

# *Sum of Zonal Benefits v. Revenue Requirements*

**Howard Tarler**

*Manager Long Term Planning*

*New York Independent System Operator*

**ESPWG**

*January 20, 2011*

*Rensselaer, NY*

# *Attachment Y 31.4.3.4.2.2*

- ◆ 31.4.3.4.2.2 The beneficiaries will be those load zones who experience net benefits
- ◆ measured over the first ten years from the proposed commercial operation date
- ◆ for the project. If the sum of the zonal benefits for those zones with load savings
- ◆ is greater than the revenue requirements for the project (both load savings and
- ◆ revenue requirements measured in present value over the first ten years from
- ◆ the commercial operation date of the project) the NYISO will proceed with the
- ◆ development of the zonal cost allocation information to inform the beneficiary
- ◆ voting process.

**Draft – For Discussion Purposes Only**

## *Interpretation of 31.4.3.4.2.2*

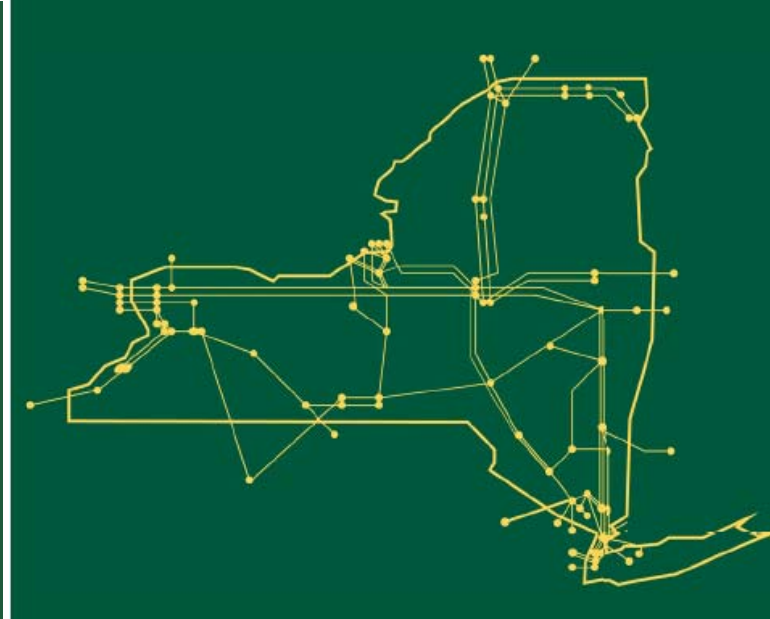
- ◆ Attachment Y 31.4.3.3.2 provides that “The benefit metric...will be expressed as the present value of the annual NYCA-wide production cost savings...for the first ten years from...commercial operation....”
- ◆ Question asked whether 31.4.3.4.2.2 presents a second threshold qualification for proceeding with voting and, if so, how that threshold is measured.

# *Discussion of tariff provision*

- ◆ Discussion of meaning and implications

**Draft – For Discussion Purposes Only**

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.



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