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End Use Summary

June 4 – June 8, 2012

Items of Interest

- The NYISO anticipates activating 15-minute scheduling of external energy transactions between NY and PJM at the PJM-Keystone Proxy on June 27th, 2012 commencing HB00:00. For more information please see the link below to the FERC Filing Regarding the Implementation of 15 minute variable scheduling at the Keystone Proxy Generator Bus (Docket No. ER11-2547-005).

http://www.nyiso.com/public/webdocs/documents/regulatory/filings/2012/06/2012_06_18_EITC_PJM_Kystn_Prxy_Cmplnc_Flng_Updt_Ltr.pdf

Meeting Summaries:

Monday, June 5, 2012

Transmission Planning Advisory Subcommittee (TPAS)

STARS Update

Paul Herring, a representative from Central Hudson and part of the STARS team, provided an update regarding the progress made since the last STARS discussion in February. Paul reviewed the annual ICAP savings results. These results are based on a 30-year horizon using the 16.5% IRM value. He noted that the results indicate that the change in the transmission topology would not require an increase in generation and would likely result in reducing the IRM value. Paul reviewed the STARS Phase II Report's key findings and recommendations. The report recommended replacing 40% or over 4,700 miles of the existing transmission system as it is reaching the end of its life expectancy. One of the major costs is to replace the electrical poles in the near future as the wood and steel poles holding the electrical lines are near the end of their product life span. Wood poles' life span



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is approximately 70 years and the steel poles' life span is approximately 90 years. The report also identified transmission projects that would provide economic benefits to consumers. These projects are Leeds –Pleasant Valley (Leeds-PV), Branchburg-Ramapo PAR, and New Scotland- Leeds all with a benefit/cost ratio of greater than 1. It was reported that the Branchburg-Ramapo PAR project is in the beginning process of development. The next step in the STARS project is that the Transmission Owners plan to file a response to the NY State Governors energy highway proposal. Comments to the Governors energy highway proposal will be made public on June 15, 2012.

Interconnection Process Straw Proposals: Extensions of Commercial Operation Date and Security Posting Requirement

The NYISO presented the proposed change regarding when a commercial date is established for a new generation project in the interconnection process. The NYISO agreed to review the language to avoid ambiguity when defining the commercial operation date process such as including the commercial date with a definitive go forward date with the developer. Stakeholders were in agreement with the proposed changes for the requirement to post security for System Upgrade Facilities (SUFs).

Interconnection Process Straw Proposals: Proposals to Address Class Year Process Issues

The NYISO presented its proposals to improve the Class Year Process. The history of the Class Year process was provided to show how the class year process has evolved over the past few years. The NYISO identified the features of the Class Year process that should be retained as well as the features that may need further consideration. The first proposal is to allow for alternative Class Year Start dates. If a Class Year ends in April then the next Class Year would not be started until June 1 of that same year. The class years would be conducted serially not in parallel. The NYISO agreed to review the suggestion to cap at 12 months or 18 months the expectation for the completion of basic required evaluations and cost estimates for System Deliverability Upgrade's (SDU) and System Facility Upgrade's. This is a change from the original proposal of 6 months.

The NYISO agreed to review the methodology to evaluate the deliverability rights as part of the SRIS including identification of conceptual SDUs to address deliverability issues. Stakeholders agreed with the other proposed changes.

Tuesday, June 6, 2012 **Electric System Planning Working Group** **RNA**

The NYISO reviewed the 2012 Reliability Needs Assessment (RNA) report.



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JOINT IPSAC/ESPWG Meeting

FERC Order 1000-A Public Policy Requirements

The NYISO reviewed Order 1000-A and discussed impacts as a result of the Public Policy Planning Requirements proposed by the Order. The process is to increase the involvement of public service agencies such as the NYPSC in the planning process. The Order basically requires local and regional transmission planning processes to consider transmission needs driven by public policy requirements established by state or federal laws or regulations. It also states that procedures must identify transmission needs driven by public policy requirements and evaluate proposed solutions to those transmission needs. It also required that the tariff provide a cost allocation methodology for public policy project costs, but did not require projects to be built. Stakeholders and the NYISO agreed that the process outlined in the Order is quite similar to the current CARIS process. The NYISO stated that the next step in the process is for stakeholders to send written comments to NYISO. A webex is planned for June 18 from 10-12 p.m. to review FERC Order 1000A. The NYISO will summarize comments received at the June 26 in-person meeting.

Please see the link provided to the FERC Order 1000A.

<http://www.ferc.gov/whats-new/comm-meet/2012/051712/E-1.pdf>

FERC Filings

June 5, 2012 –NYISO and PJM joint answer to the New York Transmission Owners' comments regarding the "PARS in service" definition within the Joint Operating Agreement. Docket No. ER12-718-001

June 5, 2012 –NYISO filing, on behalf of the IRC, of a motion for Clarification regarding FERC's Final Rule on NERC CIP Reliability Standards. Docket No. RM11-11-000.

June 6, 2012 –NYISO filing of notification and related tariff revisions regarding the implementation of 15 minute variable scheduling at the Keystone Proxy Generator Bus. Docket No. ER11-2547-001.

June 6, 2012 –NYSIO answer of the comments filed by Beacon Power LLC and the New York Transmission Owners re: NYISO's April 30, 2012 filing of tariff revisions to comply with the Commission's directives in Order No. 755. Docket No. ER12-1653-000, RM11-7-000 and AD10-11-000.