

# Persistent Dragging by Steam Units

Generation Issues Task Force

04/15/04

## Background:

- Issue is excessive dragging during high load season that can result in:
  - *Operations difficulty requiring OOM GT and steam dispatch*
  - *Depressed prices*
- Some changes implemented in SCD prior to Summer '03 that addressed Operations issues caused by GT dragging.
- Further legacy changes were not pursued with original SMD deployment planned prior to summer '04
- With SMD delay, discussions were resumed with GITF to determine if additional opportunities existed to further address the steam unit issues prior to summer '04

## Background:

- Staff met with plant managers and operators and analyzed historical performance.
- Primary cause is generator behavior:
  - *Failure to move up to basepoint due to:*
    - ▶ Units waiting for basepoints to show a trend up, which never comes as accumulated economic basepoints are not sent to units.
    - ▶ Operational issues such as environmental, economic, mechanical and they fail to notify ISO of a derate when unable to move
  - *Late start of scheduled ramp periods*
    - ▶ Legacy provides plant operator only a 5 minute horizon
  - *Dragging is worse during summer peak periods*
    - ▶ Analysis of the early part of this year showed instances of this to be infrequent and not problematic.

# Scheduling and Pricing Options

- **Price Setting Issue**
  - *Real-time SCD price setting is based on ideal accumulated basepoints*
  - *The actual physical dispatch is based on unit actual operating level*
  - *Dragging therefore causes prices to be lower than they would be absent dragging.*
- **ISO is not recommending price correction measures to compensate for dragging by generators.**
  - *All would require some changes to SCD operation*
  - *All would require error prone manual operation by dispatchers or complex price correction after the fact comparable to ex-post pricing.*
- **Problem is behavioral not a software or rules flaw**
  - *Available software corrective measures are not assured to work reliably*
  - *Will potentially cause more problems than they correct*

# Preventive Plan to Minimize Dragging - Summer '04

- **System Operations**
  - *Produce a real-time process that will consistently monitor for and prevent or correct problem dragging*
- **Operations and Market Service management**
  - *Monitor for dragging on a daily basis and contact problem performers*
- **Market Services and MMU**
  - *Contact suppliers who were frequently dragging in summer '03 and review means to prevent recurrence in '04*
- **Conduct technical conference for plant operators (in NYC) to discuss key aspects of dragging problem and their role in prevention.**
- **Procedures to accomplish all of the above to be in place or completed by the end of May '04.**