

Forward Capacity Market (FCM) / Generator Interconnection Process Stakeholder Group

Stakeholder Meeting No. 11

May 2, 2008

Sturbridge, MA

Agenda

Welcome and Introductions	9:45 – 10:00
Term Sheet Review and Discussion	10:00 – 12:00
Lunch	12:00 – 1:00
Term Sheet Review and Discussion, continued	1:00 – 3:00
Next Steps and Upcoming Schedule	3:00 – 3:30
Adjourn	3:30

Schedule

- **Stakeholder Study Group:** September 2007 – May 2008
 - May 16
- **Markets/Reliability/Transmission Committees**
 - Discussion: May - July
 - Reliability Committee/Transmission Committee vote: July 21-22
 - Markets Committee vote: August 11-13 (summer meeting)
- **Participants Committee Vote:** September 5
- **Filing:** October

Questions Regarding Single Queue Alternative

Al McBride, Project Manager, New Resource Qualification

Single Queue Alternative

1. The “Single Queue” Alternative proposes that the responsibility for upgrades needed to address overlapping impacts is determined by relative Interconnection Queue position and not by the timing of the Forward Capacity Auctions in which resources clear
2. The following slides make use of examples to pose questions about the proposal

Underlying Scenario for Examples

- Queue Position 1, 100MW
- Queue Position 2, 100MW

- Overlapping Impact Upgrades for 100MW = \$1M
- Overlapping Impact Upgrades for 200MW = \$10M

- Examples will explore cases where
 - Upgrades can or cannot be completed in time
 - Resources have the same or different Commercial Operation Dates

\$10M Upgrades can be done in 3 years

Same COD – Example 1

- QP1, 100MW, COD = June1, 2014 (FCA5)
- QP2, 100MW, COD = June1, 2014 (FCA5)

- Both Resources Qualify for FCA5 (unconditionally?)
- If QP1 only clears in FCA5
 - QP1 must complete \$1M upgrade
- If QP2 only clears in FCA5
 - QP2 must complete \$1M upgrade?
 - QP2 may have to complete \$10M upgrade later if QP1 clears in a later FCA?
 - Does QP2 have the choice not to complete the \$10M upgrade if QP1 clears in later FCA?
- If both QP1 & QP2 clear
 - QP1 must complete \$1M upgrade
 - QP2 must complete \$10M upgrade?

\$10M Upgrades cannot be done in 3 years

Same COD – Example 2

- QP1, 100MW, COD = June1, 2014 (FCA5)
- QP2, 100MW, COD = June1, 2014 (FCA5)

- QP1 qualifies for FCA5
- QP2 qualifies for FCA5 conditionally?
- If QP1 only clears in FCA5
 - QP1 must complete \$1M upgrade
- If QP2 only clears in FCA5
 - QP2 must complete \$1M upgrade?
 - QP2 may have to complete \$10M upgrade later if QP1 clears in a later FCA?
 - The \$10M upgrade cannot be completed in 3 years – so QP2 will not be able to meet its obligation for some period of time
 - How long should QP2 be allowed to cover its obligation?
- QP1 & QP2 cannot both clear in FCA5?

• The Green text explores conditional treatment if it were to be included in the proposal

\$10M Upgrades can be done in 3 years

Different CODs – Example 3

- QP1, 100MW, COD = June1, 2016 (FCA7)
- QP2, 100MW, COD = June1, 2014 (FCA5)

- QP1 cannot qualify for FCA5
 - Is QP1 considered in the base case for FCA5?
 - Long lead treatment?
- QP2 qualifies for FCA5?
- If QP2 only clears in FCA5
 - QP2 must complete \$1M upgrade?
 - QP2 may have to complete \$10M upgrade later if QP1 clears in FCA7?
 - Does QP2 have the choice not to complete the \$10M upgrade if QP1 clears in FCA7?

\$10M Upgrades cannot be done in 3 years

Different CODs – Example 4

- QP1, 100MW, COD = June1, 2016 (FCA7)
- QP2, 100MW, COD = June1, 2014 (FCA5)

- QP1 cannot qualify for FCA5
 - Is QP1 considered in the base case for FCA5?
 - Long lead treatment?
- QP2 qualifies for FCA5?
- If QP2 only clears in FCA5
 - QP2 must complete \$1M upgrade?
 - QP2 may have to complete \$10M upgrade later if QP1 clears in a later FCA?
 - The \$10M upgrade cannot be completed in 3 years – so QP2 will not be able to meet its obligation for some period of time
 - How long should QP2 be allowed to cover its obligation?