

**From:** Adam Conway [mailto:[aconway@couchwhite.com](mailto:aconway@couchwhite.com)]  
**Sent:** Thursday, February 12, 2015 12:54 PM  
**To:** [dwhiteley@eipconline.com](mailto:dwhiteley@eipconline.com)  
**Subject:** EIPC Gas-Electric follow up

David,

This email is a follow up to the webinar conducted earlier today regarding the 2<sup>nd</sup> Draft of the Target 2 Report. First, I'd like to introduce myself. My name is Adam Conway and I'm replacing one of my former colleagues, Garrett Bissell, who was active in this matter on behalf of the City of New York. Garrett has moved on to a position at the NYISO and so I'll be representing the City of New York through the conclusion of this study. On that note, would you mind adding me to any relevant mailing lists associated with this effort? Thank you.

Second, I have one follow up question from the webinar related to Sensitivity Case HGDS S9. Specifically, I noticed on page 215 of the 2<sup>nd</sup> Draft that Figure 146 shows higher Peak Hour Gas Demand in the NYISO under HDGS S9 Winter 2018, as compared to HGDS S0. This increase is explained on the bottom of page 214 as follows: "In contrast, in RGDS S9, there is a discernable increase in gas demand in NYISO in 2018, reflecting the addition of gas-fired resources to replace Indian Point." This result is intuitive; if Indian Point retires and is replaced by gas-fired generation, one would expect peak hour gas demand to increase in NYS.

However, this result appears to be at odds with the 1<sup>st</sup> Draft issued June 20, 2014. Specifically, figure 194 on page 184 of the 1<sup>st</sup> Draft appears to show that, in Winter 2018, Peak Hour Gas Demand under HGDS S9 is actually slightly lower than HGDS S0. According to internal notes that I have from around the time the 1<sup>st</sup> Draft was prepared, this was a somewhat counter-intuitive outcome but was explained as reflective of the overall design of the modeling, which is intended to minimize production costs across the entire study region. The result was that NYISO relies more heavily on import capability from PJM, hence the peak demand reduction in the NYISO.

Can someone from Levitan please explain whether my above observation is accurate? If so, I'd like to know why the results have changed from the 1<sup>st</sup> Draft to the 2<sup>nd</sup> Draft. If I'm mistaken in my observation, I'd greatly appreciate a brief explanation of how I've missed the mark. Thanks so much, and please don't hesitate to contact me with any questions.

**Adam Conway**  
Couch White, LLP  
P.O. Box 22222  
540 Broadway  
Albany, New York 12201-2222  
[aconway@couchwhite.com](mailto:aconway@couchwhite.com)  
[www.couchwhite.com](http://www.couchwhite.com)  
O: 518-320-3423

**COUCH WHITE, LLP**  
COUNSELORS AND ATTORNEYS AT LAW

---

CONFIDENTIALITY – PRIVILEGE NOTICE: Information contained in this e-mail is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and as such is privileged and confidential. If you are not the intended recipient, this serves as notice to you that you have received this document in error and that

any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please delete the original message and any attachments thereto and immediately notify the sender via e-mail or by telephone at (518) 426-4600. Thank you.

IRS CIRCULAR 230 DISCLOSURE: To ensure compliance with requirements imposed by the U.S. Treasury and IRS, we inform you that any federal tax advice contained in this communication (including attachments) is not intended or written to be used and cannot be used for the purpose of (i) avoiding tax penalties that may be imposed under the Internal Revenue Code, or (ii) promoting, marketing, or recommending to another person any transaction or matter addressed herein.