

3/19/04

**National Grid Comments to NYISO on
“NYISO Comprehensive Planning Process for Reliability Needs –
Feb 26, 2004” draft**

1. This document does not clarify the purview of the NYISO regional planning process (e.g. whether for all transmission, or for 115 kV and above looped facilities, or for Bulk System and what that consists of). This clarification is a necessary improvement over the processes in New York today. The NYISO had begun to address this in earlier meetings, but the issue has not been resolved. We urge the NYISO to discuss this at the next ESPWG for incorporation of such clarification into the Comprehensive Planning Process.
2. It is important that the NYISO have sufficient independent discretion to model the system under a variety of scenarios and evaluate and report on system needs and solutions, with the ESPWG or other stakeholder groups providing advisory input. Sections 2, 3.2.1, and 4.3.3. of the draft document should be clarified to reflect this.
3. The objectives of the comprehensive planning process is to 1) perform Needs Assessment over the system, 2) provide opportunity for market response, 3) facilitate regulated solutions when necessary, and 4) ensure that solutions meet system needs. The 2nd paragraph of Section 3 (page 5 of document) does not seem to clearly reflect this process.
4. Transmission Owners do not have the responsibility to prepare market-based solutions to transmission system needs, nor should they. Sections 6.2 and 7.2.1 suggest an increase of TO or NYISO role to include integrated resource planning. Such a role is fundamentally inconsistent with the markets that New York has established and the separation of commodity from delivery. Rather, through the issuance of a NYISO Needs Assessment to the marketplace, any market-based responses form the basis of consideration of non-regulated transmission which satisfies state law requirements.
5. Sections 6.2.1, 6.2.2 and 7.2.2 suggest a new and incremental process step of PSC review of regulated proposals *before* submittal to NYISO in response to a Needs Assessment. Such a process is undefined as to its objective and process/timeline. Transmission Owners are obligated to apply to PSC for siting approval through a process separate from the Regional Planning Process, and it is not expected that that process will change. These sections should be stricken.
6. Section 6.3 suggests that the NYISO issues a “request for solutions” that may be additional to the issuance of the Needs Assessment. The issuance of the Needs Assessment should be the information to market; no additional “request for solutions” step is needed. Section 6.3 should be clarified to reflect this.
7. The document includes a Section 9 on Cost Allocation. In addition, the document should include a Section 10 on Cost Recovery mechanisms (to be developed).