

# **Phase II: NYISO COMPREHENSIVE PLANNING PROCESS CONSIDERATION OF ECONOMIC NEEDS**

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*Draft – for discussion purposes only*

# Possible Approaches

(Suggested by NYISO on August 11<sup>th</sup>)

- Information approach
- “PJM-type” approach
- Development of additional market-based mechanisms
- Bill Hogan’s “Transmission Market Design” Concept

# September ESPWG Discussion

- Most members would support, or accept, an expanded “information approach” for the NYISO
  - *Additional analysis of historic congestion would be useful*
- Some NYISO role in estimating future congestion, with appropriate caveats, was supported by many—but not all—members
- There was a general consensus that additional, and/or improved, market mechanisms should be pursued
- Most—but not all—members are opposed to any NYISO process that may require regulated upgrades for economic reasons

# Additional Comments

- **ESPWG members were asked to submit comments by October 15<sup>th</sup> concerning:**
  - *The role of the NYISO in economic planning*
  - *The scope for estimates of congestion costs*
  - *Market enhancements*
  
- **Additional comments were received from:**
  - *Keyspan Ravenswood: Does not support NYISO projections of congestion costs; historic data is sufficient*
  - *NYTOs, LIPA & NYPA: Support NYISO projections subject to:*
    - ▶ Approval of assumptions through NYISO committee process
    - ▶ Provide a range of assumptions
    - ▶ Provide a range of results
    - ▶ Provide appropriate caveats to accompany the projections

# ESPWG Objective

- ESPWG Chairman reported to the OC in September:  
“ESPWG striving to identify a majority view on the ISO role in order to bring forward a recommendation to the OC as soon as possible”
- In order to accomplish this objective:
  - *Build upon the September ESPWG discussions*
  - *Consider any additional stakeholder comments*
  - *Strive to develop a process that will be accepted by FERC*

# Discussion Points

- **Expanded analysis of historic congestion**
  - *“What-if” analysis*
  - *Analyze impact of “unusual days”*
  - *Tracking of historic congestion by key constraints*
  - *Enhancements to capabilities of the PROBE model*
- **Estimates of future congestion**
  - *Model: PROBE/MAPS/other?*
  - *Forward looking period: up to 10 years*
  - *Base case assumptions: same as for CRP analysis*
  - *Development of other scenarios*

# Market-Based Initiatives

- Development of a permanent methodology for expansion TCC's
- Consider providing TCC's as options for expansion
- Develop "end-state" TCC auction model
  - *Evaluate use of a DC model*
- Develop cross-border TCC options
- Evaluate expansion of UDR concept to non-controllable lines
- Develop alternate methodology to provide capacity value for transmission expansion in addition to TCCs

# Next Steps

- NYISO to develop a strawman proposal for addressing economic issues
- Review with ESPWG
- Determine need for a Tariff change/FERC filing
- Bring to Operating Committee for a vote
- Bring to NYISO Board
- File with FERC