

NYISO Electric System Planning Working Group Meeting

May 9, 2005

NYISO Washington Ave Ext, Albany, NY

Draft Minutes

Of the 31st meeting of the New York Independent System Operator Electric System Planning Working Group held May 9, 2005 at NYISO in Albany, NY.

In attendance:

Jerry Ancona – National Grid	Larry DeWitt - PACE
Glen McCartney – Constellation	Jeff McKinney - NYSEG
Jim Scheiderich - Select	Paul Gioia – LeBoeuf, Lamb, Green & MacRae
Kenneth Lotterhos – Navigant Consulting	Michael Mager – Multiple Intervenors
Mayer Sasson – Con Ed	Bill Palazzo – NYPA
Bob Reed – NYSEG	Doreen Saia – Mirant
John Adams – NYISO	Matt Milhouse - Keyspan
John Buechler – NYISO	Terron Hill – National Grid
Ernie Cardone – NYISO	Liz Grisaru – NYISO
Kim Harriman - NYSPSC	Deidre Facendola – Con Edison
Leigh Bullock – NYISO	Tom Payntor - NYSPSC
Jeff McKinney - NYSEG	Mohsen Zam Zam – Con Edison
Alan McBride	Ralph Rufrano - NYPA
Liam Baker - Reliant	Tariq Niazi - NYSCP
Tom Rudebusch – City of Jamestown	Rich Felak – Calpine
Tim Bush – Navigant Consulting	Chris Hall - NYSERDA
Christopher Hall – NYSERDA	Ed Kichline – KeySpan Energy Services
JD Wilcox – DC Energy	Joe Lewis - Constellation
Jeff Ellis – Edison Mission	

Welcome and Introductions

Mr. Bill Palazzo, Chair of the Electric System Planning Working Group welcomed the ESPWG members to the meeting and stated the agenda.

Review of Minutes of April 18 meeting

The minutes for the April 18th ESPWG meeting were approved with revisions, and will be posted to the NYISO website.

Consideration of Economic Planning Issues

Mr. John Buechler reported that there have been no additional comments from Stakeholders on the Economic Planning Issues and he again requested comments from the group for discussion at the next meeting. Also, in June, Jim Mitsche will address his proposal for the determination of “unusual days.”

PSC Role in CRP Process

Ms. Kim Harriman reported that the last version distributed to MPs encompassed all stakeholder comments and that the PSC is comfortable with that document. Ms. Harriman will brief the in house Administrative Law Judges (ALJs) on the process so they will be ready for any incoming disputes.

Mr. Paul Gioia asked a question regarding research done by Jeff Stockholm on the ability to limit the scope of the dispute resolution process. He asked that Ms. Harriman convey MP concerns to the ALJs.

PSC Dispute Resolution Process: PSC dispute resolution process considered final now that FERC has ruled on the CRPP re-hearing requests. This can be revised as necessary as experience is gained in application

Comprehensive Reliability Planning Process

Mr. Buechler noted that, on May 6, 2005 FERC issued an Order accepting NYISO’s CRPP Compliance Filing and rejecting all rehearing requests.

Mr. Bill Lamanna reviewed the Comprehensive Reliability Planning Process – Implementation and Scenarios presentation.

Under “Initial Development of Base Cases for Ten Year Period”, Mr. Lamanna reported that the base case inclusion rules and screening has been completed. The second five year period continues from first five year base case assumptions and includes only load forecast and retirement updates. The initial cases have been reviewed and thermal transfer limits screened.

Under proposed scenario analysis, Market Participants expressed views regarding the need to address in some fashion gas availability and infrastructure issues for scenario analyses. The group discussed the need to capture the issue of not being able to get fuel to units under an all gas expansion scenario. It was suggested that the NYSIO analyze this issue during winter conditions. .

The issue of retirement of coal plants was discussed with emphasis on natural gas availability for replacement units. The question becomes especially critical if there is insufficient natural gas infrastructure to replace coal units with gas units. ESPWG members stated that the NYISO should be in a position to identify this risk and to provide advice to policy makers.

The NYISO was requested to review several coal retirement scenarios.

It was requested that the NYISO take a more in depth look at how we coordinate with gas entities – they may have changes in their system. The ISO A question was asked if they will look at generator patterns shift when assuming plant closes. Will this be looked at?

Mark Younger asked that a footnote be added “Extensive retirement of coal units would in the short run require more operation of gas units and it’s unclear if we have the capacity for this”. Mr. Buechler indicated that the CRPP is not intended to be an extensive gas supply and infrastructure study, but that this risk can be noted in the CRP by reference to other recent analyses of this issue.

The group raised concerns regarding the cutoff point language in Section 9.0(c) of the Tariff regarding halting a regulated solution. It was asked that the NYISO to consider modification of this provision to indicate that the cut-off point was only with respect to when the NYISO no longer has the ability to cancel.”

Kim Harriman noted that the last sentence in point #8 doesn’t cover the scenario where the PSC may decide that a project should go forward for a different reason and therefore would not withdraw its certification.

2005 Load & Capacity Report Load Forecast

Mr. John Pade reported on the 2005 Load and Capacity Load Forecast and answered questions from the group.

Draft Proposed Cost Allocation Methodology for Regulated Reliability Solutions

Mr. Jerry Ancona reviewed the TO revised draft proposed cost allocation methodology for regulated reliability solutions, noting that this was a consensus from some of the TOs. There is general agreement on cost allocation for regulated transmission additions. Still an open issue : cost allocation when the regulated solution is non-transmission.

The group discussed issues with the ICAP section; this will be revisited at the next ESPWG Meeting.

IPSAC Meeting

Mr. Buechler reminded the group that the first IPSAC meeting, under the NE ISO/RTO Planning Coordination Protocol will be held in Albany on June 17th at the Desmond. Registration information has been e-mailed to ESPWG and other NYISO Committee lists.

FERC Technical Conference

Mr. Buechler reported on the FERC Technical conference on incentives for building transmission.

Next Meeting

The next ESPWG meeting will be held on June 8, 2005 at the NYISO Washington Ave office.