SCR Proposed Rule Changes

NYISO Installed Capacity Working Group
Meeting
January 24, 2006

Overview

- ✓ Summary of July 27, 2006 SCR event performance
  - *Edited from Dec. 12, 2005 PRLWG presentation*
- ✓ Proposed changes to SCR rules
  - *Most of the proposed changes have been contemplated prior to the 7/27 event*

SCR Performance Based on APMD and CMD

SCR Performance (MW) Based on APMD & CMD - July 27, 2005						
Zone	HB14	HB15	HB16	HB17	average	% of registered
G	2.6	3.3	4.1	4.2	3.6	80.8%
H	1.5	1.5	1.5	1.7	1.6	223.1%
I	11.5	11.1	11.5	11.1	11.3	112.7%
J	104.9	149.2	156.7	161.1	143.0	54.3%
K	15.1	92.9	92.5	94.9	73.8	70.0%
	135.7	258.1	266.3	272.9	233.2	60.7%

- Overall performance below historical levels
- Zone J performance well below registered levels

APMD = Average Peak Monthly Demand as defined in Attachment J of the ICAP Manual

CMD = Contract Minimum Demand as defined in Attachment J of the ICAP Manual

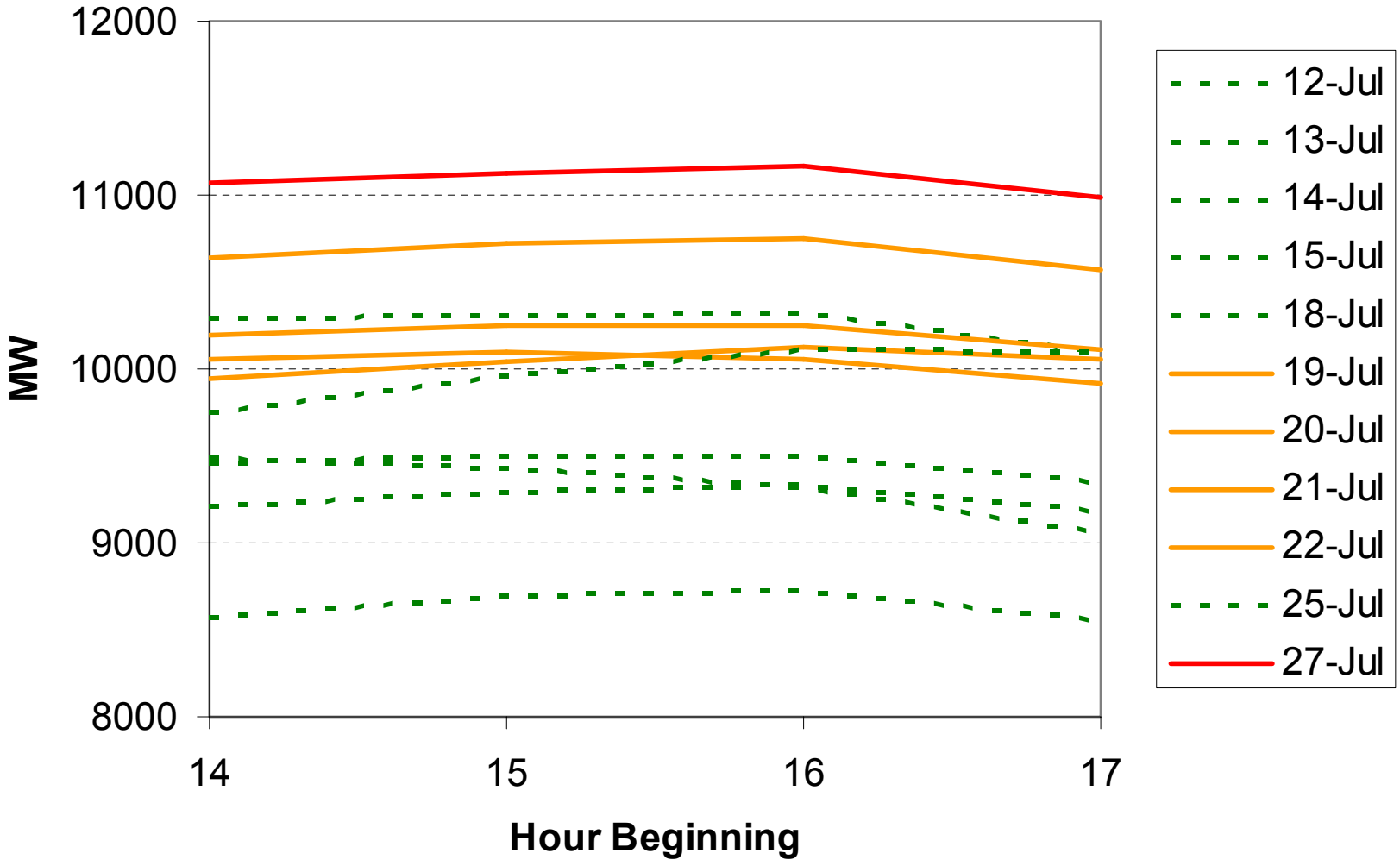
Performance Analysis

- ✓ 41 out of 63 SCR IDs did not reduce to their CMD at any point during the event
- ✓ 43 out of 63 SCR IDs provided Capacity performance (APMD – Meter) that exceeded Energy performance (CBL – Meter)
  - *Total Capacity Performance: 933 MWh*
  - *Total Energy Performance: 383 MWh*
- ✓ 2 out of 63 SCR IDs provided some Capacity performance but provided no Energy performance
  - *Implying CMD > Meter > CBL*

Observations

- ✓ 4 day-ahead advisories issued prior to 7/27 event that fell within typical CBL window
  - *If resources reduced load on all 4 days in anticipation of an event, there would still be 6 valid CBL days not associated w/advisories*
- ✓ Event day load compared with CBL days:
  - *Zone J load on 7/27 was ~4% higher than next highest load day (7/19) in CBL window*
  - *Zone K load on 7/27 was just below 7/19, otherwise above all other CBL days*

Zone J Hourly Loads



Red = event day; orange = advisory day; green dash = neither

Proposed SCR Rules Changes

Use of SCR audits in years when SCR events are called

- The Tariff and the ICAP Manual specify that NYISO may test SCRs each Capability Period to verify performance.
- Audit results as well as actual event data, if any, have been used to verify capability as well as to establish performance factors.
- All hours reported have applied to forward deratings, if any.
- NYISO practice has been to run such “audits” at least once each Capability Period, pending an actual event.

Use of SCR audits in years when SCR events are called (cont'd)

- ✓ It is proposed that actual Special Case Resource events will supplant audit results for purposes of determining deficiencies.
- ✓ Audits will still count towards performance factor calculations.
- ✓ The best hour in an event will be used to determine deficiencies, if any. Audit results will only be used if there is no event. Resources registered after an event or the last audit will be tagged with a class average derating.
- ✓ Audits will only be conducted during DMNC Test Periods: June 1 to September 15 in Summer Capability Period, November 1 to subsequent April 15 in Winter Capability Period.

Seasonal vs. 12-month performance factor calculation

- ✓ Performance has been calculated in accordance with Attachment J of the ICAP Manual. It is proposed to use a straight seasonal performance factor from the previous like Capability Period rather than the average of the last six 12-month rolling calculations.

Revised APMD calculation

- ✓ APMD will be based on hourly peaks within the 12 noon-8 PM time period in summer (June-Sept) and winter (Dec-March) periods.
- ✓ If a new resource has no APMD from Interval Billing Meter data, APMD-CMD declarations may be provisionally based on billing demand data. Such declarations will be subject to actual in-period verification of actual APMD-CMD performance during an event or audit and subject to all the same deficiency payments and forward deratings.

Metering requirements

- ✓ Interval Billing data will absolutely be required, meaning one hour, on-the-hour to on-the-hour energy, consumption or production, metered and measure in MWh.
- ✓ Metering to be certified by registered and independent MSP and read by MDSP.
- ✓ Meters must have certified test records
- ✓ 60 day maximum reporting time. No data in 60 days will be treated same as nonperformance.
- ✓ Customer must register any and all generators used to reduce load, whether direct metered or not.

SCR Impact of New Resources

- ✓ Current rules permit SCR resources changing RIPs to carry with them their individual performance history
- ✓ Resources new to the SCR program enter the program with a performance factor of 100%
- ✓ At Dec. 12 PRLWG meeting, options for assigning class average or RIP average performance factors to new participants was discussed.
- ✓ Implementation for summer 2006 may be infeasible – if so, will revisit once APMD window rule change is in place and experience is obtained during summer 2006.