

NYSRC Installed Capacity Subcommittee

Meeting #39

March 31, 2004

9:30 a.m. – 4:00 p.m.

NYISO: Wash Ave Ext. Conference Room WD

Meeting Minutes

Attendees

Members/Alternates Present:

Mr. Curt Dahl (KeySpan/LIPA) – Chairman
Mr. Steven Jeremko (NYSEG/RG&E)
Mr. Harry Joscher (PSEG Power)
Mr. Bart Franey (NGRID)
Mr. John Beck (Con Ed) – Secretary

Advisers/Non-member Participants Present:

Mr. Greg Drake (NYISO)
Mr. Frank Vitale (Consultant)
Mr. Hebert Joseph (NYPSC)
Mr. Glenn Haringa (GE) – Telephone
Mr. Gary Jordan (GE) - Telephone
Mr. Bill Lamanna (NYISO)
Mr. John Pade (NYISO)
Mr. Arthur Maniaci (NYISO)
Mr. John Charlton (NYISO)

Members/Non-members/Advisers Absent:

Mr. Ed Schrom (NYPSC)
Mr. Michael Hogan (CHG&E)
Mr. Al Adamson (Consultant)

1. Meeting Minutes Review

- 1.1. Reviewed the Meeting Minutes from Meeting #38 held on 3/5/04. These minutes were not approved as several sections required revision. These revised Meeting Minutes will be resubmitted at the 5-3-04 for finalization.

2. Review of Outstanding Assignments

The Action Item List was reviewed and resulted in the closure of items 37-3 and 37-9. Item 38-13 was deleted, as it was a duplicate carry over of item 37-2.

3. Discuss Issues to support the 2005-06 IRM Study Preparation

3.1. Identify Information required to support the 2005-06 IRM Study

3.1.1. Curt Dahl indicated that approximately 96 MW of Emergency Diesel Generation (EDG) will be installed on Long Island as part of the SCR program by May 2004. Any additional updates to SCR/ EDRP Program participation levels will be identified by the NYISO.

3.1.2. John Pade discussed the Load Shape Model, and based on a review of the top 20 Day Load Duration Curves, he highlighted the following:

- the trend of fewer days at peak temperatures,
- a declining trend of manufacturing in the state,
- the downstate economy is not growing aggressively.

John concluded that the 2003 load shape is representative of a typical year and does not invalidate the previously used 2002 load shape.

3.1.3. Arthur Maniaci provided a presentation on the Cumulative Temperature – Humidity Index (CTHI). The CTHI is a method to capture the impact of temperature and humidity on load during a heat wave. The NYISO maintains hourly loads and weather data from 1975 to present. The CTHI is a weighted sum of the 13 individual zonal weather stations, and is one tool used to forecast future peak loads. The peak producing CTHI is not the only factor utilized in selection of a peak load, as the daily load distribution must also be considered.

3.1.4. The assumed hydro de-rate of 45%, as used in prior year IRM reports, was brought into question. Previously, the 45% de-rate value was utilized to reflect the then current drought conditions. As drought conditions are not expected for the 2005 IRM period, the NYISO will evaluate the appropriate value of hydro de-rate.

3.1.5. Action Item 39-4, for the creation of a list with known projects, having signed interconnection agreements, as of August 1, 2004, was assigned to all Transmission Owners for their inclusion in the 2004- 2005 IRM Report.

3.2. Identify required modeling / software enhancements

3.2.1. Update of Outside NYCA Control Areas.

As stated in the IRM Report, the reliability of NYCA depends on a large extent on emergency assistance from its interconnected Control Areas in NPCC and PJM, based on reserve sharing agreements with the Outside World Areas. Therefore, load, and to some extent, capacity models of the Outside World Areas are represented in the MARS analyses. The NYISO will evaluate the update of outside-NYCA control area generation values for inclusion to the MARS database, as the PJM capacity model used in the last issued IRM Report utilized the 1998 NERC Electric Supply and Demand database. PJM unit availabilities were based on Weighted Equivalent Availability Factors, by unit size and fuel type. Another consideration for developing models for the Outside World Areas is to recognize internal transmission constraints within the Outside World Areas that may limit emergency assistance to the NYCA. These considerations will be reviewed and evaluated as a means to update the MARS database with the goal to best reflect, and capture the reliability of neighboring control areas. Action Item 39-3 was assigned to Greg Drake and John Adams to review the feasibility of updating ISO-NE and PJM data to the model.

3.2.2. Transmission Topology Updates

Bill Lamanna of the NYISO staff discussed Transmission Topology updates. The proposed in-service date of the 4 series reactors south of the Dunwoodie interface was discussed, and the expectation that they will increase the transfer capability into NYC. The NYISO will provide confirmation of the actual transfer capability increase provided and reflect any updates to the updated Transmission Topology. Action Item 39-2 was generated for Bill to review the impact of the series reactors.

3.3. Discuss the impact of using a 3 year blended IRM vs. a 1 year evaluation

A proposal that was briefly introduced in the last ICS Meeting was revisited in attempt to facilitate the method of setting the IRM when considering the statistical significance of modeling results. Currently, the present process used by the NYSRC to select the IRM involves a process by which the EC evaluates the technical results as provided by ICS, and then adopts a discrete value. The NYSRC EC suggested that the process should be transparent. The EC suggested that the perceived over-reliance on the base case, in the annual review to establish the statewide IRM, should be avoided. The EC suggested that ICS establish a statistical range based on the full gamut of likely input assumptions.

One such benefit would be to temper the potential for volatile outcomes. This is especially important when the volatility is associated with software, modeling, or data assumption changes and not those resulting from electric system conditions/impacts. It should be considered that when changes in modeling/data assumptions and/or software are significant their effect should be phased in over 2-3 years. The approach of using 2-3 years to fully implement the IRM from extreme modeling changes would assist the EC in determining / approving the IRM as opposed to the “negotiated value” that determined the IRM for 2004. Further, this approach would facilitate the 3year RAM commitment /

planning process, should it be implemented, and the 10 year Long Term Transmission Planning window.

Action Item 39-5 was assigned to John Beck to prepare a White Paper / Presentation on a mechanism that enhances the establishment of the IRM when the statistical significance of modeling assumptions are considered.

4. Committee Reports

4.1. Resource Adequacy Model (RAM) Group Report

John Charlton, of the NYISO, provided a brief update on the status on RAM. Although it is in temporary hibernation, the 3 ISO's are working on an evaluation along with alternatives.

4.2. NYISO Planning Staff

Bill Lamanna, of the NYISO, provided a brief update on the Electric System Planning Working Group (ESPWG) activities. An intra-zonal deliverability study scope was briefly discussed. The scope of this study, approved by the NYSRC EC, will be presented at the next meeting of the ESPWG.

5. Other Business

5.1. Discuss the Scope of Work to review the procedures and methodology for establishing Load Serving Entity (LSE) Locational Installed Capacity Requirements

A Scope of Work, to review the procedures and methodology for establishing Load Serving Entity (LSE) Locational Installed Capacity Requirements was discussed. Its purpose is to perform a joint study between New York Independent System Operator (NYISO) and New York State Reliability Council (NYSRC) for the review of the procedures and methodology for establishing LSE Locational Installed Capacity Requirements for applicable NYCA zones consistent with New York Reliability Rule A-R2. The intent of this review is to strengthen the integration of Installed Reserve Margin (IRM) and Locational Capacity Requirements (LCR) studies used to ensure compliance with NYS Reliability Rules A-R1 and A-R2, which govern capacity adequacy in the New York Control Area (NYCA).

The work scope will review the following issues associated with the NYISO study for establishing LSE Locational ICAP requirements:

- Review existing NYISO procedures and methodology for calculating LSE Locational ICAP requirements. Review appropriateness of this methodology toward ensuring proper balance between upstate and downstate resources, including testing of alternate methodologies and different capacity allocation/shifting procedures.
- Review schedule and timing of LSE Locational ICAP requirement study to ensure optimal integration with the NYSRC IRM study process.

- Review process of considering internal transmission system limits in LSE Locational ICAP requirements studies to ensure limitations of transmission system are properly reflected in LSE Locational ICAP Requirement studies.
- Review and revise NYSRC reliability rule A-R2 and related measurement A-M2, as appropriate.
- Revise NYSRC Policy 5.0, Section 3.5.5, as appropriate.

Gary Jordan briefly described the “purist approach” for which GE will run trial cases (1st bullet item above). It is a top down approach that starts with an unconstrained system to determine the generation requirements to serve load.

The GE analysis regarding the coordination of the Installed Reserve Margin (IRM) and Locational Capacity Requirements (LCR) studies may result in these reports being done simultaneously, and not sequentially.

5.2.

Action Item 39-1 was assigned to Steve Jeremko for the crafting of: “A Lessons Learned Review- A Years Perspective” with a December, 2004 due date.

6. Review Action Items

See attached action item list.

7. Next Meeting

May 3, 2004 Meeting # 40 9:30 am – 3:30 pm

Secretary: John Beck