

2003 NYISO Strategic Plan

**Joint NYISO Board/Management Committee
Meeting**

**New York City
April 15, 2003**

Panel Sessions:

- **Panel #1: NYISO Vision, Mission & Governance**
- **Panel #2: Market Design & Virtual ISO Initiatives**
- **Panel #3: Planning & Long Term Budget Priorities**

Panel #1: Discussion Topics

➤ Vision & Mission Statements

➤ Situation Analysis

- *Regulatory: FERC finalization of SMD Order*
- *Congressional: Energy legislation potential impact on SMD; restructuring; FERC authority; states rights, etc.*
- *NYISO Structure: Single state ISO/RTO/ITP for at least next 5 years*
- *Markets: Evolution vs Revolution*
- *Economic Factors: overall economy; load growth; financial markets; supply resources*

Panel #1: Discussion Topics

➤ Governance Issues

- *Retain existing governance structure*
- *Advisory only stakeholder committees*
- *Stakeholder election of Board members*
- *Increased stakeholder participation*
- *Modification of stakeholder sector/voting process*
- *Market Monitoring Unit*
- *NYSRC*

Panel #2: Discussion Topics

➤ Market Design & Operation Principles

- *Reliability*
- *Efficient and Fair Markets*
- *Customer Service*
- *Operational Excellence*
- *Environmental Quality*
- *Fully SMD Compliant*

Panel #2: Discussion Topics (cont'd)

➤ 12-24 Month Outlook

- *SMD 2.0/RTS Implementation on target*
- *Follow-on SMD 2.0 enhancements*
- *Implement central resource capacity markets (RAM group)*
- *Eliminate rate pancaking*
- *Evaluate final FERC SMD Rulemaking*
- *File for RTO/ITP status w/significant stakeholder support*

Panel #2: Discussion Topics (cont'd)

➤ 2 to 5 Year Outlook

- *Virtual RTO in place in Northeast*
- *Seams issues resolved*
- *Generation and transmission expansion enabled*
- *Northeast markets fully functional*
- *Overarching coordination among Northeastern RTOs/ITPs*
 - ▶ Including Canadian entities
 - ▶ Interregional transmission planning
 - ▶ Regional markets, where appropriate
 - ICAP/Reserves/DAM?

Panel #3: Discussion Topics

➤ Planning

- *Generation*
- *Transmission*
- *Demand Response*
- *Fuel Supply Infrastructure*
- *Environmental Role*

Panel #3: Discussion Topics (cont'd)

➤ NYISO Consolidated Planning Process

- *Authority of the NYISO to direct expansion*
- *Analysis of economic needs/ projection of congestion costs*
- *Role of NYISO in resource selection when market solutions fail to materialize*
- *Cost allocation for expansion*
 - ▶ Participant funding
 - ▶ Regulated cost recovery
- *TOs obligation to build*

Panel #3: Discussion Topics (cont'd)

- **Interregional Planning**
 - *Information sharing*
 - *Coordinated Planning*
 - *Joint Regional Planning*
- **Long Term Budget Priorities**
 - *Seams Improvements*
 - *Improved Data Handling & Access*
 - *Regional Markets*
 - *Real-time pricing*
 - *Demand response initiatives*

Other Topics

- Review of Schedule for Development of the Strategic Plan
- Other topics for discussion
- Open Forum Discussion with Board