Dynamic Reserve

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KCC
11/10/2010

Agenda

◆ Review of 6/7/10 MIWG discussion

◆ Actions taken based on MP feedback

◆ Review Dynamic Reserves Study Process

◆ Next Steps

Objective of Dynamic Reserve Initiative

- Evaluate the feasibility of enhancing the scheduling system to economically schedule a resource in excess of 1200 MWs when the total cost of doing so, in additional reserves required, is less than the cost of not doing so

- At the 6/7/2010 meeting it was requested that the NYISO complete an analysis of the cost impacts of increasing the reserve constraints as fixed constraints similar to the process used in the current scheduling software

  - *The objective of the analysis is to determine if enhanced scheduling software is cost justified*

Dynamic Reserves Study Process

- ◆ Six historical days are being analyzed

- ◆ Increase the HQ-NY import capability from 1200 MWs to 1500 MWs for selected hours of the day

- ◆ Increase the NYCA reserve requirements based on the criteria that 1500 MWs represents the largest single contingency

  - ▪ *Locational requirements east of C/E and LI were not modified*

Data to be evaluated

- Change in LBMP for fixed load ("all-in" cost)
- Change in reserve and regulation costs
- Change in production costs
- Review any units that are persistently started
- Review any units started to support the ancillary services requirements

Next Steps

- Review Study data and report results at the December MIWG

- Recommend strategy to MIWG based on study results

- Evaluate costs to enhance the Scheduling Systems

- Bring comments and details to MIWG for further discussion

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