

NYISO Compliance Filing In Response to FERC Order 890: Planning Principles

By

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ESPWG/TPAS Meeting

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Overview

- NYISO Presentation at FERC Tech Conference
- TOs' Proposal
- Stakeholder Participants
- FERC Staff Comments
- Compliance Filing: Next Steps
 - *Major Issues*
 - *Process*
 - *Schedule*

Outline of NYISO Presentation at FERC Technical Conference: June 28th

- Background
 - *NYISO's Market-Based Philosophy*
 - *NYISO's Approach to Planning*
 - *NYISO & TO's Planning Responsibilities*
- Comprehensive Reliability Planning Process (CRPP)
- Economic Planning Process
- Interregional Planning
 - *ISO/RTO Planning Principles*
 - *Northeast Protocol*
- NYISO's Approach to Address Order 890's Planning Principles
- NYISO "Planning Strawman"
 - *Compliance with FERC's Planning Principles*
 - *Proposed Enhancements*
- Next Steps
- Appendix A: CRPP
- Appendix B: NYISO's Existing Economic Planning Process
- Appendix C: Northeastern Planning Protocol

NYISO's Draft "Planning Strawman"

Two-part document:

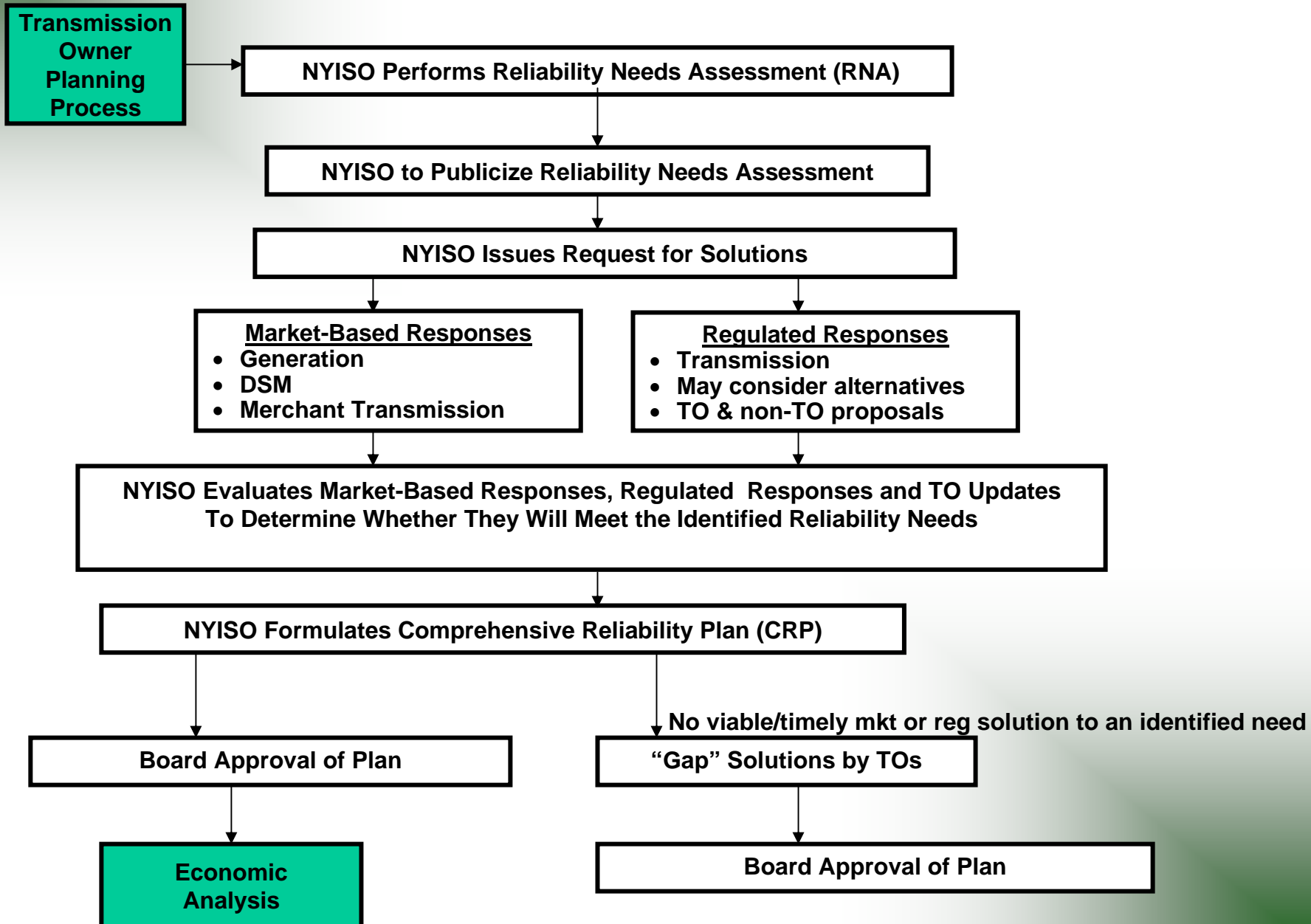
- Documentation showing how the existing NYISO planning process fully meets most of Order 890's nine "Planning Principles"
 - *Recognizes FERC's intent "not to re-open prior approvals"*
 - *Similar to the approach taken by other ISO/RTOs*
 - *Supported by NYISO Stakeholders*
- Attachment: "Economic Planning Strawman"
 - *Proposed modifications to existing planning process to address Order 890's requirements*
 - *Large majority—but not universal—stakeholder support*

Proposed Enhancements

- To address the NY Transmission Owners' planning role in the context of the NYISO planning process
 - *To provide a more transparent forum for presentation and discussion of TOs' local transmission plans*
 - *Separate presentation by NYTOs*

- Enhancements are proposed to the existing NYISO Economic Planning process
 - *To address the additional requirements of Order 890*
 - *To build upon the results of the CRPP process*
 - *To include cost allocation principles*

NYISO Proposed “Strawman” Planning Process



NYISO Noted the Following Concerns

- A large majority of NYISO's stakeholders continue to advocate an "information only" role for the NYISO re: economic issues
- Many stakeholders have expressed a concern for budgetary and resource impacts on the NYISO
- While there is general agreement on the cost allocation principles for economic projects, the need for development of a specific methodology remains contentious
- Regional Participation: cost allocation will be even more difficult to resolve

Draft – For discussion only

NY Transmission Owners' Proposal

- Michael Forte of Con Edison presented a proposal on behalf of the NYTOs
- To address the TOs compliance with the planning provisions of Order 890
 - *Addresses FERC Principles for: Coordination, Openness, Transparency, Information Exchange and Comparability*
- Other principles are addressed through TOs participation in the NYISO planning process
 - *Dispute Resolution, Regional Participation, Economic Planning, Cost Allocation (for projects under NYISO Tariff)*
- The following slides are from the TOs' Proposal

Proposal for Compliance with TO Planning Provisions of Order 890

Disclosure of Planning Criteria and Assumptions, posted (§ 471)

NY TO Plans Reported to Customers and Stakeholders, Posted (§ 472, 476)

From NYISO

(Load Forecasts and Modeling Data)

Includes State Participation (§ 574)



Customers and Stakeholder Meeting to Discuss Each NY TO Plan (§ 440)



Written Comments from Customers and Stakeholders Submitted and Posted (§ 488)

Note: Committed NY TO Plans Incorporated into NYISO's Comprehensive Reliability Planning Process (§ 542)

Draft – For discussion only

Proposed Time Line for Local TO Planning Process

(Not part of a periodic process)	Disclosure of Planning Criteria and Assumptions
December	TO Plans Reported to Customers and Stakeholders
February	Customers and Stakeholder Meeting to Discuss TO Plans and Criteria
March	Customers and Stakeholder Provide Written Comments
April	Committed TO Plans are Incorporated into NYISO Planning Process

NYISO Stakeholder Participants

- The following were present at Tech Conference:
 - *NY DPS – Diane Barney*
 - *National Grid – Masheed Saidi*
 - *LIPA – Kevin Jones*
 - *MI – Mike Mager*
 - *Con Ed – Stu Nachmias*
 - *EnerNOC – Aaron Briedenbaugh*
 - *NYAPP – Tom Rudebusch*
- Most expressed support for the existing NYISO CRPP and for the NYISO Planning Strawman
- DPS indicated that the NY PSC is best positioned to make decisions on economic planning and cost allocation for the public good
- NGrid was critical of the CRPP, cost allocation and Interregional Planning
- NYAPP called for a more comprehensive process with all transmission costs to be “rolled-in”

FERC Staff Comments

- Favorable reaction to NYTOs' proposal
 - *The specific process must be included in the NYISO Tariff*
- Cost allocation must be addressed in the NYISO Tariff
 - *For both reliability and economic projects*
 - *A specific methodology needs to be in place in advance of need*
 - *Noted potential for civil penalties if reliability needs are not met*
 - *State should be involved—but transmission is FERC jurisdictional*
- NYISO process should include screens and cost/benefit analysis for economic projects
- Supported increased interregional planning efforts
- Urged NYISO to continue to work with stakeholders to resolve differences prior to Compliance Filing date

Compliance Filing: Next Steps

- Develop Tariff modifications with stakeholder input
 - *July-September: Additional committee meetings TBD*
 - *Focus on Economic Planning Process*
 - *Develop Cost Allocation Methodology*
 - ▶ For Reliability & Economic Projects
 - *Incorporate TO's Local Planning Process*
 - ▶ Coordinate with NYISO CRPP timeline
 - *Include minor modifications to existing CRPP process & posting requirements*
 - ▶ NYISO will prepare draft language
- Compliance Filing: due October 11th