

NYISO Electric System Planning Working Group Meeting

**March 29, 2004
9:30 am – 3:30 pm**

Desmond Hotel – Albany, NY

Draft Minutes

Of the fifteenth meeting of the New York Independent System Operator Electric System Planning Working Group held March 29, 2004 at the Desmond Hotel in Albany, NY.

Welcome and Introductions

Mr. Bill Palazzo, Chairman of the Electric System Planning welcomed the Electric System Planning Working Group to the meeting and stated the agenda.

Approval of the Meeting Minutes

The minutes from the March 1st meeting were deferred until the April 16th meeting.

Initial Planning Process Implementation Issues

Mr. Bill Lamanna provided a status update on the initial planning process implementation issues. The issue of retirement of aging units to be discussed at the next ESPWG.

PROBE Update

Mr. Jim Mitsche reviewed the progress of PROBE modeling, data collection, and analysis. The following are preliminary observations from the analysis and results:

- New York congestion payments are concentrated in zones J & K
- Congestion is fairly well hedged (roughly 2/3 of congestion payments are hedged)
- Congestion occurs throughout the year in flashes and at higher loads.

Following discussion, it was agreed to continue to allocate TCC's to loads by zone, but to include the appropriate caveats regarding this assumption in the final report. Mr.

Mitsche's recommendations were adopted for the following situations:

- Handling of daylight savings time
- Combining of "obvious" parallel circuits
- Allocation of congestion load payments by constraint

Mr. Mitsche was asked to propose a methodology for the identification of "Unusual Days" at the next ESPWG meeting.

Comprehensive Planning Process Development

Cost recovery/cost allocation – TO presentation

Dr. Mayer Sasson gave a brief overview on the progress of the TO proposal for cost recovery/cost allocation analysis. A detailed update will be given at the April 16th ESPWG.

Con Ed has taken the stakeholder comments and retained PTI to run load flow cases to test the concept of “beneficiaries pay approach”. They are in the process of analyzing reports to see if results have merits. The only upgrades they are looking at in this approach is transmission upgrades; based on the assumption that the market has already been given the chance to respond and no market-based solutions have been forthcoming. There may be one or more TO cost allocation proposals; ESPWG will need to discuss:

1. Is one particular method appropriate?
2. Would that method be further applicable to a non-transmission based solution.

Revised Comprehensive Reliability Planning Process: Stakeholder Comments

Mr. John Buechler summarized the Stakeholder submitted comments on the draft planning process, with focus on the following high-level issues:

- Identification of transmission facilities to be included: What facility can be an output of the NYISO planning process (recommended solution to a reliability need). How practical are bright lines. The NYISO will prepare a proposal on this issue for the next ESPWG meeting.
- Continued role for ESPWG: Should ESPWG role continue through the planning process in NY or should a separate Planning Committee be formed with voting rights? Many ESPWG members expressed concern over forming a separate committee and felt the Planning Process should continue through ESPWG. Also discussed was whether BIC members should have a vote on needs assessment and/or final plan. The general consensus was that ESPWG should continue to have a role in the implementation of the Comprehensive Planning Process and that the current voting arrangement should continue as well unless BIC & OC determined that a change was needed.
- Should reporting historic congestion costs be part of the Comprehensive Reliability Planning Process? ESPWG discussed whether historic congestion costs should be separated out or remain in the planning process. The NYISO stated that it had no intention to discontinue the reporting of historical congestion costs, that this was just a question of whether this topic is appropriate for the Comprehensive Reliability Planning Process document. Mr. Reed made a suggestion that this process could be included in an Appendix.
- Should changes in market rules be considered in parallel with other resource solutions? The WG discussion was generally in favor of including this concept in

the process description. Mr. Felak will provide revised language for the NYISO's consideration.

- Section specific comments –
 - 3.2.1: Reliability Needs Assessment: There was discussion and general agreement that the NYISO's needs assessment should include mitigation of reliability needs through alternate system and/or operational methods.
 - 6.2 Regulated responses: There was discussion concerning the PSC's oversight in the preparation of regulated responses. MP's expressed a desire to have input into that process.
 - 7.3: "Gap Solutions": Mr. Buechler will redraft this section.

Action Items

1. Jim Mitsche will provide a proposal for the identification of "Unusual Days" for discussion at the next ESPWG meeting.
2. Stakeholders were requested to submit additional written comments on the draft Comprehensive Reliability Planning Process by April 5th.
3. The role of the PSC regarding regulated responses will be discussed at the next ESPWG meeting.
4. NYISO will revise the Comprehensive Reliability Planning Process to reflect the additional stakeholder comments.
5. TO's to present study work on cost allocation for the April 15th meeting.