

NYISO Electric System Planning Working Group Meeting

May 9, 2005

NYISO Washington Ave Ext, Albany, NY

Of the 31st meeting of the New York Independent System Operator Electric System Planning Working Group held May 9, 2005 at NYISO in Albany, NY.

In attendance:

Jerry Ancona – National Grid	Larry DeWitt - PACE
Glen McCartney – Constellation	Jeff McKinney - NYSEG
Jim Scheiderich - Select	Paul Gioia – LeBoeuf, Lamb, Green & MacRae
Kenneth Lotterhos – Navigant Consulting	Michael Mager – Multiple Interve nors
Mayer Sasson – Con Ed	Bill Palazzo – NYPA
Bob Reed – NYSEG	Doreen Saia – Mirant
John Adams – NYISO	Matt Milhouse - Keyspan
John Buechler – NYISO	Terron Hill – National Grid
Ernie Cardone – NYISO	Liz Grisaru – NYISO
Kim Harriman - NYSPSC	Deidre Facendola – Con Edison
Leigh Bullock – NYISO	Tom Payntor - NYSPSC
Jeff McKinney - NYSEG	Tom Payntor - NYSPSC
Alan McBride	Ralph Rufrano - NYPA
Liam Baker - Reliant	Tariq Niazi - NYSCP B
Tom Rudebusch – City of Jamestown	Rich Felak – Calpine
Tim Bush - Sithe	Chris Hall - NYSERDA
Christopher Hall – NYSERDA	Ed Kichline – KeySpan Energy Services
JD Wilcox – DC Energy	Joe Lewis - Constellation
Jeff Ellis – Edison Mission	Mohsen Zam Zam – Con Edison

Welcome and Introductions

Mr. Bill Palazzo, Chair of the Electric System Planning Working Group welcomed the ESPWG members to the meeting and stated the agenda.

Review of Minutes of April 18 meeting

The minutes for the April 18th ESPWG meeting were approved with revisions, and will be posted to the NYISO website.

Consideration of Economic Planning Issues

Mr. John Buechler reported that there have been no additional comments from Stakeholders on the Economic Planning Issues.

PSC Role in CRP Process

Ms. Kim Harriman reported that the last version distributed to MPs encompassed all stakeholder comments and that the PSC is comfortable with that document. Ms. Harriman will brief the in house law justices on the process so they will be ready for any incoming disputes.

Mr. Paul Gioia asked a question regarding research done by Jeff Stockholm. He asked that Ms. Harriman convey MP concerns to the law justices.

PSC Dispute Resolution Process: PSC dispute resolution process considered final now that FERC has ruled on the CRPP re-hearing requests. This can be revised as necessary as experience is gained in application

Comprehensive Reliability Planning Process

Mr. Bill Lamanna reviewed the Comprehensive Reliability Planning Process – Implementation and Scenarios presentation.

Under “Initial Development of Base Cases for Ten Year Period”, Mr. Lamanna reported that the base case inclusion rules and screening has been completed. The second five year period continues from first five year base case assumptions and includes only load forecast and retirement updates. The initial cases have been reviewed and thermal transfer limits screened. An analysis is being done to develop the best method to develop cases.

Under proposed scenario analysis, Market Participants expressed views regarding the need to address in some fashion gas availability and infrastructure issues for scenario analyses. The group discussed the need to capture the issue of anything that has us relying more heavily on gas, not being able to get fuel to units. It was requested that the NYSIO report winter individually. (Need clarification)

The issue of losing coal plants was discussed. The question becomes: you don't have a natural gas infrastructure to replace units with gas units. It would be a disservice to not identify that we won't have the infrastructure to fill reliability need for that type unit. ESPWG members stated that the NYISO should be in a position to provide advice to policy makers.

The NYISO was requested to review coal retirement scenario.

It was requested that the NYISO take a more in depth look at how we coordinate with gas entities – they may have changes in their system. A question was asked about generator patterns shift when closing down plants. Will this be looked at?

Mark Younger asked that a footnote be added “Doing this would in the short run would require more operation of gas units and it's unclear if we have the capacity for this”.

Under market based solution, Ms. Saia asked if there is a way to address the certificate process, concern re idea of – do we solve some problem by article 7 certificates have number of milestones in it?

The group raised concerns regarding the cutoff language. It was asked that the NYISO add to the minutes/document: “May not be cancelled as part of this planning process – cutoff point where the NYISO no longer has the ability to cancel.”

Last sentence doesn't cover scenario – Ask Kim Harriman (**need clarification**)

2005 Load & Capacity Report Load Forecast

Mr. John Pade reported on the 2005 Load and Capacity Load Forecast and answered questions from the group.

Draft Proposed Cost Allocation Methodology for Regulated Reliability Solutions

Mr. Jerry Ancona reviewed the TO revised draft proposed cost allocation methodology for regulated reliability solutions, noting that this was a consensus from some of the TOs. There is general agreement on cost allocation for regulated transmission additions. Still an open issue: cost allocation when the regulated solution is non-transmission.

The group discussed issues with the ICAP section; this will be revisited at the next ESPWG Meeting.

FERC Technical Conference

Mr. Buechler reported on the FERC Technical conference on incentives for building transmission.

Next Meeting

The next ESPWG meeting will be held on June 8, 2005 at the NYISO Washington Ave office.