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## Meeting Notes

### Resource Adequacy Technical Committee Meeting

October 20, 2006 – 9:30 a.m. to 2:30 p.m.

#### Introductions & Review of September 22 Meeting Notes

Attendees: John Fazio (NWPC), Mary Johannis (BPA), Clint Kalich (Avista), Lee Corum (PNUCC), Stefan Brown (OPUC), Chris Robinson (Tacoma), Becky King (Chelan), Howard Schwartz (Washington State CTED Energy Policy), Kieran Connolly (BPA), David LeVee (contractor), Dick Adams (PNUCC)

No changes were made to the September 22 notes.

#### Outcomes from 10/3 Steering Committee Meeting and 10/18 Council Meeting

Mary Johannis summarized the 10/3 Steering Committee meeting, emphasizing that it added several action items for the Technical Committee. The Steering Committee also decided that the pilot capacity standard should use the February adverse temperature numbers instead of the December numbers for the winter target. The winter target remains at 25% but the temperature reserve component changes to 15% instead of 19% and the planning adjustment reserve goes to 4%.

John Fazio summarized what happened at the Council meeting, which was that it voted to release the pilot capacity standard for public comment.

#### PNW Resource Adequacy Forum Work Plan

Mary reviewed the latest version of the work plan with the meeting participants. Instead of the document sent out prior to the meeting, this version of the work plan is an attachment to the Council's Capacity Adequacy Standard paper, which was just released for public comment.

Lee Corum said that the time frame for developing a reporting protocol might be too late for this year's PNUCC process. A short discussion ensued debating whether the process should be delayed this year. Lee said that PNUCC could delay a bit. It has not yet sent out requests for data, but would like to do so very soon.

John described that the benchmarking process for Genesys is separate from the discussion of the linkage between an LOLP analysis and defined metrics. Any tool that assesses LOLP can be used in the process. The Genesys benchmarking process has begun. Input data is being updated (in particular the hydro peaking capability values) and the hydro simulation algorithms have been synchronized with the BPA version. John will brief the Technical Committee on the progress of the benchmarking process later in the year.

Stefan Brown commented that the work plan did not include converting daily average temps and loads to sustained peak duration averages. The work plan was modified to include this action. Stefan asked how soon the Council staff could assess the 50-hour duration load and temperature

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data. John said that staff is working on it now and that is hoping to use historical control area data. It was not clear how soon they could have it done but possibly by early next year.

Mary made a number of additional amendments to the work plan under the direction of the Technical Committee.

One of the key elements of the work plan is the benchmarking of the model (mentioned above) and the definition of an energy and capacity event. John explained how he defined a capacity event and how he used it to get the planning reserve requirements for the capacity standard. There was a question regarding how a “bad” capacity event was derived. John said that is defined as any curtailment, in any hour, that exceeds 3,000 megawatts. He reminded the group that the definition is preliminary and will be reviewed by this committee, as will the definition of an “energy” event.

John asked Lee if the PNUCC data collection schedule was set by utility needs. Lee said he didn't think so. Given that, John asked whether the schedule should be slipped for this year or whether it should just miss the cycle for this year. No clear decision was reached, but the group did not appear to want to delay the PNUCC schedule.

Howard asked whether the Washington state IRP process schedule might affect this reporting schedule. He described language in the legislation mandating the IRP process, which links the data developed for the IRPs with the Forum's resource adequacy reporting process to PNUCC. It was his hope that one reporting process could serve both needs. Dick Adams responded by saying that as long as the data developed is in one data base, it would be easy to format it in different ways to satisfy the IRP, PNUCC and WECC reporting processes. The PNUCC report is different from the IRPS in that it is a snap shot of resources and loads and will change every week and every month.

The committee then discussed some recommended changes to the work plan that Dave LeVee provided. Dave suggested that this group look at other tools, as both a benchmarking aid and also as a possible replacement for the Genesys model. He added that transmission may have tremendous impact to these types of analyses and a model that can simulate transmission may be very important.

Dave emphasized that price is also a very important factor in the effect of exports and imports. “Bad” events are going to be different for different customers.

Kieran wants to make sure that in the benchmarking process we make sure that “bad” events are realistically represented. There may be a tradeoff between the costs of various adequacy targets. The Technical Committee is scheduled to assess this tradeoff.

A question came up about compatibility of this work with the WECC process. Will there be an underlying “minimum” level of adequacy that will come down from NERC or WECC? Mary indicated that the WECC Loads and Resources Subcommittee (LRS) is currently developing resource adequacy guidelines, which are compatible with NERC's Resource Adequacy Assessment Standard, currently under development. She has advocated to the LRS to base

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minimum measures of adequacy on regional metrics and targets such as the Energy Adequacy and Pilot Capacity Adequacy Standards agreed upon through such efforts as this Forum. However, some LRS members want to select a set of metrics and targets (energy and capacity) for the entire WECC footprint. The LRS is still quite a way away from resolution of this issue.

It was pointed out that looking at impacts to fish and wildlife are very important to assessing the appropriateness of the 5% LOLP. John said that some of this work has already been done, and he will present that work at a future Technical Committee meeting.

See the revised work plan for changes agreed to by the committee at this meeting.

## **Discussion regarding revised PNUCC Reporting Process (see Attachment #1: Preliminary List of Questions & Issues)**

Lee Corum provided a report on how PNUCC currently reports load and resource data.

Howard had a question about conservation. How is it accounted for in the reporting process? Lee said it is accounted for by decrementing the load forecast.

The only guidance provided for load forecasts is that PNUCC asks for “normal” weather loads. Mary noted that different methodologies might provide different answers. Dick added that the conservation assumptions alone would create a difference in the load reporting.

Chris commented that asking for more data would be difficult and might not even be possible. But Howard suggested that itemizing conservation is very important especially for the IRP process. No decision was made as to explicitly changing the data request form.

Mary said that WECC would likely require that demand side components be separated out because NERC approved a standard requiring explicit reporting of demand-side management resources.

The data request letter will ask utilities to report on hydro resources using the 1937 hydro condition, even though this year does not constitute the critical period for all utilities. But for the region the use of 1937 is appropriate.

John asked, if Idaho Power loads and resources are included? Dick replied that they are.

There may be a discrepancy between the definitions of a resource under construction. When should a project be counted? Should there be some threshold for counting these types of resources? John said that the Council counts a resource if it is at least 25% complete. The NRF counts a resource if “the ground is broken.” Council and PNUCC staffs will work out the differences.

How does PNUCC count wind? Lee said that they rely on each utility to provide their own best judgment on how much to count. Should we be counting wind on average conditions or worst

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conditions? No decision was made but the Technical Committee will need to work with the BPA-Council wind integration committee to develop a common reporting methodology.

Dick mentioned that some utilities boundaries do not line up with the regional boundaries. So, PNUCC asks utilities to provide only the “regional” portions of their loads and resources.

## **Discussion regarding revised PNUCC Reporting Process**

Mary made a presentation summarizing the pilot capacity standard and suggesting a number of options for how sustained hydro capability might be calculated. One of the questions to be answered is how much do we count on shoulder-hour purchases to assess the hydro sustained peaking capability?

Chris suggested that we be very specific about the use of 1937 hydro, even for dams outside the basin. Another question asked was what reservoir elevations should be used when calculating peaking capacity, in other words, should we assume that any additional water would be released for this calculation. No clear decision was reached, but it was suggested that PNUCC send 1937 end-of-month reservoir elevations out with the data request and ask utilities to assume these elevations in their capacity assessments. Hydro sustained peaking capacity should not be derated to cover operating reserves, or if it is derated then it should be added back in when reporting hydro capacity. Mary made the point that operating reserves do not require any energy support. Therefore, it is inappropriate to evaluate that portion of sustained hydro peaking capacity intended to cover operating reserves using the 50-hour duration, since by definition energy support is provided over these 50 hours. The sustained hydro peaking capacity should cover all, or part of, the adverse temperature and planning adjustment components of the Planning Reserve Margin.

## **Interim conclusions for PNUCC Reporting Process**

PNUCC and Chris will work out a test run for the hydro capability calculation in order to develop a preliminary set of questions for the PNUCC reporting process. It is expected that these questions will be refined over the next couple of years. BPA is still working out what makes sense for them, that is, should the hydro capacity be maximized over the 50-hour duration, or just follow adverse temperature load. What magnitude of purchases should be allowed in the shoulder and off-peak hours?

## **Schedule next meeting**

The next Technical Committee meeting is scheduled for November 17<sup>th</sup> from 10 AM to 3 PM. It will displace the Steering Committee meeting.