

# NYSRC Installed Capacity Subcommittee

Meeting #111

**May 4th, 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"/>
Mr. Madison Milhous (National Grid).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Syed Ahmed – filling in for Mr. Bart Franey (National Grid).....	<input checked="" type="checkbox"/>	<input 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 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 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Ciani (NYISO).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Clyde Custer (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>

- Mr. Greg Drake (NYISO).....  .....
- Mr. Bill Lamanna (NYISO) .....  .....
- Ms. Tracy Landers (NYISO).....  .....
- Ms. Mariann Wilczek (NYISO) .....  .....
- Ms. Erin Hogan (NYSERDA) .....  .....
- Mr. Ed Schrom (NYPSC) .....  .....
- Mr. Glenn Haringa (GE Energy).....  .....
- Mr. Gary Jordan (GE Energy) .....  .....
- Mr. Al Adamson (Consultant).....  .....
- Mr. Frank Vitale (Consultant) .....  .....
- Mr. John Pade (Consultant) .....  .....
- Mr. Arthur Maniaci (NYISO) .....  .....
- Mr. Yannick Vennes (HQ) .....  .....
- Mr. Scott Leuthauser (Consultant for H.Q. Services) .....  .....

Guests Present:

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

**1. Action Items**

**Revised**

**108-1.** Mark Younger requested that Wes Yeomans or the NYISO clarify the NYISO's obligation for how capacity exports and capacity wheels be represented in planning as expressed in the inter-pool agreements.

**110-5.** During the assumption matrix discussions about the FOR of generating units, the NYISO indicated that is in the process of putting together a white

paper to show how this variable is calculated. The NYISO also indicated that they use FOR for the MARS model instead of the EFORD used for market purposes.

### **New**

**111-1.** Carlos Villalba will look into a correlation between peak days and cloudiness factors. Currently the average on-peak capacity factor for solar is 65%, however the solar contribution to reliability might be higher.

**111-2.** Peter Carney was assigned to present to the members the forecast of retirements if any in 2011 due to environmental initiatives and a forecast beyond 2011 for a sensitivity analysis.

**111-3.** Dave Lawrence was assigned to present to the ICS the SCR forecast for 2011 and the difference in methodologies between the gold book forecast and the 2010 IRM study forecast. Mark Younger suggested that the projected growth rate in SCRs be determined by looking at the increase in the ICAP value of the SCRs and that the performance factor then be applied to the resulting forecast SCR ICAP level. He noted that in past years we have calculated the growth rate based on the growth in the UCAP level of SCRs and that this could result in changes in the UCAP ratings for different years affecting the estimated growth rate.

## **2. Administrative**

The June 30<sup>th</sup> meeting was moved to June 23<sup>rd</sup> at 15 Columbus Circle.

## **3. Assumption Matrix**

### **3.1. Load**

**3.1.1.** ICS members questioned why ISONE was using a 2006 load shape while New York continues to use the 2002 load shape. During the meeting ICS review a presentation from 2007 that presented a comparison between the 2002 and the 2006 load shapes. The ICS at the time concluded that for NYCA it was more conservative to use the 2002 load shape since ROS and the localities had more CDD than the 2006 experience.

### **3.2. Generation**

**3.2.1.** The ICS agreed to use as maximum capacity of the units for the 2011 IRM study the minimum of the CRIS and the DMNC values.

3.2.2. A discussion on solar capacity contribution at time of the system peak resulted in an action item 111-1.

3.2.3. The NYISO indicated that there might be an 80 MW unit retirement, which name cannot be disclosed as of yet.

### 3.3. Transmission

3.3.1. Curt Dahl communicated to ICS a concern from the Chairman of NYISO's Reactive Power Working Group about whether or not the interface transfer limits used in MARS were dynamically changing to lower values as higher loads were evaluated during the LOLE MARS calculation. Bill Lamanna will investigate if there is a significant change since he calculate the limits with a 90/10 forecast. In case that there is a significant change then ICS will have to ask GE how to model the NYCA interfaces to reflect such limitation.

3.3.2. LIPA announced that is planning to increase the NUSCO cable from 286 MW to 429 MW. New transition rates will reflect total outages based on 429 MW of their new cable capacity.

## 4. Upstate/Downstate

The NYISO reported the results of the last Upstate/Downstate study mandated by FERC. The new results were consistent with previous years and there is no indication that upstate New York consumers were subsidizing downstate consumers. The presentation showed that equal risk equilibrium was reached when 4500 MW of contracts were transfer from upstate to downstate and that the reserve margin setting was 500 MW long at 5000 MW.

NYISO will produce a report on the findings of the upstate/downstate study.

## 5. Proportional Methodology

The proposed methodology white paper was circulated prior to the meeting. National Grid and NYPA had a concern regarding the methodology and its relationship to the capacity market and the potential statewide IRM increase. It is also mentioned that the proposed methodology aims to provide market signals for ICAP market without necessarily addressing the issue of bottled generation. The following are some of the arguments and concerns from the various ICS members and the NYISO:

- Whether or not this methodology was created to solve deliverability issues.

During the discussion it was clear that the IRM MARS model does not model

deliverability, but takes into account whether or not areas have bottled generation (i.e. VFT model).

- Some members believe that retirements will occur in the zones with excess generation first because they don't generate as much energy. For bottled generation, the retirement may increase the statewide IRM figure. Other members believe that retirements can occur anywhere in the state. In fact, there are units that are at risk of retirement in the LHV due to environmental initiatives of water related issues. The conclusion is that retirements and additions could occur anywhere in NYCA, therefore the Proportional Methodology fits conservatively this uncertainty.
- Other members thought that the proposed methodology removes only generation from the LHV, when the Proportional Methodology removes generation non-discriminatorily from all the zones.
- Another member believes that the methodology penalizes with a higher IRM zones A and I equally and does not minimize the capacity cost for NYCA.
- There were discussions about decision making factors of companies on the location of additions and retirements in conclusion these two could occur anywhere in the system.
- Some members also highlighted that if IRM study is only performed year ahead. The retirement in most of cases for year ahead will be already known. The current policy 5 is adequate to deal with short tem (year ahead) uncertainty.

The direction from the Executive Committee was to explore the Proportional Methodology so that arriving to the reliability criteria of a LOLE of 0.1 days/year was not by removing non-conservatively generation from the NYCA, thus compromising reliability.

The ICS members requested NYISO to test the proposed methodology using it to calculate the IRM/LCR curve to determine the impact on State wide IRM.

Secretary: Carlos Villalba

*(Con Edison)*

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