

# **NYSRC Installed Capacity Subcommittee**

Meeting #43

**August 2, 2004**

**9:30 a.m. – 3:30 p.m.**

**NYISO: Washington Ave Ext. Conference Room WD**

## Meeting Minutes

### **Attendees**

#### Members/Alternates Present:

Mr. Curt Dahl (KeySpan/LIPA), Chairman – Telephone  
Mr. Peter Chamberlain (Wholesale Sector) – Telephone  
Mr. Steven Jeremko (NYSEG)  
Mr. Harry Joscher (PSEG Power)  
Mr. Carlos Villalba (Con Edison)  
Mr. John Beck (Con Edison), Secretary  
Mr. King Look (Con Edison), Secretary-designate

#### Advisers/Non-member Participants Present:

Mr. John Adams (NYISO)  
Mr. Al Adamson (Consultant)  
Mr. Greg Drake (NYISO)  
Mr. Ed Schrom (NYPSC) – Telephone  
Mr. Frank Vitale (Consultant)  
Mr. Hebert Joseph (NYPSC)  
Mr. Bill Lamanna (NYISO), Limited Participation  
Mr. Glenn Haringa (GE), Limited Participation by Telephone

#### Members/Non-members/Advisers Absent:

Mr. Jordan Brandeis (NYPA)  
Mr. Mark Cordeiro (Municipals, Co-Op Sector)  
Mr. Bart Franey (National Grid)  
Mr. Michael Hogan (CHG&E)

### **1. Discuss and Approve Meeting Minutes**

Reviewed the Meeting Minutes from Meeting #42 held on 6/30/04. These minutes will be final after the revision is made to incorporate some minor clarifications and minor editorial changes. The clarifications are: limited participation by some attendees; timing of the proposed Ginna uprate; value of the non-NYPA hydro derate; and why the LM6000 gas turbines (GTs) are not affected by the GT ambient derate.

## **2. Review Previous Outstanding Assignments**

Action Items List #42 was reviewed and resulted in the closure of items 38-8, 42-2 and 42-5. See Action Items List for specifics.

## **3. Discuss IRM Study Preparation**

### **3.1. Review Final Draft of Assumptions Matrix for 2005-2006 IRM Study**

On the external capacity, the amount from New England should be 400 MW and the amount from PJM should be 1,100 MW. This typographical error is a carryover from last year's IRM report. The total external capacity of 2,755 MW is not impacted.

### **3.2. ICS Advisory Position on the IRM**

Steve Jeremko proposed that the Installed Capacity Subcommittee (ICS) should take an advisory role at the Executive Committee (EC) with respect to the determination of the final Installed Reserve Margin (IRM). As a new action item, Steve Jeremko will draft the proposal for Curt Dahl to discuss at the August 13<sup>th</sup> EC meeting. AI # 43-2 was created for this item.

## **4. Discuss Draft Results and LCR White Paper**

### **4.1. Draft IRM Results**

Greg Drake discussed the draft IRM results, showing the impact of the preliminary recommended assumptions for the 2005-2006 IRM base case, relative to the 2004-2005 IRM base case. The draft results show that the preliminary recommended assumptions collectively would add 2.0% net to the 2004-2005 IRM base case of 17.1%, excluding the assumption of allowing emergency assistance after Emergency Operating Procedures (EOPs) step 9.

The largest contributor to the 2.0% net increase is the 957 MW DMNC derate, which alone contributed a 3.5% increase. Greg Drake explained that the DMNC derate was modeled as a 957 MW load adder for all hours in the year. There was consensus that an availability factor should be applied to the DNMC derate to more realistically model the effect of the DMNC derate.

Greg Drake indicated there was 440 MW of GT capacity that cannot be accounted for using the ambient temperature derate in the GE model. Greg Drake will work with the GT owners to resolve this discrepancy. Pending its resolution, Curt Dahl suggested that this 440 MW of unaccounted GT capacity should be included in the DMNC derate.

It was noted that the GTs normally would not make available all their capacity unless required during an emergency.

The sensitivity of emergency assistance after EOPs step 9 shows an increase of 0.7% to the 2004-2005 IRM base case, which the ICS questioned. Glenn Haringa explained that this is expected, because the external control areas would

share the emergency assistance first among themselves, thereby leaving less available when New York calls for emergency assistance. ICS agrees that either all the control areas (including New York) would share emergency assistance at the same time, or this sensitivity should be eliminated, as it would not be realistic.

For the 2005-2006 IRM Study, the impact of the Con Edison series reactors and a lower Norwalk/Northport tie limit will be examined as sensitivity cases.

AI # 43-1 was created for the NYISO to respond to the comments received on the DMNC White Paper.

#### **4.2. Draft LCR White Paper**

Al Adamson discussed the draft LCR white paper. The following four tasks were identified in the draft LCR white paper:

- Task 1) Calculate the relationship between NYCA IRM and locational capacity requirements (LCRs).
- Task 2) Identify the options for *anchoring* the relationship of NYCA IRM and LCR requirements, and recommend one of these options for adoption by the NYSRC Executive Committee.
- Task 3) Review the schedule and timing of the NYISO's LCR study to ensure optimal integration with the NYSRC IRM study process.
- Task 4) Review and modify as appropriate the current NYSRC definition for Locational Capacity Requirements, NYSRC Resource Adequacy reliability rules and related measurements, and NYSRC Policy 5-0.

Each of these four tasks identified in the LCR white paper will be a white paper itself. At the earliest, the LCR white paper (including the four tasks) could be presented to the EC at the October 8<sup>th</sup> EC meeting.

With respect to the first task, Greg Drake presented a curve showing the relationship between locational capacity and NYCA IRM requirements, using the 2004-2005 IRM base case assumptions. There was consensus that the appropriate region on the curve for consideration in the determination of the IRM and LCR requirements would be the "knee" region, where the curve bends from almost vertical to almost horizontal.

#### **5. Incorporation of Probabilities to Better Quantify the IRM Base Case and Sensitivity Cases**

King Look discussed the NYSEG/Con Edison's proposal to incorporate sensitivities to quantify the IRM uncertainty, using the IRM base case and sensitivity cases. There was general consensus among the ICS members on the proposed approach. AI # 43-3 was created, and assigned to each of the transmission owners (TOs). Each TO will provide Al Adamson with a proposed list of sensitivities and probabilities, which will be discussed at the next ICS meeting on September 1<sup>st</sup>.

## **6. Committee Reports**

Bill Lamanna reported that TPAS/ESPWG meetings are scheduled for August 10<sup>th</sup> and 11<sup>th</sup>, respectively. Economic based planning will be discussed at the ESPWG meeting.

John Adams reported there was a NYISO ICAP Working Group Meeting on August 2<sup>nd</sup> to discuss the Levitan Study on the ICAP Demand Curve.

## **7. Other Business**

### **7.1. Overview of PJM Future Capacity Construct**

Steve Jeremko indicated that he is still seeking further information from PJM on their Reliability Pricing Model (RPM) and Variable Resource Requirement (VRR), after which he will report his findings to ICS.

PJM will be going from 16% to 15% installed reserve margin requirement with the addition of new members / service areas. PJM is looking to switch to GE-MARS next year.

### **7.2. Introduction of New ICS Member and Alternate**

King Look and Carlos Villalba were introduced as the new ICS member and alternate, respectively, from Con Edison. King Look will be assuming the role of ICS secretary from John Beck, who is moving on to a new position at Con Edison. The ICS thanks John Beck for his diligent work while as both a member and secretary of ICS.

## **8. Review Action Items**

See attached action item list.

## **9. Next Meeting**

Meeting #44: September 1, 2004, 9:30am – 3:30pm.

*Secretary-designate: King Look*