

Project Prioritization & Capital Budgeting Process

PPT Meeting
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Background

- BS&P, under the direction of the MC, developed Budget and Project monitoring guidelines in 2003 to coordinate funding for priority projects with the budget approval process.
- The BS&P envisioned a multi-step process for projects costing over \$500K:
 - An Initial Screening Phase with approval at the BIC or OC level.
 - Concepts that passed the Initial Screening would enter a Detailed Analysis Phase where NYISO staff in conjunction with Market Participants would more fully develop the concept along with cost estimates and resource requirements.
 - Projects with estimated costs greater than \$500K would be sent to the MC for consideration of the concept along with the cost estimates and any potential budget impacts.
 - Subsequent to MC approval, these projects would be forwarded to the PPT for prioritization and scheduling.
- This process may be applied to projects below the \$500K level if cost or impact on critical resources is a concern.
- The BS&P guidelines also include a provision for NYISO proposed “in-year” projects that do not require MC approval if it can be completed without significantly impacting the implementation of other approved projects or the Budget Target or must be implemented due to an emergency affecting reliability or efficient market outcomes.
- Each step in the process requires some level of effort; it is necessary to do some management of these issues and resources as they progress from an emerging issue through a full detailed analysis.
- The following is a very preliminary attempt to outline how we might incorporate the BS&P guidelines and help improve the management and communication of issues among the NYISO and Market Participants.

Draft – For Discussion Purposes Only

Issues Management, Approval and Prioritization Process

