

# MINUTES

## NEPOOL POWER SUPPLY PLANNING COMMITTEE (PSPC) Meeting No. 242

February 21, 2008

ISO New England Offices

Holyoke, MA

### Present

Maria Agustin (Secretary)  
Bob Amelang  
Ken Bekman  
Wayne Coste  
Fernando DaSilva  
James Douglass  
David Errichetti  
Yuri Fishman  
James Gawronski  
Phil Smith  
Pam Stonier  
Waine Whittier  
Peter Wong (Chair)  
Fei Zeng

### Affiliation

- ISO New England Inc.  
- CVPS  
- Consolidated Edison Energy, Inc.  
- ISO New England Inc.  
- FPL Energy, LLC  
- ISO New England Inc.  
- Northeast Utilities System Companies  
- Keyspan Energy  
- The United Illuminating Co.  
- Mirant New England LLC  
- Vermont Dept of Public Service  
- Maine PUC  
- ISO New England Inc.  
- ISO New England Inc.

### Teleconference

Nicholas Bosse  
Dorothy Capra  
Nancy Chafetz  
Kelvin Chu  
Ken Dell Orto  
Bill Fowler  
Thomas Kaslow  
  
Hans Mertens  
Scott Myers  
Tim Morrissey  
Bill Ryan  
Afshin Salehian  
Robert Stein  
  
Alison Smith  
Frank Vitale  
Sharon Weber

### Affiliation

Hydro-Quebec  
- ANP Funding I, LLC  
- Customized Energy Solutions  
- Consolidated Edison  
- Competitive Power Ventures  
- Sigma Consultants  
- FirstLight Power Resources, Inc., Dynegy Power  
Marketing, Inc. & Calpine Energy Service, LP  
- Vermont Dept of Pubic Service  
- Day Pitney LLP  
- Dominion Power  
- CVPS  
- NSTAR Electric and Gas  
- Signal Hill Consulting Group, LLC for H.Q. Energy  
Services (US) Inc. & NRG  
- Synapse Energy Economics, Inc.  
- New York State Reliability Council  
- PPL EnergyPlus, LLC

## **1.0 – Administrative**

### 1.1 – Chair Report

Mr. Wong welcomed everyone to the meeting and informed the PSPC that the Installed Capacity Requirements (ICR) for 2008/2009 was recently approved by the Reliability Committee (RC) at

their February 14<sup>th</sup> meeting. The ICR will be presented to the Participants Committee (PC) for review and action at their March meeting. The ISO plans to file the ICR for 2008/2009 Capability Year with the FERC sometime in March.

## 1.2 – Minutes of Meeting 236 & 237

The Draft minutes of PSPC Meeting 236 were approved as written. The Draft minutes of PSPC Meeting 237 will be reviewed for approval at the March 28<sup>th</sup> PSPC meeting.

## **2.0 – Tie Benefits Calculation Methodology**

### 2.1 – LIPA Proposal

Mr. Fishman reviewed the document entitled “*LIPA Proposed ISO-NE Tie Benefits Analysis.*” He stated that the LIPA proposal is designed so that neighboring Control Areas will be modeled with an LOLE that is no more reliable than the LOLE of the New England system in isolation. This proposal should ensure that ISO-NE does not overly rely on outside area support. Mr. Bekman also added that internal transmission constraints should be modeled within the tie benefits analysis.

Mr. Vitale stated that while he recognized Mr. Fishman’s proposal to make one Control Area no more reliable than any other Control Area, he still believes that the 1 day in 10 methodology is the appropriate methodology to use for tie benefits. The PSPC then discussed what would be the procedure to bring neighboring systems to the 0.1 days per year LOLE reliability criterion, if they were currently less reliable? Mr. Fishman suggested that ISO-NE contact the Control Areas involved within the analysis and follow their specific methodologies, of either adding resources or removing load, to bring their respective systems to 01 days per year LOLE.

Mr. Errichetti questioned Mr. Fishman on why the LIPA proposal does not include the modeling of Emergency Operating Procedures (EOPs). Mr. Fishman replied that by including EOPs in the modeling, you must assume that other Control Areas are following your Control Area’s EOPs. Mr. Errichetti felt that each Control Area’s own EOPs should be modeled within the Tie Benefits Analysis, and by not modeling those EOPs, an important resource will be overlooked.

Mr. Bekman stated his concern that no other neighboring Control Area currently has a lower Reserve Margin than New England and tie benefits accounts for half of that Reserve Margin.

Mr. Errichetti then asked Mr. Fishman how he intended to specifically allocate the New York AC transmission ties transfer limit of 1,400 MW to the individual transmission line in order to calculate individual tie line tie benefits. Mr. Stein added that he did not see the purpose of determining tie benefits for every single tie line and noted that this analysis should only be done for tie lines where the owners have a particular interest in knowing the exact tie benefits, such as the Cross Sound Cable. Mr. Fishman promised to provide more details on some of the specific methodologies contained within his initial proposal.

### 2.2 – Discussion of Issues Raised by Mr. Bekman

Mr. Coste reviewed the presentation entitled “*Discussion of Questions Transmitted by Ken Beckman,*” which used a simplified spreadsheet tie benefits model to answer questions proposed by Mr. Bekman, regarding the modeling of internal transmission constraints.

Mr. Bekman questioned why New York Control Area studies conclude that modeling internal transmission constraints subsequently produces a higher ICR. Mr. Coste replied that once the Local Sourcing Requirement (LSR) in New England is satisfied, internal transmission becomes effectively unconstrained. He added that in the New York studies, a large amount of capacity must be removed in order to produce a significant change in overall ICR.

Mr. Stein stated that while he understood that the LSR and Maximum Capacity Limits (MCL) effectively deals with issues of internal transmission constraints within and out of Maine, he felt that since New York tie benefits are not specifically assigned to any particular New York tie line, LSR in Connecticut do not necessarily address the internal transmission constraints within that state. The PSPC continued discussion on the three Areas modeled and the potential for modeling various internal transmission constraints. Mr. Chu suggested using an example of a three Area model, specifically taken from Mr. Roy Billington's textbook on the subject. The PSPC asked Mr. Wong to provide examples at the next PSPC meeting, showing that modeling internal transmission constraints would have no material effect on tie benefits results. Mr. Wong agreed. The PSPC then asked to see an example of a three Area model, with three differently sized systems. Mr. Coste agreed to provide these examples.

### 2.3 – Discussion of Issues Raised by NU

Mr. Coste reviewed the presentation entitled "*Discussion of 2003 Study Methodology and Priority*", which he described as an explanation for and an answer to an earlier PSPC question regarding the different allocation methods used within the ISO-NE's 2003 and 2007 tie benefits studies, as proposed by Mr. Errichetti. Mr. Coste described the differences between the results and findings of the 2003 and 2007 tie benefits studies as being primarily driven by New England being modeled in isolation versus interconnected. The 2003 tie benefits study "locked-in" all tie benefits to New England, while the 2007 tie benefits study allowed flow through tie benefits to other Control Areas.

Mr. Errichetti stated that he was struggling with the issue that the modeling of New England in the 2007 tie benefits study does not allow New England to become a "sink" for tie benefits. Mr. Coste replied that if New England was modeled as a "sink" for tie benefits, then that would be like saying that New England has priority over all other Control Areas to receive tie benefits.

In his spreadsheet entitled "*NB\_TB\_Allocation\_Implication.xls*," Mr. Errichetti reviewed his numerical example of how a change in tie benefits from the New Brunswick (NB) does not affect Maine's resource position. He stated the example he provided to confirm the discussions at the last PSPC meeting regarding Maine's overall resource position noting that it would be unaffected by the tie benefit allocations because MCL and tie benefits move in opposite directions, thus allowing potential imports from New Brunswick to offset Maine's available resources. Mr. Wong stated that he agrees with Mr. Errichetti's observations, except that it is not exactly equivalent to 1MW of tie benefits producing a 1 MW change in MCL.

### **4.0 – Next Meeting**

The next meeting of the PSPC is scheduled for 9:30 am, Thursday, March 13, 2008 at the Doubletree Hotel in Westborough MA.

Respectfully Submitted,

Maria Agustin  
Secretary, Power Supply Planning Committee