

NYISO Electric System Planning Working Group Meeting

August 19, 2003

10:00 a.m.

NYISO
*290 Washington Avenue Extension
Albany, NY*

Minutes

Of the fifth meeting of the New York Independent System Operator Electric System Planning Working Group held August 19, 2003 at the NYISO, 290 Washington Avenue Extension, Albany, NY.

PRESENT:

Bill Palazzo, Chair - New York Power Authority
Howard Fromer - PSEG
Rich Felak - Calpine Consulting
A. Ralph Rufrano - New York Power Authority
Bob Reed - NYSEG
Stuart Nachmias - Con Edison
James Mitsche - PowerGEM
Mohsen Zamzam - Con Edison
Tim Bush – Navigant
Larry DeWitt – Pace
Charles Pratt – Dickstein Shapiro
Patti Caletka – NYSEG
Ed Kremzier – National Grid
Larry Eng – National Grid
Chris Wentlent – AES
Liam Baker – Reliant
Doreen Saia – Mirant
Mark Younger – Slater Consulting
F.S. Prabu Prabhakara – ABB Consulting
Boris Grisin – PowerGem
Diane Barney - NYPSC
Bill Lamanna - NYISO
John P. Buechler – NYISO
Garry Brown- NYISO
John Adams - NYISO
Ray Stalter - NYISO
Leigh Bullock - NYISO
Steve Corey - NYISO
Valerie Caputo – NYISO

Ernie Cardone – NYISO

Via Conference Call:

Alan Foster – Dynergy
David Applebaum – Sithe
Ed Kichline – KeySpan
Glen McCarthy – Constellation
Harvey Happ – NYPSC
Jim Scheiderich – Select
Peter Chamberlain – E Cubed
Rich Wright – Central Hudson
Susan Chamberlain – Brown, Olsen, and Wilson
Jim Mayhew – Mirant
E. John Tompkins
Rich Zambratto – KeySpan for LIPA

Welcome and Introductions

Mr. Bill Palazzo, Chairman of the Electric System Planning Working Group, welcomed members of the group and stated the agenda for the day.

Mr. Garry Brown stated the events of last Thursday may impact the work of this group although it is uncertain of what may be affected; there could be regulatory changes in the future. It is likely that even more emphasis may need to be placed on the completion of the NYISO planning process. . He recommended that the WG continue to proceed with the development of the Initial Phase Process as soon as possible.

Review of the Notes of August 1 meeting

ESPWG members agreed to the draft meeting notes of August 1.

Presentation on PROBE model

- Examples of historic congestion reports
- Examples of “what if” analysis
- Discussion of future enhancements to model

Mr. Jim Mitshe of PowerGem provided a presentation on the PROBE model. The presentation included background on the model which was originally designed to mirror the SCUC in MMU; assuming the unit commitment is set, the program produces 24 hour power flow models that can be used for “what if” analysis. The NYISO has proposed to use the PROBE software to analyze historic congestion costs and causes. It was clarified the unusual events will not be removed in the initial summary, but they will be identified once the analysis has been completed. The PROBE model was originally designed for single day analysis and modifications will be needed to enhance the program in order to evaluate a full month. July 2003 was analyzed and the preliminary results were discussed. A graph and chart were presented showing the number of simultaneous constraints for June and July. Mr. Ralph Rufrano indicated that many of the

elements that are shown to be congested are those that are either PARS or the series circuits connected to the PARS; by definition congestion is caused by the normal operation and design of PARS. Members discussed the active DNI listed in the chart and whether this was an actual transmission limitation; it does affect the LBMP and limits the transfer capability. Mr. Mitsche provided a graph on the total congestion cost per day for July 2003, which was calculated using the NYISO accounting definition. The presentation also provided charts displaying breakdowns of congestion through the days of the week and a breakdown of costs through the hours of day. Mr. Mitsche reviewed an example of how the costs were calculated. Mr. Mark Younger questioned if the calculation was pulling numbers out of the load numbers. Mr. Boris Grisin indicated the numbers used were from the DAM. Another MP indicated the real time load numbers need to be used; using the price capped and virtual load numbers will skew the results. Mr. Mitsche also provided an example of a calculation of one constraint which could be cross-zonal. A chart was also provided showing the congestion by zone. Mr. Mitsche displayed a chart that showed zonal congestion cost per MW and a chart listing each constraint and its congestion cost for each zone. Mr. Mitsche indicated the most costly constraints are not the same as the most constrained lines in terms of time. Mr. Scheiderich asked why the Central East interface showed congestion costs in zones A through E. Mr. Mitsche replied that this is not a closed interface, and although it is only affected slightly, the overall costs are high. Members discussed a listing of the average and zonal congestion cost per constraint. Mr. Younger asked how much of the total congestion costs can be attributed to contingencies that occur and unexpected contingencies. Mr. Mitsche stated that this may be determined through the "what if" analysis. *MPs asked if the NYISO plans on posting shadow prices. The NYISO will report on this.*

Mr. Mitsche discussed enhancements to the Probe model that will assist with the analysis of congestion. Mr. Garry Brown suggested that with some small modifications it may be possible to come close to the supply curve and allow for estimation of the next generation unit. Mr. Larry Eng stated the NPCC CP-10 has been performing a study of congestion in the northeast and the results of this analysis is similar to the numbers from that study. There was a question on the definition of congestion and how TCCs and TSCs are reflected. Mr. Buechler stated that this method just reports congestion payouts to TCCs by zone. *It was requested that the NYISO provide Mr. Mitsche with details on the abbreviations in the data sources he is using.* Mr. Stuart Nachmias suggested a summary be provided on the July analysis. Mr. Brown stated that the NYISO could not commit to having this information available for the next meeting. Mr. Palazzo suggested using a SCUC run on one day to use as a benchmark against the PROBE results. Ms. Saia requested a definition of how the total number was calculated per the NYISO accounting method and it should also be noted if the numbers included unusual circumstances be included in the summary of the July analysis. Mr. Buechler stated the NYISO was looking for input on the types of report formats that had been displayed today. *Mr. Palazzo suggested any suggestions should be sent to NYISO by August 27.*

Initial Planning Process

- Revised process flow diagrams
- Revised timeline
- Draft procedure for discussion

Mr. John Buechler discussed the NYISO Initial Planning Process outline. Mr. Felak asked if enough details would be provided in the first and second five years would be sufficient. Mr. Buechler stated there would be sufficient analysis and the same criteria would be used for the first and second five years. Mr. Brown indicated the NYISO currently does analyses for the first five years and the second five year analysis would require additional analysis that hasn't been done previously. Phase I includes historical congestion reporting and reliability assessments, the second phase will focus on what to do with projected congestion. *The NYISO will distribute the draft as a word document and comments should be submitted to the NYISO by August 27.* Mr. Buechler reviewed the flow chart on the planning process and the updated flowchart on the stakeholder participation. Some MPs preferred the word "final" referring to the draft should be taken out of the flow chart until the end of the process. There was also a request to remove the language related to staff finalizing the report after Board approval on page 6. There was also a discrepancy noted between the outline and flowchart on coordination with neighboring control areas. Mr. Buechler reviewed the revised timeline which indicates that the Phase I analysis should be completed by early spring. Members discussed the documents and made a number of suggestions the NYISO will incorporate into the draft. Mr. Larry Dewitt asked if a timeline has been established for the second phase. Once the initial planning process has been approved by the OC, then the group will work on what should be done in the second phase. The ESPWG will also review and revise the implementation of the initial phase while working on the development of the second phase. *The draft document will be completed and distributed to the group by the end of the week.*

Next Meeting

The next meeting is scheduled for September 3, 10:00 a.m. at the NYISO.

Action Items

1. MPs asked if the NYISO plans on posting shadow prices soon. The NYISO will report on this.
2. It was requested that the NYISO provide Mr. Mitsche with details on the abbreviations in the data sources he is using.
3. Mr. Mitsche was asked to provide a report on his historical congestion cost report for July 2003, including a definition of the congestion cost calculation.
4. Mr. Mitsche was asked to provide a breakdown of TCC payments by zone.
5. Mr. Mitsche was asked to perform a "what if" analysis for several days in July.
6. Mr. Palazzo suggested any suggestions on reporting formats for the PROBE Model should be sent to NYISO by August 27.
7. The NYISO will distribute the draft of the Initial Planning Process as a word document and comments should be submitted to the NYISO by August 27.
8. The draft Initial Planning Process document will be completed and distributed to the group by the end of the week.