

# Operations Reactive Studies Voltage Support Service 2004 Update



*NYISO Management Committee*

*October 1, 2004*

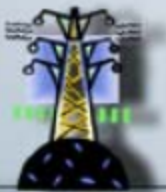
# VSS Issues Update

- Review results and recommendations of ongoing reactive studies
- Identify near and long-term proposals to refine VSS service
- Next steps



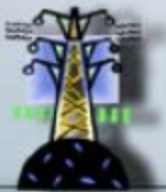
# Operations Reactive Studies

- 2004 – Updated TB #91 and #103 VSS test report forms to improve ease of reporting cross-compound or combined cycle generators
- Completed Phase 1 load power factor assessment (draft report to SOAS)
- Developed issues and discussion for Voltage Support Ancillary Service consideration



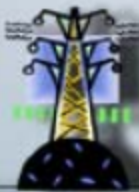
# VSS Testing Review

- Operations Engineering was assigned the lead role in the review of the annual testing
  - *Work with Market Services to follow up deficiencies in testing*
  - *Provide Confirmation to Grid Accounting*
- Reviews of Operating issues
  - *Response to NYISO requests*
  - *Real-time voltage support issues*



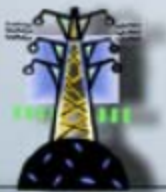
# VSS Testing Review

	Suppliers	Gross MVAr Capability
2001	242	12418
2002	254	13902
2003	275	14975



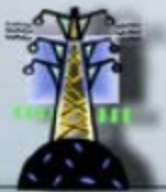
# VSS Issues Identified

- Clarification of Testing Requirements
- Six-year Test Requirement
- Reactive Capability
- Gross vs. Net Capability
- Compensation Rate
- Compensation for non-generator resources
- Interconnection Requirements
- Compensation for FACTS-type devices
- Two-tier voltage support service



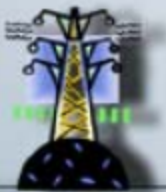
# Actions To Date

- Clarification of Testing Requirements
  - *Monitor VSS test reports, comments from MPs*
  - *Update test report form and TBs*
- Six-year test requirement
  - *Continue Waiver of 6-year test requirement*
  - *Monitor NERC Standards process and Blackout Recommendations*
  - *Propose new comprehensive testing requirement when NERC develops new standard and compliance template*



# Proposed Near-Term Refinements

- Reactive capability range of control
  - *Consider lagging and leading capability*
- Gross vs. Net Reactive capability
  - *Net capability is a better indication of the contribution to the system and consistent with ICAP and metering*
  - *Annual review of rate should consider any changes in the accounting method or service considerations*





# NYISO Proposal

- Maintain current rate of \$3919
- Report to MPs on implications of proposed near-term refinements in Q1 2005
  - *Tariff modification to implement these mid-year is possible*
- Continue development of proposals to address remaining VSS issues, including adjustment to cost basis of the rate

