

# *Infrastructure Master Plan: Project and Financing Update*

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**Budget & Priorities Working Group**

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# Project Background

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- ◆ In October 2009, NYISO Market Participants approved a proposal to proceed with a series of necessary improvements to the NYISO facilities.
- ◆ The NYISO reached terms with a consortium of banks to borrow up to \$50M for the necessary improvements. The terms of the financing would moderate the impact on rates by spreading the payments out over 20 years.
- ◆ In December 2009, the NYISO filed a petition with the NYS PSC for approval to close on the financing agreement.
- ◆ The NYISO has engaged an architect and construction management firm to produce the necessary construction drawings and procure the municipal approvals required to meet the loan terms. Additionally, certain construction activities have been started in order to meet the approved schedule.
- ◆ The NYS PSC has not acted on the NYISO financing petition; the loan commitment expires on June 30, 2010.

# Project Progress

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- ◆ Building and site design activities have been completed to meet municipal approval milestones and support project planning processes
  - *State Environmental Quality Review (SEGQ) achieved for both sites*
  - *Site plan approval received from all three (3) local towns*
  - *Schematic design and associated budgeting exercises complete*
- ◆ Certain early construction activities that were necessary to achieve the approved project schedule have been started
  - *Carman Road asbestos abatement and reconstruction*
- ◆ Certain critical and long lead time materials were purchased in order to achieve the approved project schedule
  - *Carman Road emergency generators*

# Project Next Steps

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- ◆ The proposed project is necessary to sustain and enhance reliability and meet the changing needs of the bulk power grid and wholesale electricity markets serving New York State
- ◆ Options and alternatives for financing the project will be reviewed, including the impact on Rate Schedule 1
- ◆ Project planning activities will be performed to determine if different phasing options exist, but project activities will need to continue to maintain reliability and mitigate risk
- ◆ Discussions with Market Participants will be conducted through upcoming budget sessions to determine impact on 2010 and future budgets