10/1/04
Comments from NRG Energy
on NYISO Comprehensive Planning Process (CPP) implementation procedures –

Section 9.3 This section pertains to a situation where a market based proposal is not available or advanced during the period NYISO initially identifies a need and solicits proposals. In accordance with the planning process, the identified TO would have accepted NYISO's request to proceed with development of a regulated backstop solution. Given that the lead time between the reliability need and its identification through the CPP may be several years, NRG does not believe the criteria applied to a MBP necessarily needs to be as strict as those listed in this section. Examples of excessively strict criteria are:

- All required permits are received or in advanced stages of approval;
- Financing has been obtained;
- Interconnection agreement has been filed with FERC.

Rather than include these restrictive screening measures in this circumstance, NRG suggests the following:

For market based proposals which are provided to the NYISO subsequent to the NYISO-directed initiation of a regulated backstop solution, NYISO shall apply the same criteria applicable to an MBP in section 9.1. However, NYISO shall evaluate the milestone schedules of the MBP and compare it to the milestone schedule of the regulated backstop proposal. In addition, NYISO should consider cost committed and which would be incurred by the sponsor of the regulated solution. Taking these into account – relative cost, schedule and viability criteria – the NYISO shall make a decision as to whether an MBP can replace a regulated backstop solution which is already underway.

Sections 9.1 and 9.3

Part of the information required to screen and monitor both MBPs and regulated proposals should be a major milestone schedule. This would be a convenient tool for NYISO and market participants to compare and update project status. NYISO could develop a standard schedule format and inputs so that all participants would be required to provide the same information.