

**Joint NYISO Electric System Planning Working Group &
Transmission Planning Advisory Subcommittee Meeting**

March 31, 2005
Teleconference Call Meeting

Meeting minutes of the NYISO Joint TPAS – ESPWG Meeting, held by teleconference on March 31, 2005.

In attendance

Bill Palazzo - NYPA	Ernie Cardone – NYISO
Ralph Rufrano - NYPA	John Buechler - NYISO
Tariq Niazi - NYSCPB	Leigh Bullock - NYISO
William Roberts – Edison Mission	Tom Rudebusch – City of Jamestown
Diane Barney – NYSDPS	Larry Dewitt - PACE
Glenn Haake - IPPNY	Roy Pfeiderer _ Nat Grid
David Bomke - NYECC	Paul Steckley - TransEnergie
John Adams - NYISO	Deidre Facendola – Con Edison
Doreen Saia – Mirant	Bart Franey – National Grid
Janos Hajogos – Keyspan Energy	Glen McCartney - Constellation
Chris Hall – NYSERDA	Howard Fromer - PSEG
Paul Gioia – LeBoef, Lamb	Liz Grisaru - NYISO
Mark Younger – Slater Consulting	Ken Lotterhos – LIPA/Navigant Consulting
Larry Eng - NYISO	Ed Kichline – Keyspan Energy
Bill Lamanna – NYISO	Rick Felak - Calpine
Jeff McKinney - NYSEG	Charlie Pratt – Dickstein, Shapiro
Mohsen Zamzam – Con Edison	John Watzka – Central Hudson
Rebecca Craft – Con Edison	JD Wilcox – DC Energy
Chris Wentlent – AES	

Welcome and Introductions

Mr. Bill Palazzo, Chair of the Electric System Planning Working Group welcomed the ESPWG and TPAS members to the meeting and stated the agenda—which was to finalize the Base Case assumptions for the Reliability Needs Assessment.

NYISO RNA Base Case Screens

Ms. Liz Grisaru reviewed the updated NYISO RNA Base Case Screens. The group discussed the three categories of projects that will be considered for inclusion in the Base Case:

1. All projects and plans that have completed the NYISO interconnection process (cost allocation accepted).
2. All other merchant projects and plans.
3. All projects that are part of a Transmission Owner’s plan.

Mr. Paul Gioia wanted to clarify that the TO non-bulk power projects were in a different category than other projects and that categories "B" and "C" in the document, do not apply to such projects. Mr. Buechler stated that the NYISO was in agreement on this issue.

The group discussed how to account for contracted-for-capacity. The question was asked what if the entity has contracts for only a portion of its power? Mr. Ralph Rufrano said that a major portion of the total output or capacity of the project would need to be under contract, say 90%, to assure that the project would be going forward. Therefore a threshold on that order may need to be established. This would preclude modeling a project who only had 10% of its capacity under contract and therefore may never come to fruition within the timeframe for this study.

Mr. Gioia asked for clarification on whether the contract is for the whole project or it can be phased in. Ms. Grisaru stated that if the project is susceptible to being phased in, it will be modeled in phases in accordance with the amount contracted. She asked if there were any different views; there were none.

The TOs suggested that the NYISO would model the facilities with contracts at the contracted amount if engineering wise the project were capable of being modeled this way. Mr. Buechler suggested adding "subject to the physical configurations or feasibility of the project".

Ms. Craft had a question on merchant facilities; related to the requirement to have an "executed contract" for capacity. In the case where an entity is using its own money to build the facility--that was termed "in-house financing" for a Merchant Facility. Several people questioned whether the NYISO should permit such an entity to demonstrate that it was credit worthy. NYISO will look into this issue.

When asked for the definition of "starting construction and breaking ground", Ms. Liz Grisaru said that the NYISO views this is some type of physical construction activity rather than just placing orders for equipment or materials.

Creditworthy entities were discussed. Mr. Gioia stated that language would need to be drafted to address concerns. He will try to come up with an alternative for developers to demonstrate that they are creditworthy.

The group discussed to issue of relicensing nuclear units and agreed that a special rule may need to be put in place to address this.

Mr. Buechler discussed system configuration and stated that the model being used is consistent with the NYISO FERC Form 715 filing that will go out tomorrow. The NYISO will be tabulating input from external areas separately and will distribute them before the next meeting. FERC 715 filing has been reviewed and will be filed at FERC tomorrow. That report is available and will be provided upon request.

Ms. Becky Craft asked that we include in the minutes “The NYISO is willing to go forward and continue sharing information. Monthly status/progress reports to TPAS and ESPWG.” Mr. Buechler indicated that monthly updates will continue to be provided to both TPAS and ESPWG on the status of the Base Case and RNA analysis.

Mr. Lamanna indicated that EWPG members will also be notified of the databank representatives meeting.