

# NYSRC Installed Capacity Subcommittee

Meeting #100

June 2<sup>nd</sup>, 2009

9:30 a.m. – 3:30 p.m.

Meeting Minutes

Updated Minutes: 7/1/09

## Attendees

	Present	Tel
Members / Alternates:		
Mr. Curt Dahl (LIPA), Chairman .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Carlos Villalba (Con Edison) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Timothy Bush (Generation Owners).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Bart Franey (National Grid) .....	<input type="checkbox"/>	<input 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) Ruby Chan (filling in).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mrs. Patricia Caletka (NYSEG-RGE) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Madison Milhous (National Grid).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Ms. Hilary Goldman (Con Edison).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Kelvin Chu (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 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 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. Frank Ciani (NYISO) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Mr. Peter Carney (NYISO) .....  .....

Mr. Arthur Maniaci (NYISO).....  .....

Mr. Ed Schrom (NYPSC).....  .....

Guests Present:

Mr. Robert Boyle (NYPA) .....  .....

Mr. John Charlton (NYISO) .....  .....

Mr. Bill Lamanna (NYISO).....  .....

Mr. Frank Francis (BEMI) .....  .....

Mr. Clyde Custer (NYISO).....  .....

Ms. Erin Hogan (NYSERDA).....  .....

Mr. John Pade (NYISO-Consultant) .....  .....

Mariann Wilczek (NYISO) .....  .....

Mr. Sam Krueger (Dynergy, Inc.).....  .....

Mr. Alan Ackerman (Customized Energy Solutions .....  .....

Mr. Paul Gioia (NYSRC) .....  .....

Mr. Chris De Graffenried (NYPA) .....  .....

New Guests Present:

Dr. Roy Shanker .....  .....

Yannick Vennes (HQ).....  .....

Liam Baker (US Power Gen).....  .....

**1. Review Previous Meeting Minutes**

- 1.1. Meeting #99 minutes were reviewed and changes were made.
- 1.2. Secretary to circulate final version.

**2. Action Items – Updates**

99-5: Transmission Model

- 2010 base case completed – one with 50/50 load and another with 90/10 load level
- Cases sent to Con Edison to begin working on Lower Hudson Valley/Dunwoodie South voltage limit interface work and transmission topology.
- Bill Lamanna mentioned he needs similar work on the Western New York and Central East transmission limits.
- This study should be done by end of June.

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**78-1: PJM / New York Border Action item**

- Behind on 2013 analysis for interregional study work
- Bill Lamanna and Carlos Villalba to reach out to PSEG/PJM to capture potential limits from PJM east to zone J interface. Hoping that PSEG can share nomograms and interface limits.
- Carlos Villalba asked Bill Lamanna to send Carlos's proposal on how to divide PJM East into separate load pockets.
- ICS requested Bill Lamanna to circulate a draft of the transfer limit map before June 17<sup>th</sup> conference call.

**CONFERENCE CALL SCHEDULED TO TACKLE OUTSTANDING ACTION**

**ITEMS: June 17th 1:30 to 3:30 pm**

**3. Review of the Forward Capacity Market IRM study report**

- 3.1. Draft report on findings on FCM study.

**4. Preliminary discussion on Forecasted Wind for 2010 IRM Study**

- 4.1. Erin Hogan from NYSERDA presented a draft of the wind units to be considered in the 2010 IRM study.
- 4.2. Revisited procedure for screening processes for "likely" projects to include in 2010 IRM study.
- 4.3. The main concern is that wind units can be approved and built much quicker than thermal units; so it is important to know potential wind units or wind project proposals to get a good approximation of the wind capacity for 2010 IRM study.
- 4.4. Two years ago, IRM study didn't incorporate all wind units by relying on data from NYISO study queue – IRM underestimated how quickly wind units were getting built. Last year, used RPS because wind owners will be penalized if they don't get built on time.
- 4.5. Last NYSERDA solicitation for RPS was in 2007 – no new wind capacity has been added – some projects have been canceled, some have asked for an extension. Footnote 7 shows wind units that have been cancelled in spreadsheet.
- 4.6. Concern that we are missing units in NYISO queue. Erin asked group for feedback on how to best incorporate all "expected" wind units. ISO should check to make sure that all information is incorporated. John Adams should be consulted. We should also rely on information from TOs who would know about construction projects or plans.

**5. Increase in Ontario ICAP wheel**

5.1. Discussion on limit increase from Ontario ICAP wheel to HQ interface – tie from Ontario to HQ.

5.1.1. Yannick Vennes called in to discuss the Ontario – HQ wheel and interface limits.

5.1.2. Yannick Vennes (HQUS) brought a number of IRM Study-related issues for ICS consideration through an email to Curt Dahl on May 6, 2009 (see document in meeting materials). He would like the 2010-2011 IRM study assumptions to reflect the following:

5.1.2.1. ICAP import limit on Chateauguay: Yannick says the 2009-2010 IRM study considered that up to 1500 MW of imports were modelled through Chateauguay. In addition, the import rights study reduced the amount of ICAP that can be imported through Chateauguay/Cedars would be limited to 1095 MW, and the rest (beyond 1095 MW and up to 1500MW) would be considered tie benefits. Yannick says it is wrong to assume that much tie benefits, as no more than the first contingency limit (1200 MW) can be sunk in NY. Therefore, the IRM study should consider that the total of ICAP imports and tie benefits should be limited to 1200 MW as before the 2009-2010 IRM study, because doing otherwise may result in a first contingency criterion violation that has not been fully assessed at this time. Some participants indicate that no more than 1200 MW should be allowed to sink in NY in total (ICAP and tie benefits) and thus should be modelled in the IRM study.

5.1.2.2. Re-allocation of import rights across interfaces: The IRM study should allow for the reallocation of import rights across interfaces, not just for the unused HQ or NYSEG grandfathered rights, but for all available import rights. ICS members reply that this issue should be brought back to the ICAP-WG of the NYISO.

5.1.2.3. Treatment of the Cedars interface: Yannick understands that the 2009-2010 IRM study decided to aggregate the Cedars interface together with Chateauguay. He says this is wrong, and that this resulted in fewer MWs being offered in the NY ICAP market. He says Cedars is operated independently from Chateauguay, and should be treated independently, just like the Ontario wheels. ICS members refer to the MARS transmission map, where Cedars is modelled separately (separate “bubble”) in the MARS model. The aggregation (or disaggregation) of Cedars and Chateauguay for the purposes of the *import rights study* (as opposed to the *IRM study*) is an issue to be dealt with at the ICAP WG of the NYISO.

5.1.2.4. Ontario wheel: finally, Yannick says that the HQ-Ontario tie line will be upgraded from 350 MW to about 1250 MW in two steps: up to 600 MW on July 1st 2009 and to 1250 MW on May 1st 2010. He says that the transmission map used by the ICS in the MARS model should be updated

accordingly, so that if deliverability headroom becomes available in the future, wheels through Ontario can qualify.

5.1.3. Request that Bill work with counter parties from Ontario to find out if 2010 IRM transmission limits and incorporate them into the transmission topology study.

5.1.4. Mark breaks down this issue into 3 pieces:

5.1.4.1. STEP 1: NYISO need back up material from Ontario so they can back up what line changes are being done on HQ IMO interface and get that into the MARS model. ICS also needs to decide how we are going to model imports and grandfathered contracts and see whether FERC approves 1090 MW contract from HQ.

5.1.4.2. STEP 2: HQ needs to make formal proposal to NYISO and ICAP working group proposing a methodology for NYISO to take it's representation of the MARS IRM based allocation of ICAP between interfaces to be done in a manner that allows multiple layers of constraints to be represented – similar to how we came up with deliverability of short term import rights.

5.1.4.3. STEP 3: What are the requirements to bring in requirements through Ontario – transactions and import rights (qualification issue). Must have capability to wheel through Ontario or NYCA granted import rights from this increase in transmission limits in tie between HQ and Ontario.

5.1.4.4. Yannick agrees with Mark's 3 steps. Must provide topology and import levels to Bill prior to June 17<sup>th</sup> meeting.

## **6. 2010 IRM Study Assumptions**

6.1. SCR modeling methodologies:

6.1.1. Discussed two methodologies to determine amount of actual load reduction for SCR on the day when a SCR is called.

6.1.2. Study used August 2 2006 (last time we called SCR resources) as representative of the SCR performance.

6.1.3. Two methodologies were presented: Average Peak Monthly Demand (APMD) and Customer Baseline Load (CBL). The study showed that the CBL based estimate of load reduction received at the time of the call was approximately 70% (30% lower) than the APMD based estimate.

6.1.4. APMD Methodology:

6.1.4.1. APMD during 2006 was based on peak hour at any time during the day; however, ICAP rules were modified in 2007 that states that peak occurs between noon and 8 pm only. This rule change in place in 2006 may have reduced the APMD aggregate values and resulted in lower performance measurement.

6.1.5. CBL methodology:

6.1.5.1. CBL method is used to determine energy payment to SCR during event.

6.1.5.2. Looks at the last 10 days before the incident or event. Begin with the weekday two days prior to the demand response event and then look back ten weekdays. Using weather adjusted data; the baseline consumption is determined by five previous days with the highest energy consumption during time of SCR event.

6.1.5.3. Issue that these previous ten days may not be representative of peak load day when SCRs were called. Could underestimate SCRs actual load reduction.

6.1.6. Modeling of SCR for the 2010 IRM

6.1.7. . The subgroup that worked with the NYISO on the APMD/CBL NYISO study recommended that the load reduction that the NYISO will achieve from SCRs at the time of the call be set at a 20% discount to APMD determined availability ratings for the SCRs The 20% discount (rather than the 30% discount from the study) was proposed because the it appears that changes to the program since 2006 would have resulted in current APMD based levels being somewhat closer to the CBL based levels then they were in 2006.

6.1.8. CBL is less accurate because is relying more in the lower loads and also the extrapolation of the weather adjusting.

6.2. Loop Flow Analysis and External ICAP

6.2.1. Request that a curve (or a few points) be generated to validate tan 45 procedure for 2009 IRM with new loop flow (switched to N position) and external ICAP modeling changes (only grandfathered contracts considered).

6.2.2. Results of studies seem to be contradictory to what would be expected with change in IRM and LCR.

6.2.3. Also addressed that definition of grandfathered has changed due to deliverability filings and external ICAP filings. This needs to be determined for the 2010 base case. Suggestion to begin process assuming that grandfathered contracts of 1090 and 1080 are approved.

## 7. Next Meetings

July 1st, 2009 – Meeting#101

August 5, 009 – Meeting#102

September 2, 2009 – Meeting#103

September 30, 2009 – Meeting#104

November 4, 2009 – Meeting#105

November 30, 2009 – Meeting#106

Meeting #100: June 2nd, 2009, 9:30am – 4:00pm.

*Secretary:* Carlos Villalba (*Con Edison*)