

SUMMARY NOTES
Intermittent Resource Working Group
(05/03/06)

The second meeting of the Intermittent Resource Working Group (“IWG”) was held on Wednesday, May 3, 2006. This was both an in person and teleconference meeting. After introductions, participants discussed the reasons for pursuing a single method for determining the Qualified Capacity MW for all intermittent capacity resources, and reviewed the goals and objectives of the IWG, as stated in the Settlement Document.

After reviewing the specific wording in the Settlement Agreement, the group discussed the merits of the case, and concluded that it would be most efficient to work towards a single method first, before considering alternative methods. Specific issues found during the process that might justify special treatment for a subset of intermittent resources could be addressed at a later date. After a participant questioned how the selected method might be implemented, the Chair clarified that the ISO’s perspective is that the method would replace all existing rating criteria for intermittent resources presently found in Manual 20.

The preliminary straw proposal was briefly reviewed without any significant discussion, because Mr. Brian Forshaw had revised it to reflect a change in the standard definition of the on-peak period as all non-holiday hours ending 08-23. The revised proposal redefines the winter peak period as the 100 hours with the highest New England system loads, and the summer peak period as the 50 hours with the highest system loads, plus any hours when the ISO declares a Shortage Event. A long discussion on how to define the peak load hours followed, with some participants requesting a common definition with that being considered by the Demand Response Working Group. After several participants expressed their views, the Chair volunteered to carry out a statistical review of peak load hours, and coordinate with the Demand Response Working Group. Mr. Brian Beauregard of Holyoke Gas and Electric agreed that the historical generation from his run-of-the river facility could be used to illustrate the effect of using various definitions for peak load hours.

Two participants continued to express their concern about the unique benefits of run-of-the-river hydroelectric facilities. A brief discussion ensued on the history of the present rating procedures for intermittent resources in Manual 20. After this dialog, the Chair agreed to have additional discussions within the ISO of allowing run-of-the-river hydroelectric facilities to opt for treatment as any other capacity resource in the FCM. This option may require these facilities to be subject to the availability penalties in the FCM. A revised summer claimed capability-rating procedure might also be required before they could offer their Qualified Capacity MW into the auction.

The group then agreed to postpone a discussion on the remainder of the revised proposal to its next meeting, tentatively scheduled for Monday, May 22, 2006 at the Holiday Inn in Holyoke, MA. The meeting was adjourned.

RWB:05/05/06

