

Management Committee Project Update



August 4, 2000
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Project Updates

√ Off Dispatch Units

- Resolve Remaining PURPA Issues
- FERC Order (B36, E11, E17, E22, D23, E05, F02)

√ Market Close & Post Time

- E21

√ GT Modeling Improvements

- Improve GT Dispatch - Break existing GT Block model into individual units (A41)
- ISO Modify SCD to allow separate Startup bids for GT's (E38)
- 2-Step energy bid Model (E50)

√ Transmission Bidding

- B07

√ Pumping as Reserve

- Provide capability for handling a Net Negative Generator (Niagara) (A35)
- Complete all remaining Gilboa Generator and Pump Modeling Changes (A34, A35)

Off Dispatch Units

Resolve Remaining PURPA Issues

- ✓ **Description:** Develop scheduling rules for PURPA units
- ✓ **Objective:** Improve BME solution accuracy by providing up to date information on supplier PURPA scheduling objectives during in day operations
- ✓ **Scope/Deliverables:** Development of rule set and input data for use by BME which is based on previous hour operations
- ✓ **Completion Date:** 11/01/00
- ✓ **Project Manager:** John Hickey
- ✓ **Status:** Project design start up pending (Fall List Project)
 - Purpa Tech Bulletin
 - Mtg. Scheduled to resolve FERC Issues (mid august)

Off Dispatch Units

FERC Order

- √ **Description: B-36 ISO in consult w/ stakeholders examine:**
 - if circumstances in NY merit paying unscheduled over-gen when other ISO's do
 - whether same pricing applies to all unscheduled gen
 - if reliability risks of under- gen are different than risk of over-gen
 - whether LBMP price signals are sufficient to address over- gen problems
 - whether harsher penalties than TO's proposal should apply in limited circumstances
 - market rules to accommodate gens that can't precisely forecast & schedule energy (wind etc).
- √ **Objective: Resolution of issues dealing with Off-dispatch Generation**
- √ **Scope/Deliverables: FERC Filing**
- √ **Completion Date: 11/18/00**
- √ **Project Manager: Jim Savitt**

Off Dispatch Units FERC Order - Status

√ Planning Stage

- Active with S&P WG
- FERC Filing Required 11/18/00
- Tec bulletin 16
- SOAS Report to BIC and OC
- These issues will be combined with the PURPA issues at the meeting in Mid August.
- Plan on reporting to BIC in Oct, MC in Nov.

Market Closure & Time Posting

- ✓ **Description:** BIC examine if 5 AM closing and 11 AM posting times for day-ahead market lead to sub-optimal bidding, esp gas-fired units. Coordinate with neighboring ISOs.
- ✓ **Objective:** Examination of potential effects on market of changing close / post times.
- ✓ **Scope/Deliverables:** BIC concurrence on NYISO post/close timing.
- ✓ **Completion Date:** Not Applicable
- ✓ **Project Sponsor:** Charles King
- ✓ **Status:** Concept @ Discussion at S&P WG
 - ISO staff is to provide a table describing the rule flexibility related to Market post times for all the ISOs as part of the Close/Post discussion
 - V lynch agreed to gather input for and put out a "White Paper" regarding the Gas Nomination issue by 8/14 (Questions are due 8/1)
 - Ray Kinney and Chair collaborate on the Pro/con summaries related to Close/Post

GT Modeling Improvements

Improve GT Dispatch - Break Existing GT Block Model into Individual Units

- ✓ **Description:** Model Ravenswood GT's as individual units and performance track as groups
- ✓ **Objective:** Allows scheduling of energy and ancillary services in unit increments. Eliminates the need to dispatch groups of GTs and the blocking of groups of GT's from the energy market when chosen for ancillary services
- ✓ **Scope/Deliverables:** Modified MIS to allow scheduling of individual units
- ✓ **Completion Date:** 8/31/00
- ✓ **Project Manager:** Bob Thompson
- ✓ **Status:** Market Services coordinating the model updates pending Keyspan notification that they are prepared to begin operation

GT Modeling Improvements

2-Step energy bid model for GT's

- ✓ **Description:** Provide a 2-Step energy bid model for GT's
- ✓ **Objective:** Allow GT's to claim DMNC based on peak output and bid energy commensurate w/ the ISO Tariff.
- ✓ **Scope/Deliverables:** Software modifications to LBMP system.
- ✓ **Completion Date:** Dependent on Plan Approval
- ✓ **Project Manager:** Bob Thompson
- ✓ **Status:** Planning Stage – Approach in development on how to implement for all steam currently under internal NYISO review.
 - Proposal will allow for a bid curve with an “op cap” and accommodate a limit for spin reserve.

GT Modeling Improvements

ISO modify SCD to allow separate start-up bids for GT's in HAM

- ✓ Description: SCD currently uses a bid curve which includes unit start-up costs. Desirable to model GTs with a separate startup cost.
- ✓ Objective: Allow the SCD system to utilize startup costs independent of the bid cost.
- ✓ Completion Date: "2001" project
- ✓ Scope/Deliverables: Software modifications to LBMP system.
- ✓ Project Manager: Bob Thompson
- ✓ Status: Concept Stage

Transmission Bidding

- √ Description: Transmission customers do not have the option of specifying the congestion price they are willing to pay to avoid curtailment. FERC order to submit a report after 6 months from the commencement of operations on the feasibility and cost of transmission bidding.
- √ Objective: ISO Study feasibility & cost for SW & tariff changes to accommodate transmission bidding in consultation with stakeholders & report to FERC
- √ Scope/Deliverables: ISO submit FERC Filing with cost for Software changes and feasibility.
- √ Completion Date: TBD w/ BIC
- √ Project Manager: Bob Thompson
- √ Status: Concept - A request for deferral to FERC after consultation with BIC @ August Meeting.

Pumping as Reserve

Complete all Remaining Gilboa Generator and Pumping Modeling Changes

- √ **Description: Change pump modeling in SCUC/BME to:**
 - support spinning reserve and regulation on generators while pumping and,
 - perform cost based evaluation on bids for pumping
- √ **Objective: Provide greater flexibility in scheduling/operating generation while in the pump mode. Allows Gilboa to bid spin reserve while in pump mode.**
- √ **Scope/Deliverables: Enhanced SCUC/BME software to support the pumping features**
- √ **Completion Date: 9/1/00**
- √ **Project Manager: Rick Gonzales**
- √ **Status: Have received preliminary software. Implementation proceeding on schedule**

Pumping as Reserve

Provide Capability for Handling a Net Negative Generator (Niagara)

- ✓ **Description:** Develop scheduling and interface that allows Niagara generation to be scheduled as a net negative. Includes capability to provide ancillary services while net negative.
- ✓ **Objective:** Improve flexibility for Niagara bidding and scheduling during periods of low water flows from the Great Lakes. Maintains energy and ancillary services while in net pump mode.
- ✓ **Scope/Deliverables:** MIS updates to allow negative schedules. Updates to the SCUC, SCD and AGC to use Niagara while in pump mode
- ✓ **Completion Date:** 11/1/00
- ✓ **Project Manager:** John Hickey
- ✓ **Status:** Planning Stage - project on target