

# NYSRC Installed Capacity Subcommittee

Meeting #115

August 31<sup>st</sup>, 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 type="checkbox"/>
Mr. Madison Milhous (National Grid).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Syed Ahmed – (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 checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Peter Carney (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Ciani (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Dave Lawrence (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"/>
Mrs. Kathy Whitaker (NYISO) .....	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Frank Vitale (Consultant) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Arthur Maniacci (NYISO) .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Yannick Vennes (HQ).....	<input type="checkbox"/>	<input 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 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 checked="" 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. Phil Phedora (US Power Gen).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Wes Yeomans (NYISO).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Ms. Kathune Zannat (LIPA) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Arvind Jaggi (NYISO) .....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Dean Ellis (Dynergy).....	<input type="checkbox"/>	<input type="checkbox"/>

**1. Incremental IRM Impact Table**

Mr. Greg Drake reported the IRM impact of selected assumption changes in the MARS model from last year like load, units forced outage rates, total capacity, non-SCRs EOPs, and SCRs. All impacts were analyzed by the group and found the trend reasonable. These impacts will be recalculated when the 2011-2012 load forecast is released.

## **2. SCR Report Update**

Mr. Wes Yeomans reported that the NYISO has launched an internal investigation and a better understanding of similar neighbors' programs. Mr. Yeomans stated that comparison with neighboring pools is somewhat difficult because the different parameters they evaluate and the goals of these programs. He also explained that in order to start the study the NYISO will need to have cleared the methodology for calculating the baseline. Mr. Yeomans continue saying that the calculation methodology of the baseline is to be discussed by the ICAPWG on September 16<sup>th</sup>.

Mr. Curt Dahl asked the NYISO if SCRs providers are aware of their required average performance at minimum reserve margins of 18 times per year. The NYISO requested a delay in the start of the study to which the ICS conceded 2 months.

## **3. Another Round of Wheeling Transactions**

Mr. Yeomans started the discussion clarifying that the extreme situation of having New England and New York short of capacity at the same time is even more remote in the DAM market than in the RT market. Mr. Mark Younger asked Mr. Yeomans for an example in which a transaction from HQ to NE is denied in the DAM. Mr. Yeomans answered that according to the tariff there is no instance in which such transaction could be denied from being scheduled as long as congestion is paid. Mr. Carlos Villalba asked a hypothetical example that if southeast NY was short of capacity by 300 MW in the DAM and the NYCA had plenty of excess generation upstate to fulfill those 300 MW, will the NYISO schedule the HQ-ISONNE wheel of 300 MW through the interfaces. Mr. Yeomans said that this was a matter of which market participant was willing to pay more congestion, Mr. Younger commented that because the LSEs send only Price Cap Load Bids (PCLB) for their loads then it is most likely that the HQ-ISONNE transaction will take place before the 300 MW load is fulfill in southeast NY.

Mr. Dahl initially suggested that this discussion should be taken to another forum where these issues are being discussed extensively and where the TOs have

expressed their disagreement with the NYISO, however he recommended having have these discussions separately and bring a resolution for the next meeting.

Mr. Yeomans also explained that if the LSEs don't use PCLB then the interface will be overloaded in 300 MW triggering the curtailment of the wheel by operations. Mr. Villalba brought to everyone's attention that last year's hypothetical examples have change and this issue needs to be review.

#### **4. Policy 5**

Mr. Al Adamson led the group in the discussion and review of all changes in Policy 5. The group approved the majority of the changes with some edits and minor changes. The following changes and additions are pending:

- 4.1. Load Forecast Uncertainty: Mr. Arthur Maniaci said that in general he agrees with the jointly developed methodology. Mr. Maniaci would like to create a version of this methodology that is less rigid and leaves some freedom to the analyst performing such calculations.
- 4.2. Topology: Mr. Dahl suggested that since the topology document is very important and affects multiple NYISO studies it should be developed in conjunction with the appropriate transmission planning NYISO committee like TPAS. Mr. Lamanna reported on this issue that internally the NYISO is working towards developing a committee review process.
- 4.3. Proxy EFORd data: Mr. Carlos Villalba suggested adding the detail calculation of the proxy data procedure in the Policy 5 appendix. Mr. Drake recommended to use the procedure described in the meeting minutes #114.
- 4.4. SCRs performance: Mr. Villalba reminded the group that regardless of the methodology used to calculate the performance of SCRs, the performance should be calculated using a weighted factor like the one the group agreed to during meeting #90 and describe as follows in this excerpt:

*“The group also agreed that zonal performance factors should be applied to each of the zones. Initially the NYISO proposed to apply either the performance factors from the previous year audit results or the actual SCRs performance if they were called upon. This proposal was partially objected by Mr. Younger and Mr. Villalba who proposed to include also previous SCRs actual performances.*”

*After a discussion the members recognized that the SCRs response to a call change with new type of SCRs registered, and better enforcement of penalties through the years. Therefore, the members decided to use a weighted average for performance factors that will weight 2006 actual performance by 50%, the 2007 audit in 25%, and the 2008 audit in 25%. The NYISO will send the final calculations to the group.”*

4.5. Outside World: Mr. Dahl suggested describing in Policy 5 the exclusion of the neighboring pools EOPs in the model. Mr. Villalba expressed his concern with the IRM assumptions on neighboring pools deviating further from the RNA ones. Mr. Villalba also pointed out that this modeling assumption is inconsistent with the neighboring pools agreements in which they expectedly will exercise EOPs during a neighbor emergency event such pool had already exercised its EOPs. Mr. Dahl affirmed that the IRM model has not considered the EOPs in the past and he would like to describe this assumption in Policy 5. It was generally admitted by the members the existence of the operating procedures describing the EOPs called by a neighboring pool, but it was agreed that for conservatism the neighboring pools' EOPs will not be modeled in the IRM MARS model nevertheless.

## **5. Assumptions Matrix**

Mr. Drake explained the differences between the Attachment C and C-1 of the Assumption Matrix Document. He confirmed that the two graphs were build using different amount of generation assumptions; Attachment C-1 includes generation already retired and Attachment C does not. Other than this difference the graphs are built based on accurate forced outage rates from the NYCA units. The group concluded that footnotes explaining the assumptions for each graph in regards to the status of units used for the calculation, and the fact that the only thermal units were considered while hydro, pump storage, run-of-river were excluded, and others were excluded.

## **6. Sensitivity analyses**

The members created the list of sensitivities that will be presented to the next EC meeting for their first review.

## **7. Action Items**

**Closed**

102-2: ICS recommendation that the TOs and NYISO work with LFTF to develop a collaboratively acceptable LFU methodology and finalized model for future studies. The finalized model and methodology will then be presented collaboratively to the ICS for future year studies and Policy 5.

107-1: Discuss revisions to Policy 5 to ICS. Shifting methodology, LFU methodology, GADS procedure, EFORD true-up, SCR forecast methodology, and proportional methodology.

108-8a: See item 102-5

109-2 and 113-1: Included in sensitivity analyses

111-1: A capacity factor of 65% was found to be a good correlation for solar tracking, without tracking the capacity factor could be as low as 30% during the peak.

111-3: See assumptions matrix.

112-5: See item 102-5

113-2: Part of Policy 5 revision

113-4: The NYISO confirmed at the meeting that the suspect data anomalies did not extend beyond 2009.

113-5: Reviewed by Con Edison.

113-6: See item 102-5.

### **Revised**

102-5: NYISO to send shifting spreadsheet for member's review and perform the calculation by only using this methodology. New item 108-8a was closed

111-2: Need to either copy the RNA environmental assessment section or Peter Carney to send environmental write up for the report.

### **New**

115-1: NYISO to create a multiple state transition rate model for the SCS II unit with a 4.4 EFORD.

Secretary: Carlos Villalba

*(Con Edison)*

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