

REVISED DRAFT FOR DISCUSSION

NYISO COMPREHENSIVE RELIABILITY PLANNING PROCESS

Section 9.0(c)

Deleted: 9.3

0 The NYISO, in conjunction with ESPWG, will develop the criteria for halting* a regulated solution that is already underway because of the entry of a viable market-based solution that the NYISO has determined will meet the same Reliability Need. Such criteria shall also establish a cut-off point following which a regulated solution may not be cancelled regardless of the appearance of a market-based solution.

Proposed Criteria

- **The premise for this proposal is that, at the request of the NYISO, the Responsible TO has already begun to proceed with the development of a regulated backstop solution to an identified reliability need since there was no viable market-based proposal available.**
- **The Responsible TO shall submit to the NYISO, on a periodic basis [period to be determined], updated information on the project's status.**
- **The NYISO will make the project status information for the regulated backstop solution known to its market participants through a posting on its website. This process will ensure that developers of market-based proposals will have ample notice.**
- **Subsequently, a market-based project that the NYISO has determined will meet the reliability need in a timely fashion is proposed by a developer. The NYISO has also determined that such proposal meets its qualifications for a valid market-based response (in accordance with Section 6.3 of the CRPP).**
- **In addition, the developer of the proposed market-based project must be able to demonstrate, to the satisfaction of the NYISO:**
 - **Evidence of site control**
 - **All required permits have been received or are in advanced stages of approval**
 - **Financing has been obtained**
 - **All interconnection studies have been completed and approved**
 - **Cost allocation has been accepted**

- Interconnection Agreement has been filed with FERC
- Sufficient progress as demonstrated by its major milestone schedule
- The NYISO, based upon its independent analysis of the information provided, must have a high degree of confidence that the regulated project can be halted* without a significant risk to reliability.
- The NYISO shall confer with the DPS prior to making a final determination with regard to halting a regulated backstop project.
- The regulated backstop project is still in either the permitting, design or engineering phase and no major equipment has been purchased.
- Once the Responsible TO has committed to purchase major equipment for the regulated backstop solution and/or construction work has started, the regulated backstop solution will continue regardless of the subsequent appearance of a market-based alternative.

[NOTE: DISCUSS THE DEFINITION OF THE “BRIGHT LINE” CRITERIA PROPOSED ABOVE]

Notes:

* In the context of the Comprehensive Reliability Planning Process, the term “halting” shall mean either suspending activity or canceling the further development of a regulated backstop solution that has already begun at the direction of the NYISO.

Jpb

9/2/04

R10/16/04