

March 25, 2004



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Subject: Comments on Assumptions/Methodology for CRR Study 2

Dear Scott:

Your email dated March 24, 2004 had an attachment with a list of "Parking Lot" issues raised during the recent CRR educational classes and at the stakeholders meeting on March 22, 2004.

The following topics on modeling were also discussed, but not completely, at the March 22 meeting towards the end of the day and were certainly not resolved. These should also be placed in the Parking Lot list:

1. Study and quantify the difference in coverage by CRR's between AC and DC models, quantifying the differences in shift factors and flows - both subjected to simultaneous feasibility tests. This is a real problem because the forward market LMP model is AC and the CRR model is DC (PJM has consistent DC models for both, and NYISO has consistent AC models for both LMP and CRRs).

2. CAISO states categorically that loop flow will not be modeled. Hence a 4000 MW schedule of COI, for example, could result in 3600 MW real-time power flow. Please quantify to what extent this difference will not be covered by CRRs. Who will be the affected parties?

3. Losses are ignored in the CRR DC model. Based on the 03hs4b WECC full-loop powerflow case, losses could be about 1800 to 1900 MW for peak time loads (proportionately less at other times). This difference will not be covered by CRRs in the DC model in actual shift factors and flows. Who will be the affected parties in the CRR coverage?

4. Adding items 2 and 3 could amount to a "non-covered" CRR amount of about 2200 MW resulting in a mismatch in real time dispatch. This is not a small number. We feel that this has to be addressed and the issue not brushed aside.

Please call me at 916-781-4218 or email at les@ncpa.com if you should have any questions.

Sincerely,

LES PEREIRA, P.E.
Director, Transmission Planning & Design

LP/tlh
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