therefore available for summer 2011.
- John Charlton announced during Bill Lamanna update that the Linden VFT may claim in August 1<sup>st</sup> to be eligible for UDRs as early as July 2009 for first 103 MW; therefore, the topology should be revised to reflect this change either for the basecase or the sensitivity.
- Mr. Lamanna noted that regardless of the outcome of the deliverability filing to FERC for the interconnections, the development in the market policy would not change at all, it will just add more information.
- New England Second Phase of the Southwest Connecticut loop. Mr. Lamanna is awaiting the results from conversations between LIPA and ISONE. This network update could have a positive impact on Long Island reliability by removing feeder 1385 unit dependency transfer limit for summer 2010. This network update is one of the most critical reinforcements to the New England ties.

### 4. Brookfield Energy Marketing Inc. Proposal (MISO Proposal)

The proposal from BEMI is to sell 20 MW of capacity into NYCA through Ontario Hydro (OH) from the Midwest ISO (MISO). According to BEMI, the transaction will not be curtailable through OH, and the generation will either be de-listed or de-committed from MISO. Either way, it will not be designated as a MISO resource.

Mr. John Charlton and Mr. Frank Francis explained that ICS should evaluate this proposal in order to determine the feasibility of the transaction and to find the appropriate limits on the external ties as specified in the ICAP rules (Section 2.7 [http://www.nyiso.com/public/webdocs/products/icap/icap\\_manual/icap\\_mnl.pdf](http://www.nyiso.com/public/webdocs/products/icap/icap_manual/icap_mnl.pdf)). According to Mr. Charlton this is the first proposal of its kind beyond the adjacent control areas that is reasonably close to fruition; not studying it will set a precedent resulting in the NYISO's denying this type of transaction in the future. Given that this is a small project, the members accepted the proposal to model it as a trial in order to learn how to model this type of proposal in the future. The study methodology may be updated in the future.

However, the ICS members were concerned about the firmness of the project's rights to transmit through MISO and OH. Mr. Francis noted that OH has already changed its rules once to allow a transaction from HQ to New

York through its system [Where is it?]. Mr. Younger was concerned with the distance over which the capacity will be delivered and that this capacity could be curtailed at anytime by any of the control areas through which it is to be wheeled. Mr. Francis said that in any ISO or control area, this energy will be curtailable for reliability reasons, as it states in the TLR ([http://www.ieso.ca/imoweb/pubs/systemOps/so\\_GridOpPolicies.doc](http://www.ieso.ca/imoweb/pubs/systemOps/so_GridOpPolicies.doc)). Several members, including Mr. Younger, expressed the same concern.

Mr. Villalba asked if there are existing contracts flowing from MISO to OH. He was concerned that there may not be excess capacity left on this 320 MW tie. Mr. Francis said that BEMI still needed to perform a deliverability test across the MISO/OH border.

Mr. Charlton informed the group that at the time there are 85 MW of capacity available between OH and NYISO remaining; therefore the question is whether or not 20 additional MW could come from MISO.

The ICS deferred this consideration for next meeting.

## **5. Forward Looking IRM**

Mr. Al Adamson reported that the scope of work was presented to the EC. The following are some of the issues discussed by the group:

- The forward looking IRM study would not start before 2009
- The NYSRC/NYISO agreement needs to be revised to reflect this new study.
- NYSRC Policy 5 needs to be revised and make changes as needed.
- Mr. Younger informed that all generators and at least two TOs will be pressing for mandatory implementation.

## **6. ISO New England Tie Benefits**

Mr. Dahl informed that he sent to ISO-NE another email proposing them to use the methodology that NYISO used to perform the Upstate/Downstate study. They responded that they will consult internally the proposal. The ICS members still concern with their model over relying on emergency assistance, not using the entire NYCA model with all the internal constraints, apparently modeling arbitrary assumptions for PJM, HQ, and Maritimes, and ISO-NE post processing calculations.

## **7. Assumptions Matrix**

The group reviewed each assumption from the matrix and the following are the discussions worth mention:

- Mr. Greg Drake proposed to derate the fossil units as well, he needs to further investigate the facts around the causes of derates.
- Mr. Haringa announced that he sent in January a new version of MARS version 2.90 that will mask proprietary information, use multiple computers processing, and a fix for the indexing of the units for the first replication.
- Mr. Adamson asked to Mr. Drake to add an assumption for the environmental matters, since RGGI will be in effect in 2009. Mrs. Hogan explained that there will be a 3 year compliance period to give the generators enough time to adjust or reduce their CO2 levels.

## **8. Policy 5 Update**

Mr. Adamson circulated a draft of the proposed changes on Policy 5. The document presented changes on environmental considerations and requirements that would impact NYCA reliability, clarifies how the EC will be considering sensitivity cases, and describes how the Tan 45 point was calculated based on the methodology used during the last IRM study.

The EC voting process will be updated by Paul Gioia. Mr. Dahl proposed to table the changes for next meeting when a new draft will be circulated.

## **9. Next Meeting**

Meeting #87: April 30, 2008, 9:30am – 4:00pm.  
*Secretary: Carlos Villalba*

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