

# CARIS Phase 2 Procedures for BIC Approval

*Branka Brlosic-Nirenberg*

**New York Independent System Operator**

**BIC**

March 10, 2010

*DRAFT – for discussion purposes only*

# Topics:

- ◆ *List of Procedures for BIC approval*
  
- ◆ *Draft Procedure for Regulated Economic Projects – Specific Project Submittals*
  - **Discussion and BIC approval requested at today's meeting**

*DRAFT – for discussion purposes only*

# List of Procedures for BIC approval

## **BIC – 2009**

- ◆ Phase 1 and some Phase 2 procedures approved

## **BIC - 3/10/2010**

- ◆ Draft Procedure for Regulated Economic Projects – Specific Project Submittals – 15.3.

## **BIC (TBD)**

- ◆ Draft voting procedures – 15.6.
- ◆ Draft methodology to extend database beyond the study period to evaluate benefit/cost over the first 10 years from the proposed in service date – 15.3.a.
- ◆ Draft procedure to deal with acceleration of regulated backstop solutions – 15.1.
- ◆ Revised Phase 2 TCC metric methodology

## *Draft Procedure for Regulated Economic Projects – Specific Project Submittals – Sections 15.3a, b, c, d, e, f & g*

- ◆ Will be used for the purposes of Phase 2 (Project Phase) of the CARIS process when developers submit their project proposals in response to congestion identified in Phase 1 of the CARIS.
- ◆ The procedure describes the eligibility and informational requirements for submitting to the NYISO a regulated economic transmission project that seeks cost recovery pursuant to Section 16 of Attachment Y.

## *Specific Project Submittals cont.*

- ◆ This procedure does not apply to developers or any other interested parties requesting and funding the NYISO to conduct additional CARIS studies pursuant to Section 11.2.c of Attachment Y.
  - *The requirements regarding requesting additional CARIS studies are provided in Section 1.1.2 of the Initial Manual Congestion Assessment and Resource Integration Study (CARIS).*

*DRAFT – for discussion purposes only*

## *Specific Project Submittals cont.*

- ◆ Phase 2 of the 2009 CARIS process commenced in January 2010 when the NYISO Board approved Phase 1 CARIS results.
- ◆ Developers may now submit transmission projects to the NYISO for evaluation in response to 2009 CARIS Phase 1.
- ◆ A regulated economic transmission project may include the construction of a new line, rebuild or re-conductoring of an existing line and/or addition of transmission equipment (such as, but not limited to, static var compensators, phase angle regulators, capacitor banks, power transformers).
- ◆ The developer is responsible for the costs incurred by the NYISO in conducting a project's benefit/cost analysis.

*DRAFT – for discussion purposes only*

# Project Submittal Requirements

- ◆ Completed Request Form
  - *For each project, the developer or any other interested party shall submit Benefit/Cost Analysis Request form to the NYISO accompanied by a refundable deposit of \$25,000.*
  - *Standard Request form and Study Agreement are posted to the NYISO website*
- ◆ Project Conceptual Package (“PCP”)
  - *Developer’s Contact and Business Information*
  - *Project Description and Project Drawings*
  - *Project Capital Costs and Cost Risk Profile*
  - *Annual Revenue Requirements for Years 1-30*
  - *PCP shall remain confidential until the developer elects to submit the project to the beneficiaries for a vote*
- ◆ Benefit/Cost Analysis Request and the PCP should be submitted to the NYISO utilizing the e-mail address:  
CARISSpecificProject@nyiso.com.

## Eligibility Criteria for Cost Allocation and Cost Recovery

- ◆ Benefits of the proposed project must exceed its costs measured over the first 10 years from the proposed commercial operation date for the project
  - *Benefits will be measured as present value of the annual NYCA-wide production cost savings that would result from the implementation of the proposed project.*
- ◆ Total capital cost of the project must exceed \$25 million.
- ◆ Super-majority of the beneficiaries ( $\geq 80\%$ ) must vote in favor of the project.



## *Specific Project Submittals cont.*

- ◆ Other consideration:
  - *PCP Review and Scoping Meeting*
  - *Completion and Delivery of Results*
  - *Disclosure of Benefit/Cost Results*
- ◆ If the project passes the vote:
  - *Rate schedule needs to be approved by FERC*
  - *Siting and permitting need to be approved by NYS Public Service Commission*

*DRAFT – for discussion purposes only*



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 the state's bulk electricity system.

---

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