

Work Group 8 – September 23, 2008 Minutes (AM Notes)

John Barnes – EJ subgroup

Recommendation 1 -

- Jaime – Sustainable South Bronx, who leads units for 5 boroughs and CT can produce something before September 30th, review of plant emissions and community health data. Map will serve as a recognition of impacts on health issues. Want to target worst offenders and how to address them from the DR perspective.
- Liam Baker – US Power Gen – how will other contributors be impacted on the maps, such as traffic, industrials, etc.
- Pete Savio (PS) – this is step along the way, non-generation sources is not part of scope of this group, that remains the responsibility of DEC and others to assess.
- Liam Baker (LB) – did a study on NW Queens and South Bronx and will produce
- Monica Prescia DEC – said the map will not show direct causation but will contribute to the identification of locations.
- Jaime – there is a direct causation with PM being 2.5, study can be further refined
- Rad – could work through the map identify other information on it, as to other contributors
- Monica – Can work on it
- Ruben – in one of Con Edison's rate case – plant operations for all wholesale units in NYC was provided showing emissions tables and production table.
- Liam – also NYISO could add to the list of plants from John Barnes based on fuel as listed in the GOLD book
- Rad confirmed with John Barnes that in the mapping only public information will be made available.
- JB – can provide at facility level not process level.

Recommendation 2 – make public information more available , will be pulled out of the report, not under this groups purview. DEC will work on this on their own.

Back on Recommendation 1

- John B - Plants within ½ mile of EJ Communities. Went through list (12 on list, but Poletti is due to be shut down in 2010) although clarification was made that only the boiler will be shut down not gas turbine
- Leka from DPS – will peaking vs baseload be split out. John Barnes said he will do that.
- JB will add emissions and fuel data to chart, as well as capacity and capacity factors
- Plant Data also available on EGRID – EPA site
- What are future plans for control or replacement of these plants?
- Liam Gowonus – installing new peaking unit with environmental controls and with cleaner equipment, will make improvements to existing plants as well.

Information available on line. South Pier improvement process. Will have a net reduction for plant

- Speaker ? - Astoria facility- remove oil fired and replace with peaking turbine with controls, Phase 2 - will replace more. Have been unable to get an acceptable RFP, need more money to do so.
- DEC needs to review permits first
- Rad – the work “Dirty” should not be in the draft
- Recommendation - study of impacts of DR and EE on peaking units
- Maps may or may not capture peaking idiosyncrasies.
- Pete Savio – what would be next steps to reduce reliance on these
- JB – do error dispersion modeling if reduced usage of the these units is expected
- PS – 3 categories of Peakers - in market, zonal reliability, local reliability, Would the DEC study to look at all three?
- Ruben – with unit data some of the peakers could be targeted
- Aaron - If charge is how to fully or partially replace these units with clean DR or EE. This can only be answered by Con Ed and/or NYISO.
- Doug Smith – the answer is always yes, depending on where it is.
- PS – the trick is defining the parameters, can list be narrowed further
- Liz Fennell – Carlos Villalba of Con Edison’s Resource Planning has agreed to work with Pete Carney of the NYISO
- Doug Smith – issue is long term commitment
- PS – with EE you can make block commitments
- Liam - unless you can put on 500 MW’s of DR with a push of a button in 15 minutes, need to replace generators
- Aaron – have this in other regions, some facilities can target particular units.
- Liam – Capacity is 2/3 of revenue so will not shut down unless will develop other replacement units
- Aaron – may not need to be shut down
- Perhaps bid DR in first
- PS – not in jurisdiction of this group
How do we come up with the short list, can we rank, which Peaking Units will be Upgraded.
- Aaron - may just want to limit debate to only Con Edison units
- Rad – break recommendation into 2 parts, Con Edison and NYISO planning process piece
- PS – Reword recommendation 1 so as to include the NYISO in the study group
- John Barnes – discuss with Jaime data required for new table
- Doug Smith – need to show supply duration curve
- Liam – need to look at unit by unit
- Aaron – can we just look at peakers?
- JB will note on table and then will discuss more
- Liam – Need to consider black start as well

John Barnes – comments by Friday the 26th revision by the 30th

Ruben Brown on C&I and CHP Subgroup

Ruben (E- Cubed) and Arthur (E- Cubed) – 25 kW and 500 kW, picked due to net metering legislation and loads discussed in various utilities in rate cases, respectively Limited dg gas delivery rates now.

Adopt a design for incentives in EEPS.

- PS – What were we directed to do. Consideration of Demand Response and DG must include consideration of emissions. Should define eligibility of clean DG.
- Doug Smith – should consider net CO2 costs
- Arthur – agreed that the group needs to assess emissions
- Aaron – how do stack up,
- JB - for grid generation the NOX are 1.6 lbs/MWhr, As compared to 3.3 lbs/MWhr for CHP, excluding thermal benefit Electric only would be .9 lbs/MWhr, new permitted plan might be .1 lbs/Million btu. DEC looking to set limit at 1 for CHP.
- Ruben – 1.6 lbs - This is the number that Con Edison accepted for targeted program for CHP and in SWP. Industry has been at or below these levels.
- Should use cleaner baseline.
- PS – what should we use as comparison point
- RB – Action Plan – Considers system average, will bring back to subgroup
- Doug Smith - should be cost effective and follow suit with all DR and EE
- Ruben – sounds fine
- Sig Peplowski - How is recommendation asking for what is beyond what is being done now.
- Recommendation language could be tweaked to allow for Clean, Efficient and Cost Effective projects.
- Doug Smith - Only 25% efficient if not producing thermal. Should be thermal leading CHP.
- In addition, can be emergency generator in addition to this.
- Sig – needs to be in line with DEC emission rules
- Ruben - needs to consider tax credits
- Traditionally CHP engines follow thermal needs,
- Perhaps compare to winter peak vs summer peak

Deliverables

Ruben will send out emissions to the group (includes at the unit levels), eight years old, as well as 2007 GOLD book.

Liz Fennell to look into what environmental improvements will be made for the Con Ed facilities

Aisha Kutter - from Power Authority will look to see status of NYPA plants.

Jaime – will provide maps

John Barnes - will update Generator Table

Comments to John Barnes by the 26th, revisions out by the 30th

Ruben – Compare winter peak vs summer peak

C&I CHP Subgroup (Continued from AM)

- Need better connection to DR in memo (Liz)
 - Will add points to better emphasize, but also thinks the WG can focus on DG so this is in the scope (Rubin)
 - Quote from Order – page 4, DG should be related to DR; should not just assume CHP has a role in this (Pete)
 - Should not be general position on CHP (Liz) – first make case on impact on peak load, then make recommendations
 - Focus should be on *constrained areas* (Doug), from Order, integration of DG with DR in constrained areas (Pete)
 - As long as the focus is in the right area, implementation of the specific ideas (definition of “constrained areas”, etc.) can be kicked back to the subgroup (Pete)
 - If CHP is winter only, facilities will be further underused in the winter, going further from what the PSC wants (Liz)
 - Chillers can be another thermal usage of CHP, not just winter peaks (Arthur)
 - T&D proceeding might be a good place to present definition of constrained areas (Pete)
- FOCUS, FOCUS!! Focus on collapsing issues through appendices and elimination of redundant issues. For example, don’t focus on coming up with efficiency percentages. Plus, that can come from DEC. Subgroup can come up with specifics.
- Group decided to go through specific questions/issues rather than whole document. Issues are as follows:
 - Hybrid definition (Pete) – can have benefits on both the electric and gas side (Rubin).
 - Purpose of what was written: Requesting PSC to receive funding from both gas and electric side (Arthur)
 - On the other hand, there is concern about double-dipping if the benefit stream isn’t on both sides (Doug)
 - SBC is a separate proceeding (Sig). EEPS can be source of additional funding.
 - Should pick one or the other – need to properly allocate costs of specific projects. Be careful how we spend ratepayer money (Doug).
 - Result: Subgroup to draft language to bring to group.
 - First recommendation: make funding sources available – this is redundant (Pete). Result: Cover with info about systems <500kW.
 - Fifth recommendation (CO2 recommendations):
 - This came from National Grid study in NY (Rubin). These numbers would provide a benefit for evaluation.
 - This is already defined by PSC program establishment criteria (Pete).

- You can't use the National Grid study as a model. They didn't even use it in NY filings because they used NY avoided cost numbers (Doug).

Result: Group to remove this from the language.

- Interface between EEPS and DG updating process – what else are we asking for?
 - DG gas delivery rates/standby rates; net metering issues (Rubin)
 - Involve all stakeholders

Result: This is not a priority – we already have other avenues to make this point.

- CHP targets: where did they come from, etc.
 - Calculated to \$750/kW (Doug), point is ALL GOALS SHOULD INCLUDE COST-BENEFIT ANALYSIS. It doesn't matter how much of the ratepayer money is matched by investors.
 - From Order, need to “define role of DG in DR” (Pete).
 - Establish monetary incentive – PSC look for funding (Rubin).
 - Our goal is to establish framework for establishing cost-benefit (Doug)
 - Has M&V group looked at this? (Liz) Sounds doubtful, only met a couple of times (Aaron, Doug, Pete).

Result: there is not consensus to have target, so if subgroup keeps it, it will be a weaker argument.

- Didn't discuss Residential CHP – can probably combine with C&I into 1 document.

What criteria did we use to decide what to include in recommendation? (Liz)

- Things not a part of or targeted differently in existing programs (Pete)
- Integration issues (Pete)
- Now we can decide after seeing recommendations – do they meet our charge? (Sig)
- Include 3-4 critical things in preface, rank by criteria met (Liz)

Economic Rate Proposals

- Pilot of understanding of benefits – several pricing schemes such as TOU CPP, residential real-time, critical peak-time rebates; testing of load control/automated DR; passing of load data (major problem in Westchester pilot – via fax to ESCOs, too slow) (Chris)
- Move some info about other states' experiences to appendices (Sig).
 - Will weaken argument because you need successful experiences (Cindy – Liz agrees).

Result: will keep in main document.

- Grid to use drive-by meters with broadband connection in its 1000 customer pilot. Will try to track savings, understand benefits, and understand installed costs, but don't think this is cost-justified right now (Doug). Costs may go down in the

long-run to swing this towards cost-justification. Customer will set parameters. Conceivable that customers could plug-in receivers without metering changes (they already have transmitters in them).

- Doesn't need to use AMI, but could feed into benefits of it (Chris).
- First paragraph at beginning of document – dumb it down a little so it reads easier (Pete). Result: Pete to put together a few sentences on it.
- Move recommendations to front. (Pete)
- Consider new title for subgroup. The name is a bit ambiguous. (Liz)
- Recommendations section: don't call it a pilot, “develop proposals to test” (Pete/Sig). See document for several minor changes.
- Recommendations section issues:
 - Time variant T&D rates – should be added to recommendation/explored as another bullet item.
 - Eliminate dilution of response due to % of bill currently being fixed (Pete). (Sometimes it can be up to 60% of the bill that isn't time-variant).
Result: recommendation will be withheld pending Pete looking into it more.
 - Differences should be significant enough for customers to react and should be simple (day/night, etc.) (Liz)
 - ISO needs to create program similar to DADRP except real-time.
 - Day-ahead pricing makes it difficult, real-time pricing will be similar. Pricing below \$200/MW, no incentive to respond. Solution is real-time DR program (Aaron). No lose proposition for customers – will only do when it makes sense.
 - Real-time DR vs. TOU, both provide different benefits but both improve load factor (Doug/Aaron). Different from day ahead mandatory hourly pricing.
 - DADRP - \$75 floor price – can adjust to what makes sense (Aaron)
 - Need to recommend to NYISO to implement these changes if we want them.
 - ESCOs – can arbitrage between day-ahead and real-time, but they aren't really set up to do this (Aaron).
 - Should allow utilities to bid to capacity market with savings from real-time pricing (Doug).
 - PSC support will give more legs to it when presented to the NYISO (Doug).
 - This is a proposal that doesn't take money from ratepayers, current approaches haven't shown price-elastic behavior, and we are allowed to go out of the scope of PSC jurisdiction if we have a strong justification (Pete).
 - But there is a stretch to tie back to charge (Sig, Pete).
 - Huge weight carried by this diverse group making the recommendation (Aaron).

- Should be something not under current ISO programs, but not within PSC jurisdiction.

Result: Aaron to write-up proposal.

- T&D and/or real time pricing issues – use appendices to explain that pushing these issues is in line with goals.
- Remember time horizon – next 3 years (Sig)

Next Meetings/Timeframes

- Marie/Cindy – document by 26th to discuss on 30th
- EJ info by 26th
- Others to finish drafts by 30th
- October 1 – Albany 10am
- NYC - 7th, Albany - 14th