ESPWG Status Update

By Bill Palazzo, Chairman ESPWG BIC/OC Meetings February 18-19, 2004 Albany

Status Update: A Parallel Process

Phase I Implementation

- Initial Process approved by OC in Sept '03
- Definition of congestion approved in Nov '03
- Use of "Probe" model for reporting historical congestion approved in Jan '04
 - PowerGem meeting with ISO operations 2/10
- Initial Planning Report draft outline under review by ESPWG/TPAS
- Northeastern ISO/RTO Planning Coordination Protocol under review by ESPWG/TPAS

Status Update: A Parallel Process

Phase II: Comprehensive Process

- Discussions continue on cost allocation/recovery issues
 - 5 market participant presentations on the subject at Feb meeting
 - Issues are being narrowed and discussion will continue at March meeting
 - TO's have proposed analysis to support their proposal which is not likely to be completed until April
 - NYISO will prepare a draft of the Phase II reliability process for review at the March meeting(3/1)

Status Update: A Parallel Process

- ESPWG will request OC approval on the reliability process initially
 - Will facilitate a planning process filing at FERC
 - FERC expects a filing mid or late 2004
 - The lack of a clearly defined planning process in the NYISO was a major topic of discussion at the Oct SMD conference and in a follow-up letter From Chairman Wood
 - Filing would make it clear that the planning process for economic need would be filed later in 2004
 - ESPWG unanimously supported this approach at the Feb 9, 2004 meeting
 - ESPWG plan is to present the reliability process for approval at either the April or May OC meeting