Status Report
Intermittent Resource Working Group
(07/27/06)

The Proposal drafted by the Intermittent Resource Working Group at its June 30, 2006 meeting was presented at the July 13 meeting of the Installed Capacity ("IC") Methodology Review Stakeholder. The IC group discussed three methods in the Draft Proposal (labeled A, B, and C) in detail, and all of the IC participants seemed to understand the reasoning behind each method for determining the Qualified Capacity MW value of intermittent resources. Advocates of Method A were very articulate in arguing for that treatment. Strong advocates for Method C were not present, but some of the IC participants indicated a preference for this treatment. The IC participants viewed Method B as a worthy attempt by the Intermittent Resource Working Group to reach a compromise position.

One of the three co-chairpersons of the IC group reminded the participants that their mission was to derive a procedure for setting IC requirements. From that perspective, the IC participants concluded that the monthly Qualified MW values produced by Method A or Method C could be used to calculate ICR. Method B uses the annual weighted average of summer and winter values to calculate Qualified MW. Consequently, before it could be used in ICR calculations, Method B might require adjustments similar to those applied for current hydroelectric capacity. After a brief discussion, the IC participants reached a consensus to recommend eliminating Method B, keeping Method A and Method C on the table, pending completion of the analytical studies underway at the ISO. These statistical studies are designed to assess the best sample size for each type of intermittent resource during system peak conditions. The results might provide insight into which method for determining the seasonal Qualified MW of an intermittent resource to include in the draft market rules. Unless someone strenuously objects, Method B will be removed from the Intermittent Resource Working Group's Draft Proposal posted on the website on August 1.

The two analytical studies underway should be completed within 60 days. The Renewable Energy Research Laboratory at the University of Massachusetts has been engaged by the ISO to relate the hourly estimated capacity output from three hypothetical wind turbines (ridge, coastal, and offshore) to system peak load conditions. The ISO staff is analyzing the intermittent hydroelectric resources. A subset of fourteen existing run-of-river hydroelectric units, with limited or no on-site or upstream storage, has been selected for the study. These units have capacity ratings of 5MW or greater and are scattered around New England. An outline of the work plan for the studies will be posted to the IWG website in the near future, enabling individual intermittent resource owners to duplicate the efforts for their units if desired. Preliminary results may also be posted to keep interested parties informed on the studies' progress.

RWB:07/27/06