

# IRM/Locality Studies and ICAP Accounting

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# Purpose & Background

- Numerous concerns relative to NY's markets:
  - Reliability issues reflected in Power Alerts
  - ICAP and Energy prices
  - ☞ Viability of the markets in question
- While fixing pricing issues and introducing ideas such as ICAP Demand Curves are fine, we need to make sure the underlying assessment of the reliability is being done in a reasonable fashion
  - ☞ To this end I have sent three emails with a variety of questions that should be addressed

# Review of Studies and Issues Encountered

- Capacity change 2000 to 2002 is 1839 (+5.2%)
  - This is still a bit of a mystery number
  - ☞ Accounting needs to be more clearly laid out and transparent
- Staff position is that the CSC provides statewide benefit beyond ability to supply locality supply to LI
  - ☞ Would expect future IRMs to reflect this

# Review of Studies and Issues Encountered

- Impact of Emergency Operations Procedures (EOP)
  - ☞ Voltage reduction (470Mws) has a large IRM impact not reflected in reality: What is the correct assumption?
  - ☞ Given penetration of SCR and EDRP are large quantities (320Mws) of voluntary Industrial curtailment appropriate?
  - ☞ Is “Member System” curtailment appropriate (48Mws)?
  - ☞ EDRP is substantial (6-700Mws) and has been effective but has not yet been included

# Review of Studies and Issues Encountered

- Reserve Sharing Issue

- ☞ Modeling change resulted in 1.6% IRM increase

- Allocates excess reserve to areas that are short

- ☞ We should have an detailed accounting of the process

- ☞ With NYC and LI the nearly short areas why did the change have such dramatic effect?

- Since the Scheduled Maintenance assumptions resulted in a large decrease in IRM (2.5%) the ISO should provide updated PO/MO rates for 2001 now

# Review of Studies and Issues Encountered

- External ICAP Assumptions
  - This is the most confusing of all the information in the IRM studies
    - See JES 11-5-02 email
  - The Cases run (Table B-1), the tabulation (Table 1) against the Base Case IRM and the Mws modeled (Study Results) simply do not seem to add up...
  - ☞ Given the substantial impact on results, this needs serious clarification