

NYISO CONSOLIDATED TRANSMISSION PLANNING PROCESS

Business Issues Committee

Agenda #7

May 7, 2003

Albany

Initial Planning Process

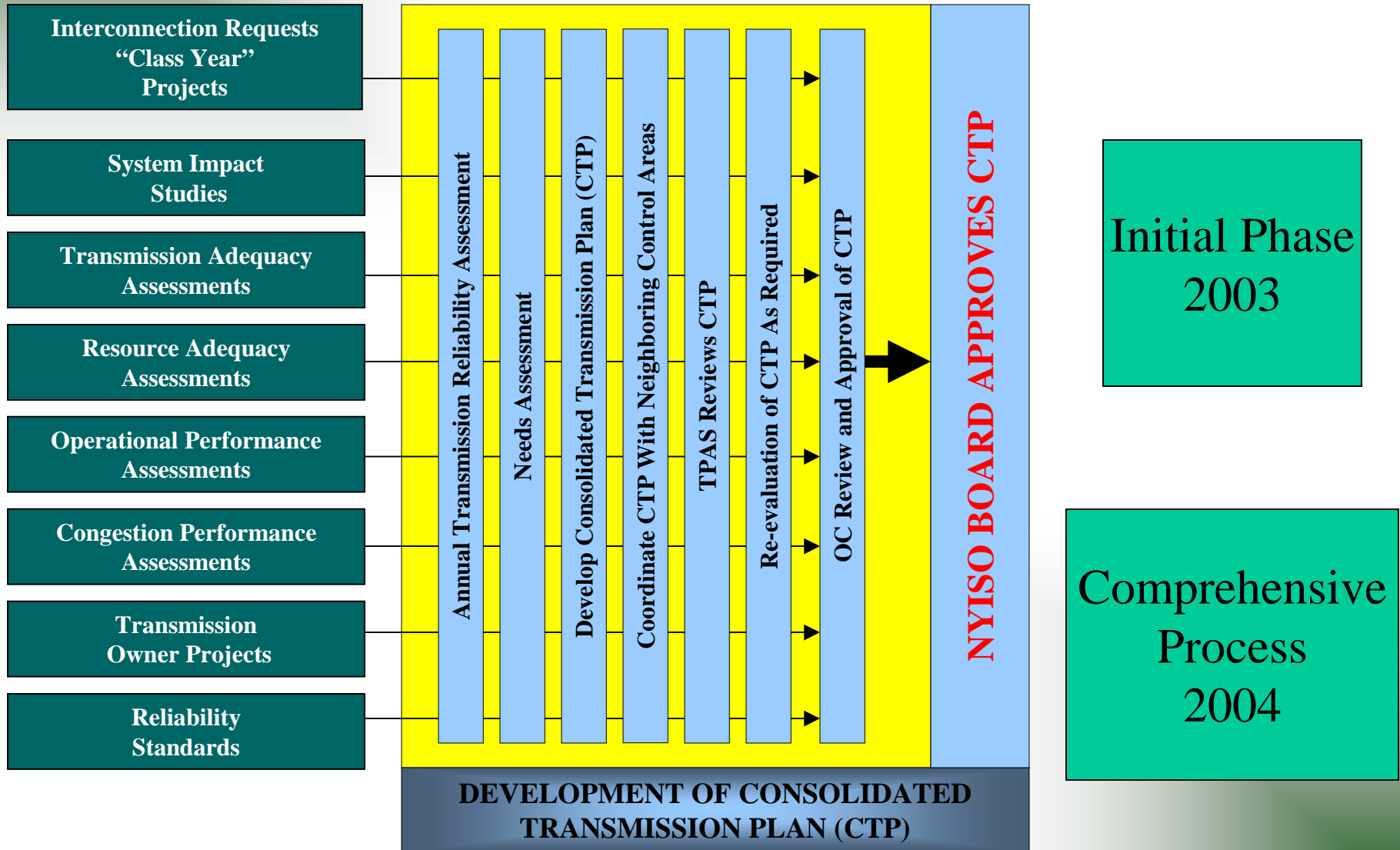
➤ Premises

- *No filing necessary*
- *Implement under existing ISO Agreement*
 - ▶ Article 18
- *Implement under existing ISO Governance process*
 - ▶ Operating Committee responsibility/assign to TPAS?
 - ▶ Management Committee approval
 - ▶ Board has final approval of plan
- *Avoid most contentious issues*
 - ▶ These issues will likely require tariff changes/FERC filing
- *Begin implementation by Fall 2003*

Initial Planning Process: Inputs

- **Stakeholder inputs**
 - *TOs plans/local upgrades*
 - *Generator plans/interconnection requirements*
 - *Merchant transmission plans*
 - *Demand response programs*
- **Observe data confidentiality**
- **Other drivers**
 - *System Impact Studies*
 - *Transmission & Resource Adequacy assessments*
 - *Reliability Standards*
 - *Operational assessments*
- **Consolidation of existing NYISO reliability-based procedures**

DRIVERS



Initial Planning Process: Scope

➤ Frequency

- *Annual assessment of needs*
- *Comprehensive plan every 3 years*

➤ Planning Horizon

- *10 years*
- *Needs identified for at least first 5 years*

➤ Observe "Good Utility Practice"

- *NERC, NPCC, NYSRC, LRR*
- *Observe all parties' legal and contractual rights*
- *Avoid duplication of facilities or imposition of unreasonable costs on any party*

Initial Planning Process: Process

- NYISO performs a “needs assessment”
 - *Reliability needs*
 - ▶ Use results of ATRA
 - *Projection of congestion trends*
 - ▶ Minimum of 5 Years
- **Coordinate with neighboring Control Areas**
- **Prepare Consolidated Plan for review/approval**
 - *OC (TPAS?)*
 - *MC*
 - *Board has final approval of the Plan*
 - ▶ Utilize existing appeals process

Initial Planning Process: Final Steps

- **Publicize Consolidated Plan**
 - *Present at stakeholder meetings*
 - *Post on NYISO website*
 - *Distribute broadly to draw attention to identified opportunities*
 - ▶ E.g. – “Power Alert” type report
- **END OF INITIAL PLANNING PROCESS**
- **NYISO will NOT (at this time)**
 - *Issue an RFP in response to needs*
 - *Make any determination of specific facilities*
 - *Direct any entity to build facilities*
 - *Propose any unilateral cost allocation process*

Proposed Schedule: Initial Planning Process

- **Jan/Feb** **Discussed Phased Concept at Sector Meetings**
- **Feb** **NYISO Prepared Initial Concept & Schedule**
 - » Discussed with Board A&R Committee
- **Mar/Apr** **Discussions with TOs**
- **April** **Discussed revised process with Board**
- **May** **Roll out to Stakeholders**
 - » BIC/OC Meetings
- **Jun/July** **Discuss with stakeholders**
 - » Develop consensus proposal
- **August** **Finalize Initial Planning Process**
- **Sept** **Begin Implementation**
- **Fall '03** **Begin Stakeholder Discussions on Comprehensive Planning Process**

Comprehensive Planning Process

➤ Premises

- *FERC Tariff filing will be required*
- *Will Build Upon the Initial Planning Process*
- *Consider establishment of a new Planning Committee*
 - ▶ Reporting to MC
 - ▶ Option: Retain existing structure—under OC
- *Will need to address FERC RTO/ITP requirements*
- *Will need to address and resolve contentious issues*
 - ▶ NYISO role in economic upgrades
 - ▶ NYISO role vs market role in selection of resources
 - ▶ Cost allocation
 - ▶ TOs' obligation to build; cost recovery
- *Collaborative efforts to begin immediately upon resolution of the Initial Planning Process*

QUESTIONS??