

Draft – 2/24/06

**RESOURCE ADEQUACY ISSUES TASK FORCE (RAITF)
WORKING GROUP
SCOPE OF WORK
TO PREPARE
NATIONAL GRID COMPLAINT
JOINT NYSRC/NYISO 90 DAY REPORT**

Background

On October 6, 2005, National Grid (NG) filed a complaint at FERC asserting in essence that the increase in the NYCA IRM requirement that is caused by Zone J (NYC) and K (Long Island) transmission constraints should effectively be assigned to LSEs serving NYC and Long Island. Following this filing, several parties, including the NYSRC and NYISO, submitted filings either disagreeing with or supporting the NG complaint. On February 2, 2006, FERC dismissed the NG complaint without prejudice. FERC further ordered that the NYSRC and NYISO must file, within 90 days of the order, a report describing the progress they have made in resolving NG's concerns.

Objective

The Chairs of the NYSRC Installed Capacity Subcommittee (ICS) and the NYISO Installed Capacity Working Group (ICAPWG), with support from market participants, have proposed to establish a joint task force to address the issues raised in the NG complaint and the FERC order (the RAITF). The RAITF's objective is to prepare a joint NYSRC/NYISO report which responds to the February 2, 2006 FERC order. The report is due to FERC by May 3, 2006. The RAITF is also intended to conduct the work and evaluation contemplated in the scope of work and work plan that will be included in the report.

RAITF Structure

Co-Chairmen: Curt Dahl (NYSRC ICS Chairman) and Glenn Haake (NYISO ICAPWG Chairman)

Membership: the RAITF will be open to all NYISO market participants and NYSRC participants and is expected to include members of ICS and the ICAPWG.

Tasks

The RAITF will prepare a report describing NYSRC and NYISO actions since the October 6, 2005 NG complaint to FERC that relate to issues in the Complaint, as well as a scope of work and work plan setting forth future initiatives, with targeted completion

dates , that will assist the NYSRC and NYISO in addressing NG's concerns. The report shall include the following elements:

1. The 2006-07 IRM and LCR Studies.
 - Improvements in the study procedure and computer models – the Unified and IRM Anchoring Methods.
 - 2006-07 IRM and LCR study results.
 - Approval process of study results.
2. Future initiatives
 - NG presentation on its concerns and recommendations.
 - Upstate-Downstate Study – calculate LOLE and quantify the reliability benefits that Upstate and Downstate provide one another other.
 - A schedule of RAITF meetings and milestone dates to pursue this effort
 - Other initiatives proposed by the RAITF to address NG's concerns.
3. Decisions by NYSRC EC and NYISO Operating Committee on the 2007-08 IRM and LCRs, respectively, after considering the results of the above Initiatives
4. Others?

Schedule

Deliverables:

- *Detailed report outline* to NYISO Operating Committee – March 9, 2006; and to NYSRC EC – March 10, 2006
- *Final draft report* to NYISO Operating Committee – April 6, 2006; and to NYSRC EC – April 7, 2006
- *Final report* to FERC – May 3, 2006

RAITF Meetings:

Kick-off meeting – March 1, 2006; other meetings to be scheduled