

# NYSRC Installed Capacity Subcommittee

Meeting #109

**March 3rd, 2010**

**9:30 a.m. – 2:30 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. Kelvin Chu (Con Edison) .....                                    | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Ms. Hilary Goldman (Con Edison).....                                 | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Mr. Madison Milhous (National Grid).....                             | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Syed Ahmed – filling in for Mr. Bart Franey (National Grid)..... | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Mr. Steve Jeremko (NYSEG-RGE) .....                                  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Mrs. Patricia Caletka (NYSEG-RGE) .....                              | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Edward Gilroy (NYSEG-RGE) .....                                  | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Rajee Mustafa (NYPA) .....                                       | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Han Huang (NYPA) .....   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Mr. Glenn Haake (Dynegy, Inc. - Generation Owners).....              | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Harry Joscher (PSEG Power, LLC).....                             | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Mr. Chris Wentlent (AES-NY).....                                     | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Mark Younger (Slater Consulting - Generation Owners) .....       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Mr. Mark Cordeiro (Municipal Power Agency).....                      | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Robert Boyle (NYPA).....   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Mr. Rich Wright (CHG&E).....   | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Ms. Erin Plasse – filling in for Rich Wright (CHG&E).....            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Advisers/Non-member Participants:                                    |                                     |                                     |
| Mr. John Adams (NYISO) .....   | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Mr. Peter Carney (NYISO) .....                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Mr. Frank Ciani (NYISO).....   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

|   |                                     |       |                                     |
|---|-------------------------------------|-------|-------------------------------------|
| Mr. Clyde Custer (NYISO) .....                            | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Greg Drake (NYISO).....                               | <input checked="" type="checkbox"/> | ..... | <input type="checkbox"/>            |
| Mr. Bill Lamanna (NYISO) .....                            | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Ms.Tracy Landers (NYISO).....                             | <input checked="" type="checkbox"/> | ..... | <input type="checkbox"/>            |
| Ms. Mariann Wilczek (NYISO) .....                         | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Ms. Erin Hogan (NYSERDA) .....                            | <input checked="" type="checkbox"/> | ..... | <input type="checkbox"/>            |
| Mr. Ed Schrom (NYPSC) .....                               | <input type="checkbox"/>            | ..... | <input checked="" type="checkbox"/> |
| Mr. Glenn Haringa (GE Energy).....                        | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Gary Jordan (GE Energy).....                          | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Al Adamson (Consultant).....                          | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Frank Vitale (Consultant) .....                       | <input type="checkbox"/>            | ..... | <input checked="" type="checkbox"/> |
| Mr. John Pade (Consultant) .....                          | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Arthur Maniacchi (NYISO) .....                        | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Yannick Vennes (HQ).....                              | <input type="checkbox"/>            | ..... | <input checked="" type="checkbox"/> |
| Mr. Scott Leuthauser (Consultant for H.Q. Services) ..... | <input checked="" type="checkbox"/> | ..... | <input type="checkbox"/>            |

Guests Present:

|  |                                     |       |                                     |
|--|-------------------------------------|-------|-------------------------------------|
| Mr. Jim D'andrea (Transcanada) .....                 | <input checked="" type="checkbox"/> | ..... | <input type="checkbox"/>            |
| Mr. Sam Krueger (Dynergy, Inc.) .....                | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Alan Ackerman (Customized Energy Solutions)..... | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Paul Gioia (NYSRC) .....                         | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Chris De Graffenried (NYPA) .....                | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Dr. Roy Shanker .....                                | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Liam Baker (US Power Gen) .....                  | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Wes Yeomans (NYISO).....                         | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Ms. Kathune Zannat (LIPA) .....                      | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Will Dong (NYISO).....                           | <input type="checkbox"/>            | ..... | <input type="checkbox"/>            |
| Mr. Tougas (Con Edison).....                         | <input type="checkbox"/>            | ..... | <input checked="" type="checkbox"/> |

**1. Action Items**

**Closed**

- 98-4.** Frank Ciani discussed ot.09 file outputs with Hilary Goldman on loop flow analysis.

**Revised**

None

**New**

**109-1.** Mark Younger and Carlos Villalba to get out white paper in order to make formal recommendation to the EC on Policy 5.

**109-2.** Action item added for a sensitivity at the request of HQ with HQ-NE ties plus 300 MW energy wheel through NY from HQ-NY-NE and additional new topography

**2. Upstate/Downstate Study update**

2.1. To be discussed at next meeting.

**3. 2010 Workplan – Continued**

3.1. Capacity shift methodology (**Item 3a on agenda**) – review comments from ICS members (Con Ed, Mark Younger, NYISO)

3.1.1. Document to be circulated that show key points of using two different methodologies of removing capacity to NYCA zones.

3.1.1.1. One is policy 5 – requires removing generation out from zones that only have excess capacity

3.1.1.2. One is removing capacity from all zones proportionally to generation in upstate region

3.1.2. Examples circulated and shown on WebEx.

3.1.3. Shows that there is an impact on the long term reliability of our system by how the ICS decides where generation is removed to get to 0.1 – could result in different excess capacity from the reserve margin required and shows variations in deficient zones depending on where generation is removed.

3.1.4. Mark Younger and Carlos Villalba to get out white paper in order to make formal recommendation to the EC on Policy 5.

3.2. High level presentation on environmental impact and timing of different regulations and overview of January DEC meeting (Pete Carney). (**Item 3b on agenda**)

3.2.1. Went over high level environmental presentation provided to ICS committee discussing markets and cleaner energy, NYISO planning

- process, RGGI update, multitude of environmental initiatives, and renewable portfolio standards
- 3.2.2. Shows state-wide heat rates of power plants is decreasing as well as the plant emission rates
  - 3.2.3. Excess RGGI allowances in the market
  - 3.2.4. NYISO planning process
    - 3.2.4.1. Reliability planning study goes into the RNA, then the request for solutions, to the reliability plan. From there economic planning comes into the picture – where a congestion study and review of specific proposals is conducted.
  - 3.2.5. Presentation highlighted that forecasting demand is no longer just economically driven growth rates. The policies such as 45 x 15 and NYSPSC Energy Efficiency Portfolio Standard proceedings and NYSERDA programs must be incorporated into the demand forecast
  - 3.2.6. RNA incorporated environmental modeling risks such as failure to implement EEPS, NoxRACT without flexibility, and high CO2 allowance prices
  - 3.2.7. Congestion study identified three areas where congestion is highest on a present value basis – Leeds Pleasant Valley, Central East, and West Central.
  - 3.2.8. Congestion and fuel price relationship discussed
    - 3.2.8.1. Statement that there is a strong positive correlation between congestion values and fuel prices
    - 3.2.8.2. Price of natural gas correlates with congestion prices.
    - 3.2.8.3. Statement that if fuel were free, there would be no congestion costs, although there would be constraints.
  - 3.2.9. Generic solutions were examined to address constraints and load growth issues
    - 3.2.9.1. Transmission line solution – building a new 345 kV transmission line rated at 1,000 MVA connecting upstream and downstream.
    - 3.2.9.2. Generation solution consists of building a new 500 MW combined cycle plant connected downstream of congested element
    - 3.2.9.3. Demand response solution consists of installing 100 MW of energy efficiency and 100 MW of demand response in zone located downstream of congested element

- 3.2.10. Presentation showed that the highest savings in production costs would be achieved if the Leeds to Pleasant valley constraint was mitigated.
- 3.2.11. Projected aggregate changes in NYCA emissions from reducing congestion (CO<sub>2</sub>, SO<sub>2</sub>, and NO<sub>x</sub> changes/impacts) were shown in the presentation.
- 3.2.12. RGGI update was reviewed
  - 3.2.12.1. Raised a half a billion dollars in the states involved for allowances sold to date. As a consequence, emissions have gone down.
  - 3.2.12.2. Large surplus of RGGI allowances has caused prices to go down – 2008 Q4 was around \$6.00/allowance and it's projected to go for less than \$2/allowance in the next auction (in a weeks time).
- 3.2.13. Environmental initiatives planned to arrive by 2015 – outlined in presentations, including: Best Available Retrofit Technology, Reasonably available control technology for NO<sub>x</sub> emission, Maximum achievable control technology for hazardous air pollutants Hg, Best Technology Available for water intake, New Source Performance Standard CO<sub>2</sub>, Low Carbon Fuel Standard, National Ambient Air Quality Standards for NO<sub>2</sub>, SO<sub>2</sub>, and Ozone.
- 3.2.14. EPA lower ozone standards being revised – will classify many more states as non-containment areas.
- 3.3. ICAP/UCAP IRM Study Section (**Item 3c on agenda**).
  - 3.3.1. Not covered

#### **4. MARS Database “Information Use Agreement”**

- 4.1. Contracts must be masked by GE and then the database will be released to those parties who signed the information use/confidentiality agreement.

#### **5. NYS Energy Plan**

- 5.1. Tracy Landers showed presentation on WebEx.
- 5.2. The NYS Energy Plan RNA reference case assumed 5000 MW of added capacity/repowering and 1300 MW of retirements by 2018 beyond what was included in the NYISO 2009 RNA. The NYS Energy Plan 15 x 15 reference case assumed 4500 MW of added capacity/repowering and 2300 MW of retirements by 2018 beyond what was included in the NYISO RNA. Wind is approximately 3600 MW of the repowering for both cases.

- 5.3. The NYS Energy Plan RNA reference case utilized the load forecast used in the NYISO 2009 RNA base case which assumed that approximately 30% of the EEPS would be achieved. The NYS Energy Plan 15 x 15 reference case used a load forecast assuming that the full 15 x 15 EEPS is achieved.
- 5.4. No LOLE violations are observed for the two reference cases;—However, if the full 15 x 15 EEPS is not achieved, an LOLE violation may occur for the NYS Energy Plan 15 x 15 reference case.
- 5.5. An upstate nuclear scenario using both the RNA load forecast and the 15 x 15 load forecast was also completed. The upstate nuclear scenario included an additional 1600 MW of nuclear capacity in 2018 located upstate and 2500 MW of retirements beyond what was included in the NYSIO 2009 RNA. An LOLE violation of 0.276 would occur in 2018 for the RNA load case. No LOLE violations would occur over the study period for the 15 x 15 load case.
- 5.6. A 30% RPS scenario using the RNA load forecast was completed. This scenario is similar to the upstate nuclear scenario except that only 1900 MW of retirement is included and an additional 3600MW of wind was added. No LOLE violations occurred over the study period for this case.

## **6. Next Meetings**

- 6.1. Meeting 110 – Wednesday March 31<sup>st</sup>
- 6.2. Meeting 111- Tuesday May 4<sup>th</sup>
- 6.3. Meeting 112, Tuesday June 1<sup>st</sup>

Meeting #109 – Minutes from March 3rd, 2010, 9:30am – 2:30pm.

Secretary: Carlos Villalba

Reported by: Hilary J. Goldman

*(Con Edison)*

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