

FINAL

New York State Reliability Council (NYSRC) Reliability Rules SubCommittee (RRS). Minutes of Meeting #8

NYISO, Guilderland, NY

Thursday, January 6, 2000

Attendance

This was a joint meeting of the RRS and the ICAP WG.

Mayer Sasson (Chairman)	Consolidated Edison of New York, Inc.	RRS Member
Roger Clayton (Secretary)	PG&E Generating	RRS Member
Keith O'Neal	New York State PSC	RRS Member
Larry Hochberg	New York Power Authority	RRS Member
Larry Eng	Niagara Mohawk Power Co.	RRS Member
Ray Kinney	New York State Electric & Gas	RRS Member
Mark Cordiero (Chairman)	Municipal sector	ICAP Member
Mike Hogan (Secretary)	New York State Electric & Gas	ICAP Member
Tom Baldi	Consolidated Edison of New York, Inc.	ICAP Member
Doug Kerr	New York Power Authority	ICAP Member
Art Desell	NY ISO	ICAP Member
Alan Adamson		Consultant
Frank Vitale		Consultant
John Adams	NY ISO	Guest
Greg Drake	NY ISO	Guest

The meeting was convened at 10:00 am and adjourned at 4:00 pm.

Introduction

Mr. Sasson proposed the following agenda:

1. NYCA Summer 2000 Installed Reserve Requirements
2. Millenium Pipeline
3. Next Meeting

There being no objection, the above agenda was adopted.

1. NYCA Summer 2000 Installed Reserve Requirements

The group reviewed the ICAP WG draft report, "New York Control Area Installed Capacity Reserve Requirements for the Period May 2000 through April 2001. The group discussed:

- < Study assumptions
- < Study results and impact of sensitivities
- < Presentation of results

Minor revisions were agreed upon and were noted for inclusion in the final draft by Mr. Art Desell. It was agreed that a revised draft report would be reviewed by Mr. Clayton and Mr. Adamson prior to distribution to the NYSRC Executive Committee, the RRS and ICAP WG on Friday, 1/7/00 [Note. The final draft was distributed to all parties on 1/7/00].

The discussion then turned to the IRM recommendation. After a lively discussion of the intangibles that may affect the base case results, a straw poll was held in order to gauge the range of opinion of the attendees. The results ranged from an IRM high of 18.5% to a low of 15.5%. The actual results of the straw pole were:

18.5%	1 vote
18.0%	9 votes
17.5%	1 vote
16.0%	3 votes
15.5%	1 vote

It was agreed that Mr. Clayton would distribute a draft recommendation for comment on Friday 1/7/00, and that the final recommendation to the Executive Committee would be discussed by Mssr. Sasson, Cordeiro, Clayton and Desell at a conference call on Monday, 1/10/00. [The resulting recommendation was distributed to the Executive Committee on 1/10/00 and is attached].

2. Millenium Pipeline

It was agreed to table this item until the next RRS meeting given the time taken by the prior discussion.

Next Meeting

NYISO, Guilderland. 10:00 am. Thursday, February 3, 2000.

Final Minutes Submitted to RRS and ICAP WG by R. Clayton (Secretary) on February 9, 2000.

Mr. Mayer Sasson
Chairman, NYSRC Reliability Rules Subcommittee
Consolidated Edison Co. of NY
System Operation Dept.
128 West End Av.,
New York, NY 10023

Mr. Joe Fleury
Secretary, NYSRC Executive Committee
N.Y. State Electric & Gas Corp.
4500 Vestal Parkway East
Binghamton, NY 13902-3607

January 10, 2000

Re: "New York Control Area Installed Capacity Requirements for the Period May 2000 through April 2001"

Dear Joe:

Please find attached the subject report as prepared by the ICAP Working Group at the direction of the NYSRC Executive Committee and the Reliability Rules Subcommittee.

The technical results of the NYSRC ICAP Working Group's MARS study indicate that NYCA's installed reserve margin (IRM) for the May 1, 2000 through April 30, 2001 capability period is 15.5% under base case conditions. The study tested several scenarios examining the sensitivity of the base case results to variations in key study assumptions and showed that IRM could vary from 11.8% to 17.0% as a function of these variations. All results have a 99% confidence limit of +/- 0.5%. The sensitivities examined were:

- < Internal and external transfer limits
- < Load forecast uncertainty distribution
- < Source and magnitude of external ICAP
- < Emergency assistance from neighboring areas
- < Generator unit availability

A poll of the RRS and ICAP Working Group members indicated support for an IRM of between 15.5% and 18.5%, with a majority supporting an 18% IRM for the May 1, 2000 through April 30, 2001 capability period. This judgement was based upon consideration of:

- < 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

I will be glad to discuss this at the January 11, 2000 NYSRC Executive Committee meeting.

Yours truly,

Mayer Sasson

cc. NYSRC RRS
dd. NYSRC ICAP WG