

NYSRC Installed Capacity Subcommittee

Meeting #45

October 5, 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
- Mr. Bart Franey (National Grid)
- Mr. Steven Jeremko (NYSEG)
- Mr. Harry Joscher (PSEG Power)
- Mr. Carl Courant (NYPA) – Telephone
- Mr. Steve Whalen (NYSEG) – Telephone
- Mr. Carlos Villalba (Con Edison) – Telephone
- Mr. King Look (Con Edison), Secretary

Advisers/Non-member Participants Present:

- Mr. Al Adamson (Consultant)
- Mr. Greg Drake (NYISO)
- Mr. Craig Gruber (Electrotek)
- Mr. Hebert Joseph (NYPSC)
- Mr. Steve Keller (NYPSC) – Limited Participation by Telephone
- Mr. Frank Vitale (Consultant)

Members/Non-members/Advisers Absent:

- Mr. John Adams (NYISO)
- Mr. Jordan Brandeis (NYPA)
- Mr. Peter Chamberlain (Wholesale Sector)
- Mr. Mark Cordeiro (Municipals, Co-Op Sector)
- Mr. Sephir Hamilton (CHG&E)
- Mr. Ed Schrom (NYPSC)

1. Discuss and Approve Meeting Minutes

The Meeting Minutes from Meeting #44 (held on 9/1/04) were reviewed. A motion was made to finalize these minutes with some editorial corrections.

2. Review Previous Outstanding Assignments

Action Items List #44 was reviewed and resulted in the closure of item 44-5. See Action Items List for specifics.

3. IRM Study Preparation

3.1. Preliminary MARS Study Results

Greg Drake discussed the latest draft IRM results, which show the 2005-2006 IRM base case to be 17.6%. Also discussed were the impact of the recommendation assumptions, relative to the 2004-2005 IRM base case. The effect of all the recommended assumptions can be rationalized, except for one that is not readily apparent, that is, the recommended assumption on EDRP Resources increases the IRM even though there are more EDRP Resources, relative to the 2004-2005 IRM base case. As a new action item (AI # 45-1), Greg Drake will rerun the EDRP case. Also as a new action (AI # 45-2), Al Adamson will reformat the table showing the comparison of the 2005-2006 IRM base case of 17.6% against the 2004-2005 IRM base case of 17.1%. Curt Dahl will ask the Executive Committee (EC) to approve the 2005-2006 IRM base case of 17.6% at the October 8th EC meeting.

3.2. Preparation of IRM Report

Curt Dahl indicated that the ICS needs to issue a draft of the IRM Report to the EC about a week before the November 12th EC meeting. Al Adamson discussed with the ICS a draft outline of the IRM Report. The ICS agreed with the draft outline, with some minor edits. As a new action item (AI # 45-4), Al Adamson will prepare a draft of the body of the IRM Report. Also as a new action item (AI # 45-3), Frank Vitale will prepare a draft of the Appendices to the IRM Report.

3.3. Format of ICS' Advisory Position on the IRM

The ICS agreed that its advisory position on the IRM would be in the form of a one-page advisory memo, with reference to the IRM Report. As a new action item (AI # 45-5), Steve Jeremko will draft the one-page advisory memo for the ICS to review.

4. IRM vs. LCR

4.1. Work Scope for GE to Develop Risk-Adjusted IRM/LCR Methodology

Curt Dahl discussed the work scope for GE to develop a risk-adjusted IRM/LCR methodology. The work scope seeks to study the effect of modifying the way NYC and LI is proportioned when adjusting load, from a "load weighted" basis to a "risk adjusted" basis. As a new action item (AI # 45-6), GE will develop the risk-adjusted IRM/LCR methodology.

4.2. Draft IRM/LCR White Paper

The next draft of the IRM/LCR white paper will incorporate GE's work on the risk-adjusted IRM/LCR methodology.

5. Integrating Sensitivity Cases and Probabilities into the IRM

5.1. Review of Proposed Sensitivities and Probabilities

Greg Drake completed some of the sensitivity cases and reviewed with the ICS their preliminary results. An ICS conference call is scheduled for October 19 to discuss the latest results of the sensitivity cases and other issues.

5.2. Translating the Sensitivities and Probabilities into an IRM Range

Al Adamson demonstrated two methods of developing an IRM range, using the preliminary results of the sensitivity cases completed to date. In both methods, a low and a high IRM were developed. In one method, the sensitivity cases with IRMs less than the IRM base case were averaged (i.e., “average low IRM”) and the sensitivity cases with IRMs more than the IRM base case were also averaged (i.e., “average high IRM”). In the other method, the IRM variations of sensitivity cases with IRMs less than the IRM base case were probabilistically weighted to yield a total variation below the IRM base case (i.e., low IRM = IRM base case less total negative variation) and the IRM variations of sensitivity cases with IRMs more than the IRM base case were also probabilistically weighted to yield a total variation above the IRM base case (i.e., high IRM = IRM base case plus total positive variation).

6. Amount of New Capacity in External Control Areas

Because the external capacity in this year’s IRM study will be the same as in last year’s IRM study, the amount of new capacity in the external control areas is not an issue.

7. Committee Reports

None reported.

8. Other Business

8.1. Overview of PJM Future Capacity Construct

Steve Jeremko gave a brief overview of recent developments in PJM and indicated that he will have more to discuss two ICS meetings from now (i.e., at the November 30th ICS meeting).

9. Review Action Items

See attached action item list.

10. Next Meeting

Meeting #46: November 2, 2004, 9:30am – 3:30pm.

Secretary: King Look