

FINAL

***New York State Reliability Council (NYSRC)
Reliability Rules Subcommittee (RRS)
Minutes of Meeting #19***

Joint RRS/ICAP Meeting @ Clarion Inn & Suites, Albany, NY

Tuesday, December 5, 2000

Attendance

Mayer Sasson (Chairman)	Con Edison	RRS Member
Roger Clayton (Secretary)	PG&E National Energy Group	RRS Member
Keith O'Neal	New York State PSC	RRS Member
Steve Corey	NYISO	RRS Member
Larry Eng	Niagara Mohawk Power Corp.	RRS Member
Larry Hochberg	New York Power Authority	RRS Member
Phil Davis	KeySpan Energy	RRS Member
Ray Kinney*	New York State Electric and Gas Corp.	RRS Member
Pat Callahan	Rochester Gas & Electric	RRS Member
Alan Adamson		Consultant
Joe Fleury	New York State Electric & Gas Corp	EC Member
Mark Cordeiro (Chairman)	PLM/Munis	ICAP Member
Michael Hogan (Secretary)	New York State Electric & Gas	ICAP Member
Greg Drake	NYISO	ICAP Member
Jordan Brandeis	New York Power Authority	ICAP Member
Ly Dang	Con Edison	ICAP Member
Tom Baldi	Con Edison	ICAP Member
Curt Dahl	LIPA/KeySpan	ICAP Member
Gary Freeland	New York State Electric & Gas	ICAP Member
Art Desell	NYISO	ICAP Member
Peter Chamberlain**	E Cubed	ICAP Member
Frank Vitale		Consultant

* = Did not attend, ** =Attended by phone

Agenda Items

1.0 Introduction

Mr. Mayer Sasson explained that the purpose of this joint meeting was to review the 2001 IRM report prepared by the ICAP WG and to develop a recommendation for the 2001 IRM for EC consideration.

2.0 Presentation of ICAP WG's 2001 IRM study results

A copy of the 2001 IRM report had been made available to all concerned prior to the meeting. Mr. Mark Cordeiro reviewed the eight "ICAP WG and RRS Actions for Reviewing and Updating ICAP Model and Assumptions" outlined in Al Adamson's 4/7/00 memorandum:

1. Load Uncertainty
2. Load Shape Model
3. Generation Availability
4. Generating Capacity
5. Transmission Availability
6. Transfer Limits
7. Emergency Assistance
8. Criteria
9. Special Case Resources

Item 9 was added after developing the initial objectives. Mr. Cordeiro described the ICAP WG's response to each of the above objectives, all of which are fully described in the 2001 IRM Report. The study showed that the 2001 IRM for base line conditions was 17.1%. This compared with 15.5% for base line conditions in the 2000 IRM study.

The final 2000 IRM was 18% based upon the 2000 base line IRM of 15.5% plus a margin of 2.5%. The margin was added to account for:

- The impact of the sensitivity testing and the confidence limit on the base case IRM
- The intangibles associated with limited commercial operating experience of NYISO and neighboring ISOs, and their interaction
- A desire to move conservatively in this area and to periodically reconsider the IRM based upon actual operating experience of the NYISO

It was noted that one importance difference this year is that improved modeling in certain areas transferred some of the uncertainties accounted for in last period's adder into this period's base case. For example, the above items 1, 2, 3, 4, 7 and 9 were specifically addressed and were reflected in the

base case 2001 IRM of 17.1%. Items 6 and 8 were evaluated through sensitivity cases. Only item 5 was not included in the study but was not considered to be significant.

Various technical editorials were identified and will be incorporated by Mssrs. Desell and Vitale. It was agreed that a revised final draft of the 2001 IRM report will be issued to the RRS, ICAP WG and Mr. Joe Fleury by December 6, 2000 in time for review by the EC at their December 11, 2000 meeting.

3.0 Discussion of Recommendation to EC

The report was discussed in detail and at length, and a consensus was reached that NYCA's 2001 IRM should remain at 18% based upon the 2001 base line IRM of 17.1% plus an adder of 0.9%. It was considered that a 0.9% adder will adequately consider the effects of the more probable sensitivity scenarios, the intangibles with the new markets, the study's confidence limits and the NYSRC's desire to act conservatively.

Mssrs. Sasson and Cordeiro will draft a cover letter to the EC transmitting the report, referencing the nine objectives and making a recommendation for NYCA's 2001 IRM of 18%.

Mr. Sasson expressed thanks to all ICAP members and others involved in the 2001 IRM study for a job well done.

Final Minutes of Joint RRS/ICAP Meeting #19. Submitted to RRS by Roger Clayton on January 9, 2001.