

ESPWG: STATUS UPDATE

**Prepared By
Bill Palazzo**

**BIC/OC Meetings
July 27-28, 2005
Albany**

ESPWG Update

Reliability Planning Process Implementation Issues

– CRRP Implementation and Scenarios

- Base case RNA proceeding
 - Preliminary results indicate reliability needs
 - » MW and MVAR shortages in Hudson Valley and south
 - » Preliminary resource adequacy analysis for 2010 indicates criteria violation
 - » Data review on-going with TO's
 - » NYISO initial thoughts are that all observed violations could be solved by generation
 - » Transmission alone cannot solve all problems
- Schedule
 - NYISO will present a table of results at the August meeting
 - NYISO reported that they are still on-target for a 9/1/05 draft reliability needs assessment report

– Implementation criteria for halting a regulated project

- ESPWG still awaiting NYISO draft procedures for review
 - Expected prior to the August meeting

– Cost Allocation/cost recovery

- Continued discussion of cost allocation for resource adequacy need
 - ESPWG agreed that a generic example of proposed approaches would be helpful in understanding various positions
 - Continued discussion at the August meeting
- PSC staff indicated they may have some additional thoughts on Cost recovery of regulated non-transmission reliability projects which may require a tariff modification
 - Will be discussed further at August meeting after some off-line discussions with the NYISO

– PSC Dispute Resolution Process

- Reviewed draft procedures submitted by TOs
- ESPWG agreed that off-line discussions of a small MP group, PSC staff and NYISO would be helpful in resolving remaining issues

ESPWG Update

- Economic Planning Implementation
 - ESPWG reviewed a sample “what if” analysis which was requested by ESPWG at the June meeting
 - PowerGEM agreed to sanitize the example to address concerns of misuse of the results
 - » MP’s agreed that any posting of “what if” analysis should include complete documentation of methodology to minimize misinterpretation of results
 - PowerGEM agreed to address PSC concerns over validity of the results
 - PowerGEM agreed to expand the “what if” analysis to encompass four weeks (one week per season) to allow examination of the impact of seasonality on the analysis
- Next meeting August 16.