

REVISED DRAFT FOR DISCUSSION

NYISO COMPREHENSIVE RELIABILITY PLANNING PROCESS

Section 9.0(d)

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0 The NYISO, in conjunction with the ESPWG, will develop criteria for determining the cutoff date for a determination that a market-based solution will not be available to meet a Reliability Need on a timely basis.

Proposed Criteria

- In the first instance, the NYISO shall employ its procedures for monitoring the viability of a market-based solution to determine when it may no longer be viable.*
- Under the conditions where a market-based solution is proceeding within the timeframe for the implementation of the regulated backstop solution, it becomes even more critical for the NYISO to conduct a continued analysis of the viability of such market-based projects.
- The developer of such a market-based project shall submit to the NYISO, on a periodic basis [period to be determined], updated information on the project's status, including:
 - Major milestone schedule
 - Status of final permits
 - Status of major equipment
 - Current status of construction schedule
 - Estimated in-service date
 - Any potential impediments to completion by the reliability need date
 - Any other information requested by the NYISO
- The developer shall immediately report to the NYISO when it has any indication that the project in-service date may slip beyond the reliability need date
- Based upon the above information, the NYISO will perform an independent review of the development status of the market-based project to determine that it remains viable* to meet the identified reliability need in a timely fashion.

- If the NYISO, at any time, learns of a material change** in the project status of a market-based proposal, it may, at that time, make a determination as to the continued viability* of such project.
- The NYISO, prior to making a determination about the viability* of a specific proposed solution, will communicate its intended determination to the project sponsor along with the basis for its intended determination. The NYISO shall provide sponsor a reasonable period (not more than 2 weeks) to respond to the NYISO's intended determination, including an opportunity to provide additional information to the NYISO to support the continued viability of the proposed solution.
- If the NYISO determines that the market-based project is no longer viable*, it will immediately request the Responsible TO to invoke its regulated backstop solution, or to seek other measures to ensure the reliability of the system.
- If the NYISO determines that the market-based project is still viable*, but that its in-service date is likely to slip beyond the reliability need date, the NYISO will request the Responsible TO to prepare a “gap solution” in accordance with the provisions of Attachment Y of the NYISO OATT.

Notes:

* In the context of the Comprehensive Reliability Planning Process, the term “viable” shall mean that there is a reasonable likelihood that the proposed project will effectively address the identified reliability need in a timely fashion.

** In the context of the Comprehensive Reliability Planning Process, the term “material change” shall include, but not be limited to: (a) a change in the financial viability of the developer; (b) a change in the siting status; or (c) a change in a major element of the project development.

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Jpb

9/2/04

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