



Leigh Bullock/NYISO

11/30/2004 08:41 AM

To

cc

bcc

Subject Fw: ESPWG Comments

----- Forwarded by John Buechler/ NYISO on 11/29/2004 04:54 PM -----

"Michael B. Mager" <mmager@couchwhite.com>

11/19/2004 10:03 AM

To <JBuechler@nyiso.com>

cc <lbullock@nyiso.com>, <RStalter@nyiso.com>

Subject ESPWG Comments

Hi, John. This e-mail sets forth Multiple Intervenors' comments on the "Strawman Proposal" for a NYISO Economic Planning Process discussed at the last ESPWG meeting.

Historical Analysis

In this section, it is proposed that the NYISO track congestion by key constraints. As part of its reporting, the NYISO presumably will disclose the amount of congestion at individual constraints. However, in order not to be misleading, the NYISO also should report that reducing or eliminating congestion at one individual constraint may lead to increased congestion at another location. Thus, the information provided by the NYISO should not give the impression that increasing capacity at a single location automatically will lead to a statewide reduction in congestion equivalent to the congestion at the single location.

Future Estimates of Congestion

Such estimates are fraught with uncertainty, and should be distinguished in presentation from reports of historic congestion. Changes in assumptions can change future estimates of congestion dramatically. Accordingly, substantial care and the liberal use of disclaimers should accompany any reporting of future estimates of congestion. Additionally, such reporting also should disclose that reducing congestion at a single location may increase congestion at other locations. Finally, given the aforementioned uncertainties, Multiple Intervenors would not oppose the elimination or reduction of reporting future estimates of congestion.

Reliability Analysis of Economic Upgrades

If the NYISO intends to analyze any of the economic impacts of economic upgrades (e.g., impacts on future congestion), such analysis should include price impacts (e.g., impacts on LBMP in a zone if existing constraints are reduced or eliminated).

NYISO Tariff

Multiple Intervenors opposes the use of the NYISO tariff for cost recovery purposes similarly to reliability projects. Market-based economic projects will be paid for by developers. Regulated projects will be subject to existing state regulatory review procedures (e.g., Article VII), including cost recovery and cost allocation.

Please feel free to circulate these comments to other ESPWG members.

Mike Mager