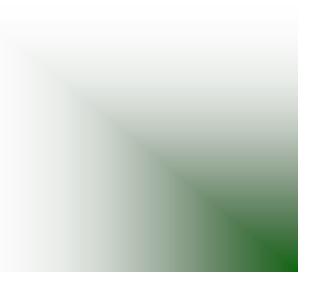


NYISO Comprehensive Planning Process: Status Update

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Agenda #9 BIC/OC Meetings October 8-9, 2003 Albany



Comprehensive Planning Process

ESPWG formed in June

- ESPWG Scope of Work defined in 2 phases
 - Phase I-to define the Initial Planning Process
 - Phase II-to define the Comprehensive Planning Process
- ESPWG achieved consensus on the scope of the Initial Planning Process at its September 3rd meeting
 - Document forwarded to OC on September 5th
 - OC Approved on September 10th
 - ESPWG to also have a role in implementation of the Initial Planning Process

Operating Committee Approval

- OC approved the Initial Planning Process with the condition that the OC will review and approve:
 - The definitions of how congestion is reported;
 - The methodologies for the quantification of historical congestion; and
 - The appropriate analytical tools to be used in the analysis of historic congestion

Initial Planning Process What it will NOT do?

- It will not identify specific facilities needed to address situations where reliability criteria may not be met
- > It will not result in a projection of congestion
 - The issue of projecting congestion will be addressed in Phase II discussions of the Comprehensive Planning Process

Next Steps: A Parallel Process

- Implementation of the Initial Planning Process
 - Scenario development has already begun
- Resolution of the "definition" and reporting of historic congestion
 - "Matrix" has been developed and is being completed
 - Investigation of PROBE model continues
 - Presentation format to be discussed
- Development of the Phase II process for the Comprehensive Planning Process
 - NYISO presented a framework/issues for discussion to ESPWG on September 19th

Next Steps: Schedule

> Phase I: Implementation

- First Report anticipated in Summer 2004
- > Historic Congestion Definition/Reporting/Models
 - *Target: Bring to OC in November*

> Phase II: Comprehensive Plan Issues to Include:

- Reliability Needs
- Economic Needs/Projection of congestion costs
- Role/authority/obligations of the NYISO/State/FERC/TOs
- Cost Recovery/Allocation
- Schedule for completion to be developed