

NYSRC ICAP WORKING GROUP MEETING MINUTES
Conference Call #11 – September 18, 2001

Members/Alternates Present:

Mr. Peter Chamberlain (Wholesale Sector)
Mr. Mark Cordeiro (Municipals)
Mr. Carl Courant (NYPA Alternate)
Mr. Curt Dahl (KeySpan/LIPA) - Chairman
Mr. Gary Freeland (NYSEG)
Mr. Michael Hogan (CHGE) – Secretary

Advisers/Non-member Participants Present:

Mr. Alan Adamson (Consultant)
Mr. Art Desell (NYISO)
Mr. Greg Drake (NYISO)
Mr. Ed Schrom (NYPSC)
Mr. Frank Vitale (Consultant)

Members/Non-members/Advisers Absent:

Mr. John Adams (NYISO)
Mr. Tom Baldi (ConEd)
Mr. Jordan Brandeis (NYPA)
Mr. Ly Dang (ConEd Alternate) via phone
Mr. Larry Eng (NMPC)

Guests

Mr. Steven Whalen (NYSEG)

1. REVIEW OF PREVIOUS ASSIGNMENTS

1.1 List ISO And NPCC Studies, With Scopes, Related To Reliability (Eng) – Mr.

Eng was not present and no summary was issued. This item will be carried forward to the next meeting.

1.2 Review Total Outage Trends: Planned Plus Maintenance (Vitale/Drake) – This

was reviewed and discussed in detail at the last meeting. It was concluded at this meeting that no additional work is required. This assignment is completed.

1.3 Updated Schedule For Each Meeting (Drake) – An updated schedule will be

issued to the group by 9/21/01.

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1.4 List Outage Data Period For Each Unit and Associated Transition Rate

Methodology (Drake) – It was concluded that the list should focus on the “exceptions”. This will be incorporated in to the Study documentation.

1.5 Volunteer To Replacement WG Secretary (Dahl) – Since no volunteers stepped forward, starting on January 1 of 2002, the secretary will be on a six-month rotational basis (changing every January 1st and July 1st). The rotation will be in alphabetical order by Company name. The secretary will be a member representative and not an adviser or participant. Since Central Hudson is currently secretary, starting January 1 of 2002, Consolidated Edison will assume the secretarial duties.

1.6 Additional Units Beyond 6-106 Filed Unit Data (Drake) - The modeling data for the additional units, as discussed at the last meeting, has been received by the ISO and has been incorporated into the model. This assignment is completed.

1.7 Summarize External NYCA Firm Capacity Contracts (Cordeiro) – The information has been forwarded to the ISO and has been incorporated into the model. This assignment is completed.

1.8 Load & Capacity Table for External NYCA Areas (Drake) – The table was presented (via email) and discussed. It will not be part of the Study report but was made available as informational background for the WG. This assignment is completed.

1.9 Recommend GT and Hydro Seasonal Modeling (Desell) – A new GT modeling recommendation was presented to the WG. Essentially it is based on the GT deratings actually experienced over a 3-day peak period (640 MW), the difference between the design temperature of 92 degrees Fahrenheit and the actual 100 degrees Fahrenheit experienced, and an ISO developed relationship of load change versus temperature change (250 MW increase in load per 1 degree Fahrenheit increase in temperature). A detailed explanation will be developed and incorporated into the Study documentation. The recommendation was excepted by the WG subject to the findings of Mr. Desell’s investigation into determining what portion of the 640 MW that was due to temperature related deratings versus other types of deratings.

The hydro seasonal modeling proved to be much more complex, even after separating run-of-river hydro from dammed hydro facilities. It was concluded that for this Study, the existing hydro model would be used again since a newer model would not produce more accurate results. It was noted that additional data is currently being collected that could aid in a development of a more accurate model for future studies. Since the hydro model could have significant impacts on the study results, an improved model should be given high priority in the next study. Furthermore, since the WG has to

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continue using the existing hydro model, in as much as it was a part of the 1% adder used in last year's Study, the uncertainty will continue into this year's Study and should be addressed in the development of this year's adder.

2. 2002 IRM Study

2.0 MARS Preliminary Results (Drake) – Mr. Drake distributed all of the runs that have been completed to-date. After review by the WG, it appears that further investigation of the model is required under a couple of different cases. Both the reserve sharing results warrant closer review. The splinter group (which consists of Adamson, Vitale, and ISO staff) was asked to review these cases, as well as a complete detailed review of all the cases run to date to insure the proper data and methodology are being applied. It is currently anticipated that the completion of the remaining "1st pass" cases could be completed by September 24th.

2.1 New Units (Drake) – See 1.6 above.

2.2 Reserve Sharing – See 2.0 above.

2.3 Generator FOR & Maintenance – Updates have been incorporated into the model.

2.4 External ICAP – There will be 1,672 MW of External ICAP assumed for this Study, 700 MW of which is considered grandfathered (1,200 MW from HQ, 0 MW from OH, 117 MW from PJM and 355 MW from NE)

2.5 EOP: Emergence Response Program / Special Case Resources – See 2.0 above.

2.6 Sensitivity Cases – At this time, 10 sensitivity cases have been identified and are as follows:

1. LI's DC tie with NE – 330 MW of emergency assistance.
2. No external NYCA ties (i.e. no emergency assistance).
3. No external ICAP (assumed to be 1,672 MW for this Study)
4. Only grandfathered external ICAP (700 of the 1672 MW)
5. No Load Forecast Uncertainty.
6. NYC locational requirement increased to 85%.
7. Without proposed new units.
8. No emergency assistance from PJM.
9. Decreased Hydro output
10. Sale of ICAP from HQ to NE through NY

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This list of sensitivity cases will be presented to RRS at their October 3rd meeting. The schedule to complete these runs is October 15th.

2.7 Update to Appendix A of the Report (Vitale) - Mr. Vitale distributed and briefly reviewed an initial draft of Appendix A to the WG. Mr. Vitale will send a second draft out to the WG by September 21st. Each WG member is asked to review and send comments to Mr. Vitale no later than October 5th.

3. OTHER BUSINESS

- Mr. Adamson summarized what was reported to the EC. Four areas were discussed which were as follows:
 1. The unforced capacity paper currently resides at RRS and is on hold pending their review.
 2. The deliverability scope was approved by the EC.
 3. They were informed that the schedule to complete this IRM Study draft is December.
 4. The table comparing the 2001 versus the 2002 IRM studies assumptions was reviewed.
- Mr. Desell summarized the activities of BIC's Market Structure Working Group (MSWG). Mr. Desell indicated he will monitor the group's activities to insure that they do not overlap into our area of responsibility.

4. SUMMARIZE ACTION ITEMS (Hogan)

Highlighted at the meeting were the additional action items added during this meeting (noted by ^N). The following is the complete list of outstanding action items with revised delivery dates:

- Eng – Document the known ISO and NPCC studies that are relevant to reliability, with brief scope for each. Distribute by next meeting.
- Drake - Update schedule and issue to WG prior to each meeting.
- Desell^N - Review the 640 MW in GT deratings with respect to identifying to what extent it was due to things other than temperature.
- Splinter Group^N - Review MARS runs, with special focus on the reserve sharing modeling and the modeling of the EOPs.
- Drake^N - Review CP 8 HQ load and capacity data.
- Working Group^N - Review and comment on Mr. Vitale's second draft by October 5th.

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5. FUTURE MEETING SCHEDULE

- October 17, 2001, at the ISO's Washington Ave. extension starting at 9:30 am.