

# **Proposed Tariff Revisions for Joint Compliance Filing Re: Order 890**

By  
John P. Buechler

**ESPWG Meeting  
January 8, 2009  
Rensselaer, NY**

# Background

- ◆ **NYISO made its compliance filings in response to Order 890's Planning Requirements as follows:**
  - *12/7/07 – except for cost allocation & recovery for regulated reliability projects*
  - *6/27/08 – supplemental filing to address regulated reliability projects cost allocation & recovery issues*
- ◆ **On 10/16/08, FERC issued an Order conditionally accepting NYISO's compliance filings:**
  - *FERC directed a further compliance filing in 90-days (January 14, 2009)*
- ◆ **NYISO and the TOs have been working to prepare a joint compliance filing**
  - *Following is a summary of the proposed tariff changes*
  - *See also blackline of Attachment Y (posted separately)*

# Approval of Key CSPP Elements

- ◆ **FERC accepted the key features of NYISO's compliance filing and rejected most of the substantive protests**
- ◆ **Specifically, FERC accepted:**
  - *A two-year planning cycle for the CSPP*
  - *Use of statewide production cost as the initial eligibility metric for economic projects*
  - *Benefit/cost (B/C) analysis for an economic transmission project to be conducted over a 10-year period beginning with its initial operation*
  - *80% beneficiary voting for economic projects*
    - *No need for a B/C multiplier*
  - *Use of a per MWhr mechanism as the cost recovery basis for regulated reliability projects*
  - *Formula rate methodology (Rate Schedule 10)*

# Compliance Filing Issues/Responses

## ◆ TOs' LTPP Process

- **FERC Order:** *Explain how stakeholders will have an opportunity to review and provide input in the early stages of each LTPP.*
- **Response:** *Modifications made to Sections 4.1 and 4.2 to provide for early stakeholder input .*
  
- **FERC Order:** *Identify a dispute mechanism for matters that arise in LTPPs.*
- **Response:** *New Section 4.3 added describing the LTPP dispute resolution process.*

# Compliance Filing (Cont'd)

## ◆ Coordination

- **FERC Order:** *Identify the process for reaching decisions in the planning process.*
- **Response:** *Filing letter to provide citations to Attach Y detailing the committee process. Modification to Section 6.1 to explicitly provide for comments from ESPWG & TPAS to be sent to and considered by the OC and MC in voting process.*

# Compliance Filing (Cont'd)

## ◆ Openness

- **FERC Order:** *Revise tariff to provide that all interested parties can participate in the NYISO's planning process.*
- **Response:** *New Section 1.4 added providing for participation in ESPWG and TPAS with respect to the CSPP by "any interested entity" without a requirement to sign the ISO Agreement. Conforming changes made throughout Attachment Y.*

# Issues for Compliance Filing (Cont'd)

## ◆ Transparency

- **FERC Order:** Clarify that stakeholders have access to sufficient information to “replicate the results” of the planning studies.
- **Response:** Revised Sections 6.1 & 9.1 (CRPP) as well as 12.1 & 15.5 (CARIS) to provide on-site, supervised access to sufficient information to interested parties. Confidential and CEI Information will be protected.

# Compliance Filing (Cont'd)

## ◆ Comparability

- *FERC found NYISO compliant with Order 890.*
- **FERC Order:** *Directed NYISO to address Order 890-A: clarify that “it will treat all resources on a comparable basis.”*
- **Response:** *Filing letter to provide extensive citations to Attach Y and the CRPP Manual demonstrating that the CSPP is open to all resources on a comparable basis. Minor revisions to Sections 7.1.a & 8.9.a to clarify that all resources are eligible as regulated backstop and “gap” solutions.*



# Compliance Filing (Cont'd)

## ◆ Dispute Resolution

- **FERC Order:** Clarify that the NYISO's dispute resolution procedures are available for all parties involved in its planning activities.
- **Response:** Revised Section 3.0.d to provide that dispute resolution provisions the same as Section 12 of the OATT are available to any party, for a dispute arising under Attachment Y that has not been resolved by the normal CSPP procedures.

# Compliance Filing (Cont'd)

## ◆ Economic Cost Allocation

- **FERC Order:** Clarify the 10-year B/C calculation
- **Response:** Filing letter to provide clarification. Minor revisions to Sections 15.3.b, 15.3.c & 15.4.b.
  
- **FERC Order:** Clarify the role of metrics supplied for “informational purposes”.
- **Response:** Filing letter to clarify that the additional metrics are to be used as information by the “beneficiaries” for their consideration when voting on an economic project.

# Compliance Filing (Cont'd)

- ◆ **Economic Cost Allocation (Cont'd)**
  - **FERC Order:** *File a more detailed methodology.*
  - **Response:** *Filing letter to provide clarification of existing tariff provisions, and to request additional time (120 days) to develop further details in conjunction with stakeholders.*
  - **FERC Order:** *Explain how the “additional metrics” will be calculated.*
  - **Response:** *Filing letter to indicate that NYISO is in the process of working with stakeholders to develop such procedures and to request additional time (120 days) to complete that process.*
  - **Response:** *An additional compliance filing is anticipated to address these issues.*

# Compliance Filing (Cont'd)

- ◆ **Procedures for Cost Over-runs**
  - ***FERC Order:*** *To be filed “as soon as practicable”.*
  - ***Response:*** *Confirms that these procedures will be filed after they have been developed through the stakeholder process.*
    - Not an immediate item for CARIS start-up.

The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for state's bulk electricity system.

---

***[www.nyiso.com](http://www.nyiso.com)***