

Study Effort –
Allocation of Costs for
New Transmission Facilities
Required for Reliability

Sponsored by NY TOs

ESPWG

2/9/04

Objective

- To explore if a case-by-case determination of NY TO project beneficiaries can be developed
 - Not addressing generation interconnection upgrades
- Use the relative spread of benefits to establish a basis for allocating project costs

Concept

- Basic concept: reliability projects are required to offload existing facilities that exceed reliability requirements, mostly under contingency conditions
- Basic premise: the greater the parallel path capability the greater the reliability of the system
- Measure the benefit by the reduction in flow of energy, and therefore the improvement on reliability, that the project provides to existing facilities

Status

- TOs are in the process of identifying a variety of test cases to analyze concepts
- TOs will keep ESPWG updated