

NYSRC Installed Capacity Subcommittee

Meeting #137

June 27th, 2012

9:30 a.m. – 3:30 p.m.

Meeting Minutes

Attendees

	Present	Tel
Members / Alternates:		
Mr. Curt Dahl (LIPA)	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Polina Adelson (LIPA)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Yuri Fishman (LIPA)	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Kathune Zannat (LIPA)	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Erin Plasse (CHG&E).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Rich Wright (CHG&E).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Kelvin Chu (Con Edison)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Gregory Chu (Con Edison), Secretary	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Syed Ahmed (National Grid).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Bart Franey (National Grid).....	<input type="checkbox"/>	<input type="checkbox"/>
Mrs. Patricia Caletka (NYSEG-RGE)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Edward Gilroy (NYSEG-RGE)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Steve Jeremko (NYSEG-RGE)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Robert Boyle (NYPA), Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Andrea Fossa (NYPA)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mr. Bradley Kranz (NRG Energy, Inc.).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Chris LaRoe (IPPNY).....	<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. Michael Mager (Couch White, LLP), EC Chairman	<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).....
- Mr. Dave Lawrence (NYISO)
- Mr. Greg Drake (NYISO).....
- Mr. Bill Lamanna (NYISO)
- Mrs. Kathy Whitaker (NYISO)
- Ms. Mariann Wilczek (NYISO)
- Ms. Erin Hogan (NYSERDA)
- Mr. Ed Schrom (NYPSC)
- Mr. Glenn Haringa (GE Energy).....
- Mr. Al Adamson (Consultant).....
- Mr. Frank Vitale (Consultant)
- Mr. Arthur Maniaci (NYISO)
- Mr. Yannick Vennes (HQ).....
- Mr. Scott Leuthauser (Consultant for H.Q. Services)
- Mr. Henry Chao (NYISO)
- Mr. Howard Tarler (NYISO)
- Mr. Wes Yeomans (NYISO).....
- Mr. Paul Gioia (NYSRC)
- Mr. Dana Walters (NYISO)
- Ms. Donna Pratt (NYISO)
- Mr. David Allen (NYISO).....

Guests Present:

- Mr. Charlie Shafer (AES)
- Mr. Dean Ellis (Dynergy).....
- Mr. Jim D'andrea (Transcanada)
- Mr. Alan Ackerman (Customized Energy Solutions).....
- Dr. Roy Shanker
- Mr. Phil Fedora (NPCC).....
- Mr. Arvind Jaggi (NYISO)
- Mr. Frank Francis (Brookfield).....
- Mr. Tom Patrit (EPS)
- Mr. Ruben Brown (The E Cubed Co.)
- Mr. John Dalwin.....

Mr. Richard Quimby.....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Randy Wyett (NYISO).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. John Dowling (Luthin Associates).....	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Glenn Haake (Haake Energy Consulting LLC).....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Matt Renninger (Energy Curtailment Specialist)	<input type="checkbox"/>	<input type="checkbox"/>
Ms. Kathy Slusher (SUNY)	<input type="checkbox"/>	<input type="checkbox"/>
Mr. Nicholas Occhionero (NYPSC)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mr. Timothy G. Lundin (Customized Energy Solutions).....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

1. A written report to the Executive Committee on EFORD/ APA transition rate

Mark Younger (Slaters Consulting) stated that neither of the report to the Executive Committee nor the white paper indicated the associated IRM/LCR changes with the APA methodology implemented. The NYISO would modify the papers to include those.

Al Adamson (NYSRC Consultant) asked if Ron Fluegge replied to the Con Edison requests that went unanswered. Gregory Chu (Con Edison) said that Mr. Fluegge did not respond to the request. Gregory Drake (NYISO) stated that he has spoken to Mr. Fluegge separately and Mr. Fluegge mentioned that he wrote a portal for which the New England generators submit their GADS data through. That software does not compute EFORD. Mr. Chu stated that the email conversation between Mr. Fluegge and Dr. Kelvin Chu (Con Edison) seemed to indicate that a New England code can be used to calculate an EFORD, with Con Edison providing actual calculation methods to Mr. Fluegge and received no additional responses. Mr. Chu also mentioned that Con Edison asked the NYISO to provide the EFORD comparison chart by unit size groupings, but did not receive a response. Glenn Haake (Haake Energy Consulting) mentioned that the EC may ask if Con Edison has approached Mr. Fluegge again. Mr. Chu said that Con Edison will check with Mr. Fluegge again on this matter. Dana Walters (NYISO) recommended the report to state “additional analysis is not answered at the date of this report”

2. NYISO's Recommendation for the Treatment of SCRs in the IRM Study

Donna Pratt (NYISO) presented at the ICS on the recommended SCR treatment. Ms. Pratt recommended that if the ICS decided to use ACL method for capacity performance measurement, the NYISO suggests keeping the translation factor at 0.95. If on the other hand, the ICS decided that CBL would be a better measurement, then the performance should be based on the best 4 hours of response, with the performance factor removed for CBL.

On the slide that described the performance basis option, Ms. Pratt mentioned that the best 4 hours were selected based on the individual customers, rather than the aggregate. Chairman Bob Boyle (NYPA) voiced concerned over this method because we can't assume all participants will perform their best 4 hours at the same time period. Mr. Younger stated that this is the same concern he had. From the reliability point of view, Mr. Younger think aggregate response is the more important measurement, not individual best 4 hours. Ms. Pratt further clarified that what Mr. Younger is looking for is not "aggregate", but rather super zone "coincident" 4 hour performance.

Frank Vitale (NYSRC Consultant) asked if the translation factor addressed this issue. Ms. Pratt answered that the translation factor just takes the ACL values and changes it to CBL.

Ms. Pratt also stated that the Effective Capacity Value (ECV) derived from the SCR Study by GE is 0.95 and should be applied to the SCRs, regardless if ACL or CBL is used. Scott Leuthauser (HQUS) asked if this ECV is the same as translation factor, and Ms. Pratt said no. This is in addition to the translation factor if ACL is used.

The NYISO also recommended a Fatigue Factor of 0.95 to apply to the SCRs to account for multiple event calls. Mr. Leuthauser wondered if the 8 calls/month assumption listed here for a sensitivity case meant all or nothing on the 9th call. Mr. Younger stated that even though the limit is 8 calls/month/zone, if NYC

exhausted 8 calls in that month, other zones can provide assistance if they have not yet experienced 8 calls or more.

Chairman Boyle questioned why the translation factor is needed in the first place since ACL is the NYISO's preferred method of performance calculation. Ms. Pratt answered that the NYISO has been looking at the methodology and has decided that a small reduction is appropriate. The NYISO will drop the translation factor if CBL is adopted instead of ACL.

Mr. Haake asked about the validity of the fatigue factor and Ms. Pratt said that there's no empirical evidence for the 0.95. Ruben Brown (E Cubed Company) was also concerned about using the value. Chairman Boyle felt that there must be some drop off in their response if enough calls were made, and thus a value is needed to account for this. Ms. Pratt emphasized that the ECV chart seemed to represent the phenomenon of more calls equal more response, but this misconception isn't true. ECV is not the same as persistence. Mr. Haake's concern was that people from the market side may look at the reliability results and change the market rule based on the unsupported fatigue value.

In the end, the NYISO recommended ACL based calculation with translation factor, ECV, and fatigue factor reduction.

Mr. Haake wondered why the NYISO is presenting a different SCR registration from the Operating Committee (2195 MW). Ms. Pratt said that the enrollment for this year was not available yet at the time of this presentation. Operating Committee used last year's SCR enrollment values.

Chairman Boyle asked for a quick vote on the SCR method. 5 of the 7 ICS voting members supported the NYISO recommendation of using ACL with translation factor, ECV, and fatigue factor. 2 members preferred CBL method instead.

Ms. Pratt mentioned that Mr. Younger's material from June 2nd should be forwarded to the EC along with the study report/presentation.

3. Load Forecast Uncertainty

Arthur Maniaci (NYISO) presented Load Forecast Uncertainty for each of the zones. Chairman Boyle asked if the LFU values here were vetted by each of the transmission owners, and Mr. Maniaci confirmed.

Mr. Maniaci reminded everyone that unlike the other zones, Con Edison has employed a 1-in-3 criteria for zone H through J, as opposed to the 1-in-2 criteria used by the others.

Mr. Maniaci pointed out that New York City has less of a delta between the extreme and medium bin. Mr. Younger asked if this has anything to do with the numerous office building and the air conditioning they require, which would appear to be less dependent on weather factors. Mr. Maniaci believed that the small delta was simply because of the property of the area and how quickly the City reached the full load conditions.

The LFU distribution histogram showed, as pointed out by Mr. Younger, the upstate zones A-G is approximately the same as zone K Long Island this year.

Mr. Maniaci also pointed out that the highest and lowest bins for 2013 when compared with 2012 was about the same. The slight increase in the highest bin is attributed to a hotter summer year to year. Mr. Adamson asked the NYISO to illustrate why they expect the IRM to increase given that year to year change is small. Mr. Drake stated that the higher IRM can be attributed to the wider spread of the distribution, meaning there is more uncertainty.

Mr. Maniaci showed LIPA's weather response function they've accounted for some saturation at higher bin, even though they've used a linear response.

Mr. Maniaci also stated that Con Edison followed a different approach and methodology that was jointly agreed upon in 2008 between Con Edison and the NYISO. Unlike LIPA that used only 1 year of data for LFU, Con Edison used per

unitized multi-year data to generate the weather response curve. He also described that load increased slowly at the higher TVs, which is a sign of saturation.

Mr. Adamson asked if Con Edison is still looking to move to the 1-in-2 criteria instead the current 1-in-3 criteria. Mr. Chu stated that last year's sensitivity study was exploratory in nature, and as of now Con Edison will remain at 1-in-3 criteria. Mr. Chu also asked about the discrepancy on the bin 7 of zone H&I within the presentation, and Mr. Maniaci stated that 1.1289 is corrected value and will have that corrected in an updated version of the presentation.

Mr. Maniaci said that upstate region as a whole has a decreasing weather response. He said that the load response falling needed to be captured to prevent an overestimation of IRM needed. Zones A to G exhibited 348 MW/degree to 373 MW/degree, back down to 325 MW/Degree at the top bin.

Mr. Adamson wondered why there wasn't a forecasting error included in the LFU study. Mr. Maniaci said that forecasting error has been quite small in the last couple of the years, on the magnitude of only plus/minus 1% deviation. It would be quite difficult to quantify economic uncertainty.

4. Assumption Matrix

Frank Vitale (NYSRC) showed the maintenance graph and mentioned that the big spikes seen in red line in the graph is due to 2 units being out the entire year. These 2 spikes should not be included, as Mr. Drake said that the NYISO will verify to ensure these 2 units were not forced out. Mr. Vitale recommended 50 MW for maintenance for this year's base case.

Mr. Drake mentioned that LIPA stated previously 30.1 MW for the new solar capacity parameter in the model.

On the list of the new resources, Mr. Younger asked about the HTP coming into service on July 1st, instead of June 1st. He suggested that HTP should not be

included in the base case, while Mr. Drake said that the NYISO was notified of June 1st as the in service date. Mr. Ciani said that there's a quarterly report that would give us a better idea of the actual in service date.

Mr. Ciani confirmed 283 MW as the value to use for capacity sales.

Mr. Adamson asked why the possible impact from HTP is considered low. Mr. Drake responded that since it provides emergency assistance even without UDR, the impact on the IRM will be low.

Mr. Drake said that the decreasing interface limit of UPNY/CENY interface from 5250 to 5150 MW will increase IRM. Mr. Younger wondered if forced outage rate is being modeled in the HQ interface, since the interface was not available to deliver power through Chateauguay at peak time. Mr. Vitale thinks that this probability may not be large enough for modeling consideration. Mr. Younger believed that 1500 MW is enough make an impact on the model even with a small chance of occurrence. Mr. Drake said that this may be an interesting study to look into and will look at historical data. **(AI 137-1)**

Mr. Drake mentioned that he needs cable forced outage rates from LIPA and Con Edison. **(AI 137-2)** Polina Adelson (LIPA) mentioned Neptune does not have 5 year of data available since there's a current outage. Mr. Drake said to include data from 2007 to 2011 will be just fine.

Mr. Younger stated that there are currently 2 methodology changes that led to a negative growth rate (-5.5%). The first is a change from APMD to ACL that filtered out SCR participant that were not supposed to be in SCR program. He recommended that we should use 0 if we have negative growth rate. Ms. Pratt mentioned that when the growth rate is determined using UCAP, the performance is already embedded in the MW values. She said that this was the ICS recommended procedure. Mr. Younger is concerned that the change signifies a program growth but in reality there is no growth, rather just a difference between the methodologies. He claimed that he recall the growth rate should be calculated on the ICAP values. Mr. Drake asked Ms. Pratt if there would be growth if calculation was done on the ICAP values, and she said that

she was not sure. She later determined that the growth rate using ICAP values from the past 3 years equated to -0.623% average.

Chairman Boyle did not agree with using the negative growth rate. He recommended an average between 0 and 3.5% (last year's rate) which is 1.75%. The ICS agreed with using 1.75%

EDRP will be 143.9 MW in this year's model.

Mr. Drake mentioned that PJM may be able to provide more assistance and thus this equate to a lower IRM impact. Mr. Ciani concurred.

Mr. Adamson wondered why none of the super zones doubled in EFORD in attachment C, yet total NYCA doubled. Mr. Drake fixed the error in the chart at the meeting.

5. Milestone Schedule

Mr. Adamson wondered if the NYISO will make the milestone schedule, since the parametric study results need to be available by the next ICS meeting.

Chairman Boyle mentioned that the NYISO should come back to tell us if they can make the milestone schedule. They need to tell the ICS by next Monday (July 2nd). **(AI 137-3)**

Secretary: Gregory Chu

(Con Edison)

Next meetings:

Meeting 138, Wednesday, August 1st at NYISO HQ
Meeting 139, Wednesday, September 5th at NYISO HQ
Meeting 140, Wednesday, October 3rd at NYISO HQ
Meeting 141, Tuesday, October 30th at NYISO HQ
Meeting 142, Tuesday, November 27th at NYISO HQ

