

NYISO and Regional Planning: Status Update

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NYISO Joint Board/Management Committee Meeting
April 20, 2004
New York City

Agenda

- Updates on two major planning initiatives:
- **NYISO Planning Process**
 - *Phase I: Initial Planning Process*
 - *Phase II: Comprehensive Planning Process*
- **Interregional Planning**
 - *Northeast ISO/RTO Planning Coordination Protocol*

NYISO PLANNING PROCESS

Background

- **FERC's Planning Requirements for ISO/RTOs**
 - *NYISO indicated its intent to begin a stakeholder process in 2003 to develop a comprehensive planning process for NY*
 - *Process will address FERC's planning requirements for ISOs/RTOs expressed in Order 2000, the SMD NOPR and the FERC White Paper; Pat Wood letter/NYISO response*
- **Electric System Planning Working Group formed in June**
 - *Joint OC/BIC stakeholder interests are represented*
 - *OC/BIC agreement that voting would take place at the OC*

NYISO Planning Process

➤ Phase I: Initial Planning Process

- *Approved by OC on Sept 10th*
- *Identifies reliability needs only: 10-year planning horizon*
- *Reports on historic congestion*
- *First report due by Summer 2004*

➤ Phase II: Comprehensive Planning Process

- *Builds on Initial Planning Process*
- *Addressing reliability needs first*
- *NYISO Objective: To ensure that upgrades will be built when needed for reliability*
- *Process for reliability needs has been substantially developed*

Phase II: Open Issues

- **Determination of Applicable Transmission Facilities**
- **Process for Regulated Responses**
 - *Roles of PSC/NYISO/TOs*
 - *Scope of regulated responses*
- **Cost Allocation/Cost Recovery**
- **Consideration of Economic Needs**

Next Steps

- Target dates established as follows:

- **May-Jun** **Comprehensive Reliability Planning Process submitted to OC for approval**
 - » Cost Allocation may require OC resolution

- **Jun-Jul** **MC/Board Approval**

- **Jul-Aug** **FERC Filing**

- **June** **ESPWG to begin consideration of economic planning process issues**

**NORTHEASTERN
ISO/RTO
PLANNING
COORDINATION
PROTOCOL**

Interregional Planning

- Agreement achieved on Northeastern ISO/RTO Planning Coordination Protocol in December '03
 - *NYISO, PJM, ISO-NE*
 - *NPCC & Canadian entities also participated in discussions*
- Objectives:
 - *Enhanced coordination of planning throughout Northeast*
 - *Support and supplement existing ISO planning procedures*
 - *To be modified as needed for consistency with ISO Tariffs*
- Key Elements
 - *Data and Information Exchange*
 - *Interconnection & Transmission Service Request Procedures*
 - *Northeastern Coordinated System Plan*
 - *Placeholder for Cost Allocation*

Next Steps: 2004

- **1st Qtr** **Roll out to individual ISOs' stakeholders**
 - » NYISO presentations to ESPWG & TPAS
 - » General support from stakeholders

- **2nd Qtr** **ISOs to finalize agreement**
 - » PJM/NYISO/ISO-NE to be initial signatories
 - » Canadian entities may participate on limited basis

- **3rd Qtr** **File with FERC (if required)**

STAKEHOLDER PANEL DISCUSSION