

# Electric System Planning Working Group

## Draft Meeting Notes

April 11, 2006

Pine West Plaza Conference Facility - Albany, NY

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Of the 44th meeting of the New York Independent System Operator Electric System Planning Working Group held April 11, 2006 at Pine West Plaza in Albany, NY.

### In attendance

Tariq Niazi - NYSCPB	Ken Lotterhos – Navigant Consulting
Jerry Ancona – Nat Grid	John Adams - NYISO
John Watkza – Central Hudson	Larry Eng - NYISO
Ernie Cardone - NYISO	Leigh Bullock - NYISO
Tom Payntor - NYSDPS	Carl Patka - NYISO
Roy Shanker – East Coast Power	Howard Fromer - PSEG
Ralph Rufrano - NYPA	Tim Foxen - NRG
Tim Bush – Navigant Consulting	Mark Younger – Slater Consulting
Mat Milhous – Keyspan Energy	Glenn Haake - IPPPNY
Doreen Saia – Mirant	Rick Mancini - CES
Ellen Lutz - DOE	Bill Lamanna – NYISO
Morgan Parke – Multiple Intervenors	Phil Smith - Mirant
Paul Gioia – LeBoef, Lamb	Audrey Capers - NYSDPS
Jeff McKinney - NYSEG	Jim Scheiderich - Select
Kevin Jones - LIPA	Ray Kinney - NYSEG
Christopher Raup – Con Edison	Glen McCartney - Constellation
Tim Bush – Navigant Consulting	Ray Adapella - NYSPSC
Penny Rubin - DPS	Chris Hall - NYSERDA

### Welcome and Introductions

Mr. Tariq Niazi welcomed the ESPWG members to the meeting and stated the agenda.

### Approval of Meeting Notes from March 14, 2006

The meeting notes from March 14<sup>th</sup> were approved and will be posted on the NYISO website.

### Cost Allocation Methodology for Regulated Reliability Solutions

Tariq Niazi reported that there have been no comments from MPs on the TOs draft Cost Allocation Methodology for Regulated Reliability Solutions document.

Ken Lotterhos walked through examples of the of the primary cost allocation scenario calculations:

- Cost Allocation for a NYCA LOLE Reliability Violation without Reduced Transfer Limits.

- Cost Allocation for an Inter or Intra-Zonal Transmission Voltage or Thermal Criteria Violation Only
- Cost Allocation for a Simultaneous NYCA LOLE Reliability Violation With Reduced Transfer Limits

To be addressed at future ESPWG meetings:

1. NYISO to identify steps that need to be taken to implement TO cost allocation methodology
2. Incremental load issues
3. Increasing locational requirements for zones J & K
4. IRM and LCR forecasts: NYISO will look into identifying what needs to be done to comply with this and resource availability, and also look at using the current IRM/LCR relationship vs. projection over time, for cost allocation. ICS work scope was doing an analysis on how IRM and LCRs would look in the future, but this work has been tabled for a year. PSC thinks this would be valuable information for regulators and investment community.

### **Cost Recovery Issues**

Paul Gioia reported that cost recovery is still under review and there will be further discussion with PSC on this. The initial concern about ESCOs being disadvantaged and customers getting double billed needs to be addressed.

There was a discussion between Raj Adapella and Jim Scheiderich on how cost would be recovered from the beneficiaries of any regulated back stop solution. The PSC will get together with Jim to further discuss his position on cost recovery, *i.e.*, that it would be better for the ISO to recover from the loads (via LSEs) and then pass the funds to the TOs (as they paid for the project in the first place).

### **Procedures for halting a Regulated Back Stop Solution**

Procedures still under review by the TOs. To be discussed further at the next ESPWG meeting.

Still to be addressed:

Timetable/schedule – final CRPP is going to the BOD in July, committees in June. Internal plans for decisions on what meets reliability needs

### **Procedures for Monitoring Project Status**

To be discussed at the next ESPWG meeting. NYISO will send out criteria for monitoring solutions for review/comment by ESPWG members.

### **Confidentiality of proposed solutions**

Carl Patka reported that he had a telephone conference with Doreen Saia, Paul Gioia and Larry DeWitt to discuss the confidentiality of proposals for regulated backstop, alternative regulated solutions and market-based solutions. He noted that all solutions that had been provided to the NYISO were filed with a request for confidentiality. With respect to regulated

backstop solutions, Carl reported that the NYISO would disclose those proposals once the NYISO is satisfied that the Transmission Owners' plans for their systems, plus the regulated backstop solutions, will meet the Reliability Needs identified in the RNA. With respect to the alternative regulated solutions, the NYISO would similarly disclose such proposals when the NYISO is satisfied that those solutions would meet all or part of the Reliability Needs identified in the RNA. Concerning the market solutions, the NYISO will disclose only type of resource, its size, its location, and its in-service date, in the draft CRP. There was general agreement in the room that this protocol is the appropriate way for the NYISO to handle confidential information provided in the solutions phase of the CRPP.

### **Bill Lamanna – Input Phase of RNA**

Bill Lamanna discussed the input phase schedule for the 2006 RNA. Bill reported that the FERC cases were filed March 30<sup>th</sup> and the Gold Book numbers are in the process of being finalized.

ESPWG members were asked to think about retirements/contract expiration dates for discussion at the next meeting,

Comments/questions from ESPWG:

- Should backstop solution be included in RNA?
- Disparity between annual and 18 month process. When the 18 month plan is issued, NYISO should report that recommendations for the plan could be affected by new information that comes in.
- The tariff calls for procedure under 5-year base case to be developed. Can procedure be drafted within the next two months - be moving from one CRP to the next RNA
- Estimate on when the RNA would be treated as a two year process. ESPWG members think two year would be better.
- 2005 RNA – NYISO was asked to put together a timeline for tariff changes as well as a process to actually implement the July plan.

### **Action items:**

1. NYISO to identify steps that need to be taken to implement TO cost allocation methodology
2. NYISO to look at whether to use current IRM and LCR relationship or to do a projection over time for use in Cost Allocation
3. NYISO to send out criteria for monitoring solutions - for comments/discussion at next ESPWG meeting
4. TOs and others to provide comments on draft criteria and NYISO to send out for evaluating solutions - for comments/discussion at next ESPWG meeting
5. NYISO to circulate language on confidentiality for proposed solutions, to be finalized at the next ESPWG meeting.
6. PSC to discuss cost recovery
7. TOs to present revised halting regulated solutions document for discussion at the next ESPWG meeting
8. NYISO to provide a blueprint on what needs to be done to complete the CRP after it is finished in July
9. NYISO to provide summary of the generic solutions that have been received to date.
10. TOs to present revised tariff revisions on cost recovery for non-transmission solutions

### **Next Meeting**

The next ESPWG meeting will be held on May 15, 2006 at Pine West Plaza Conference Room, Albany, NY.