

NYSRC Installed Capacity Subcommittee

Meeting No. 22

September 4, 2002

9:30 a.m. – 3:00 p.m.

NYISO: Wash Ave Ext. Conference Room WD

Meeting Minutes

Attendees

Members/Alternates Present:

Mr. Curt Dahl (KeySpan/LIPA) – Chairman
Mr. Kevin Donnelly (Con Ed) – Secretary (Teleconference)
Mr. Ed Gilroy (NYSEG)
Mr. Michael Hogan (CHGE)
Mr. Carl Courant (NYPA)
Mr. Peter Chamberlain (Wholesale Sector)

Advisers/Non-member Participants Present:

Mr. Alan Adamson (Consultant)
Mr. Greg Drake (NYISO)
Mr. Frank Vitale (Consultant)
Mr. Ed Schrom (NYPSC)
Mr. Steve Keller (NYPSC) (Teleconference)

Other interested Parties:

Mr. Phil Fedora (NPCC)
Mr. Bill Lamanna (NYISO) - Short Visit
Mr. Harry Joscher (PSEG)
Mr. Jerry Biner (PSEG)
Mr. Steve Whalen (NYSEC)
Mr. Reed Armstrong (Energy Marketers)

Members/Non-members/Advisers Absent:

Mr. Mark Cordeiro (Municipals)
Mr. Art Desell (NYISO)
Mr. Larry Eng (NMPC)
Mr. John Kobuskie (NYSEG)

1. Discussed August 5, 2002 Meeting Minutes

Will revise and review again at next meeting.

2. Reviewed Previous Action Items, see attached list.

3. Deliverability Study :

All Requirements reported Complete

4. 2003-04 IRM Study

4.1 Load Shape –

John Pade presented data on the 1998 load shape and the load uncertainty model. Presented the weekly peaks for 1998 compared to 1995 and what the 10 year average has been. The presentation finalized the recommendation for the 1998 Load Shape with the adjustment of the June peak as the more representative load shape for the upcoming study. Action item 21-3 completed. Created action item 23-5 for a sensitivity case using the 1995 Load shape.

4.2 Load Uncertainty Modeling – Pade

John Pade described the load uncertainty model and provided data as to NYS forecasting over the last 10 years. He noted NYS had under-forecasted in 3 of the last 4 years, but concluded the load forecast is not biased towards under-forecasting and it is not a problem at this time but they will continue to monitor.

Discussed LIPA had provided their own Uncertainty model for Area K. LIPA had previously documented that the Long Island load exceeded their forecast this year due to extreme weather, but the amount was with-in their uncertainty model.

Discussed fact that Con Edison does not use a load uncertainty model. Con Edison's actual peak for 2002 was below the forecasted peak, but may have been lower only due to the holiday week of July 4. Con Edison previously supplied the methodology which is that Con Edison's forecasted peak load is value expected at a temperature variable (TV) of 86°, and does not include any expected EDRP or EOP load modifiers. Con Edison designs to a 86° TV, which is a wet bulb/dry bulb average, weighted over a 3-day period with the current day supplying 70%, the first prior day 20%, and the second prior day 10%. Although the composition varies, a wet/dry 86°, on average, is 78° wet, and 94° dry. The 86° TV is a condition expected in the New York metropolitan area once every 3 years.

Con Edison is reviewing the forecast for the upcoming years and as part of that review is looking at the 86 degree temperature variable to ensure it is still appropriate. It is a once every three year criteria so we are ensuring it is still accurate. The group discussed that "if" the design temperature were raised then the forecast would be higher.

As for the load uncertainty model, J. Pade stated that it may be difficult to break out individual zones from the uncertainty model for the state. The LIPA load uncertainty model for use in Area K only may be difficult to implement. It was concluded that all zones of NYS will be modeled by the NYISO load uncertainty model. Action Item 22-1 for NYISO is completed. Initiated action item 23-1 to review if LIPA's uncertainty model can be incorporated and to run this model as a sensitivity case if possible.

4.3 Transmission/Transfer Limits – Lamana

Action Item 20-4 for an update of the transmission limits between zones in NYCA was completed BY NYISO. The limits throughout the state did not change with the exception of modeling new units that affect transfer rates. The updated MARS program can use different transfer rates based on what units are dispatched. Also, the PJM to NYC transfer limit is being reviewed. It was listed as 1,000 MW based on the contractual obligation. That limit is overly conservative as each of the A, B, C ties is rated for about 500 MW under normal conditions. The B and C lines can import up to 1,000 MW alone under normal ratings and the NY ISO is modeling the A line considering the bottleneck through Staten Island into NYC. The amount of transfer capability across the A line with AK3 and Linden Plants available has not been finalized. The amount will increase if either plant is unavailable. Action Item 23-2 initiated for Bill Lamana to write-up results of review.

4.4 Maintenance Schedule

Bob Boyle is waiting for September filings from generators for maintenance schedule. Discussion continued as part of section 4.7 below.

4.5 Con Ed Review of Transmission Outage Rates – Kevin Donnelly /Curt Dahl

Con Edison's action item 20-10 remains open with a due date of 9/13/02. Limits are being recalculated. Action Item 22-5 for refining Conn to LIPA tie to include the unit in Connecticut that must be in-service for full transfer capability is still open.

4.6 EOPs – Greg Drake

Splinter group still reviewing the effect of EDRP and SCR being an EOP instead of load modifier. Action item 22-2 open.

4.7 Generation Modeling – Greg Drake

Splinter group still reviewing Unscheduled Forced Outages and unscheduled maintenance outages. Need to verify how much capacity is out on unscheduled maintenance in the summer, Action Item 22-3 remains open. Added additional action item 23-3 to develop comparison of actual total maintenance compared to the scheduled maintenance for last summer. EFOR'd comparison of NYC and LI units were discussed as well. Item will be finalized as part of action items 22-3 and 23-3. Ambient de-rates were reviewed, per action item 22-4. Most of the new units added in NYC and LI are LM-6000, 2 unit sites, that are limited to 80 MW by siting. The actual capability of each unit is 44 - 47 MW, totaling 88 - 94 MW per site. Therefore the ambient de-rate does not effect these sites. Item 22-4 is completed.

4.8 Interconnected Areas - Greg Drake Information

4.9 A External ICAP Representation -

Plan to start with Grand-fathered contracts and then add expected contracts. Action item 23-4 initiated for M Cordeiro to provide NE information.

4.10 Report Body and Appendix A

Mr. Adamson and Mr. Vitale are to provide a draft of the body and appendix A respectively by September 18.

4.11 Schedule - Drake

5. Committee Reports

5.1 NYISO ICAP WG Report - Charlton

John Charlton of NYISO provided summary of recent activities. BIC voted down the proposal to move to Summer capability only. NY state uses summer peak values as the amount of purchase required, but allows suppliers to bid capacity based on a summer capability and a winter capability. Neighboring areas have different rules and have established a single capability period where they use only the supply available based on summer ratings. ICAP WG discussed audits of GADS data, specifically auditing generators performing DMNC. SCR must be notified 21 hrs in advanced, down from 24 hr notice. UDRs for controllable lines into localities was approved. Import rights, allow 2700 MW on first come first serve basis. Compromise issued to provide time for right holders to set-up bi-lateral agreements. If no Bi-lateral by date, then give up rights or enter deficiency auction as price taker.

SCR's are 600 MW of Curtailable load, controlled by NYISO. They are a committed resource, scheduled 21 hrs in advance. SCR's are for a maximum of 4 hrs per day, but can be called as often as necessary. Their performance has been 100%. EDRP is voluntary, paid \$500 per MW/hr. Total is 1300 MW, but 400 MW of the 1300 are also in SCR. Only 50 –60% response under this program. Looking at making changes: SCR's to get LMBP price, dispatched in target zones and have 1 hr to provide service. (They are given 21hr notice that they will be called, then they are given a 1 hr notifying call) EDRP would change to a strike price and can set the LMBP. Minimum \$50 bid with a max of \$1,000 MW/hr. This prevents scarcity pricing from being reduced because of EDRP. Based on FERC NOPR, looking at 3-5 year reserve requirements. Planning on looking at NY alone for now.

Discussed how UCAP may be sending the wrong message to the market. For example, NYC will be very close to the ICAP locational requirement and could be deficient, but will be showing a surplus in the UCAP market. This could create difficult circumstances, where a generator based in NYC might not be able to sell UCAP in the market, NYC may be deficient in its locational ICAP

requirement (less than 80%) and the generator could sell the unsold UCAP in a neighboring area, meaning it could not be recalled for an emergency.

The group mentioned the letter that this subcommittee produced before the UCAP transition was made, documenting that this scenario could occur.

6. Other Business

Winter ICAP Proposal – Discussed by J. Charlton above.

7. Review Action Items

8. Next Meeting

9/20/02

10:00AM Conference Call

Secretary: Kevin Donnelly

New York State Reliability Council - Installed Capacity Subcommittee

Action Items List

[Bold date denotes Action Item has been completed]

| No | Action Item | Responsible Individual(s) | Sched./Actual Comp. Dates |
|--------------|--|---------------------------|---------------------------|
| 20-1 | Prepare list of new generators due for 2003 Summer. | G. Drake | 7/9/02 |
| 20-2 | Develop transitional model for 10 NYC & Brentwood LM-6000 units. | Splinter Group | 7/9/02 |
| 20-3 | Analyze load shape model options. | J. Pade | 7/9/02 |
| 20-4 | Develop updated NYCA transmission limits. | W. Lamanna | 9/04/02 |
| 20-5 | Prepare letter to the EC on adequacy of existing Reliability Rules for covering deliverability requirements. | C. Dahl/A. Adamson | 7/5/02 |
| 20-6 | Prepare white paper to document results of Deliverability Study, Task 1. | C. Dahl/A. Adamson | 7/9/02 |
| 20-7 | Prepare ICS work scope. | C. Dahl/A. Adamson | 7/5/02 |
| 20-8 | Prepare ICS conclusion on resource adequacy LOLE criterion and send to the EC. | C. Dahl/A. Adamson | 7/5/02 |
| 20-9 | Update MARS model. | R. Boyle/G. Drake | 7/9/02 |
| 20-10 | Review status of Con Ed cable transition rate update. | K. Donnelly | 9/13/02 |
| 21-1 | Provide Details of EOP's | G. Drake | 8/5/02 |
| 21-2 | Drought conditions still in effect in Southern NY, are there any Power Plant water restrictions | K. Donnelly | 8/5/02 |
| 21-3 | Provide more details about summer 1998, including peak periods | J. Pade | 9/4/02 |
| 21-4 | Load Uncertainty model used by LIPA. | C. Dahl | 8/5/02 |
| 21-5 | Voltage reduction procedure that Con Ed uses for 8% reduction, not incorporated | K. Donnelly | 8/5/02 |
| 22-1 | Load Uncertainty review by NYISO | J. Pade | 9/4/02 |
| 22-2 | EDRP and SCR's modeled in EOP's | Splinter Group | 9/04/02 |
| 22-3 | Maintenance Modeling and EFORD comparison | Splinter Group | 9/04/02 |
| 22-4 | Ambient Derates Updated | Splinter Group | 9/04/02 |
| 22-5 | Review Possibility of updating existing Conn to LI tie | Splinter Group | 9/04/02 |
| 23-1 | LIPA Uncertainty Model incorporated as a sensitivity run | J. Pade | 9/20/02 |
| 23-2 | Write-up on Transfer Limits within NYCA | B. Lamana | 9/20/02 |
| 23-3 | Develop comparison of actual and scheduled maintenance for last summer. | Splinter Group | 9/20/02 |
| 23-4 | Provide NE external ICAP import information. | M Cordiero | 9/20/02 |
| 23-5 | Sensitivity case for 1995 Load Shape | G Drake | 9/20/02 |
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