

NYISO
Electric System Planning Working Group Meeting
August 22, 2006
4 Pine West Plaza, Albany NY

Draft Meeting Notes

In attendance:

Tariq Niazi - NYSCPB
John Adams - NYISO
Debbie Eckels - NYISO
Ernie Cardone - NYISO
Diane Barney - NYSDPS
Morgan Parke – Multiple Intervenors
Tom Payntor - NYPSC
Audrey Capers - PSC
Glenn Haake - IPPNY
Chris Hall – NYSERDA
John Buechler - NYISO
Ken Davis – Hunton & Williams
Bill Lamanna - NYISO
Tim Bush - Navigant
Paul Gioia – LeBoeuf Lamb Green MacRae
Doreen Saia - Mirant
Barry Huddleston - Dynegy
Phil Smith - Mirant
Terron Hill – National Grid
Audrey Capers - NYSDPS
George Dunn - NYPA
Penny Rubin - NYSDPS

Via Teleconference:

Tom Rudebusch – Duncan, Weinberg
Glen McCartney - Constellation
John Watzka – Central Hudson
Ken Lotterhos – Navigant
Mat Milhous - KeySpan
Phil Smith - Mirant
Jeff McKinney - NYSEG
Roy Shanker – East Coast Power
Tom Papadopolous – NYPA
Ed Kichline - KeySpan

Approval of Meeting Notes

The meeting notes of the June 8, 2006, June 22, 2006 and July 25, 2006 were approved with revisions from Market Participants and will be posted to the NYISO website.

Development of Cost Allocation Methodology

Paul Gioia reported the TOs will make a presentation explaining the changes to the methodology at the next meeting. Ernie Cardone stated the NYISO will re-circulate Jerry Ancona's document and request Market Participants prepare comments ready for the next meeting.

Cost Recovery Issues

Paul Gioia explained that the TOs are still working out the issues and have had recent discussions with the PSC, he will return to the group with clarifications in this area. Ernie Cardone requested it be ready for the next meeting.

Procedures for Monitoring Project Status

John Adams reported that the document is being updated and will be brought to the Operating Committee for approval.

Criteria for Evaluating the Viability of Proposed Solutions

Market-Based Solutions:

A separate sub-section will be included to address the use of the regulated backstop solutions to determine the benchmark date.

NYISO will compare the confidentiality provisions of Attachment Y with the LGIA for consistency.

The NYISO will look into whether filing the Interconnection Agreement requires a developer to accept the cost allocation.

Regulated Backstop Solutions:

John Buechler asked why Regulated Backstop Solutions are limited to the first five years in this draft, since the Tariff makes no such distinction? Paul Gioia responded that the TOs are only required to provide specific solutions for the first five years and that it would be burdensome to provide "specific solutions" beyond that time. John Buechler indicated that it is critical for reliability to have regulated backstop solutions identified for the entire ten year planning horizon, since it is likely that transmission projects may have a lead time greater than 5 years. He also noted that the same degree of support would not be expected for the second five years as for the first five years. Diane Barney added flexibility is needed because there may be projects that straddle five years. John Buechler will try to develop language for the time after the first five years.

Alternative Regulated Solutions:

The group discussed whether the Alternative Regulated Solutions should have the same criteria as the Regulated Backstop Solutions. Paul Gioia expressed concern with creating a catch 22 for the developer. Doreen Saia responded that competition is at the beginning of the process, therefore the criteria should be the same for both. Penny Rubin stated that the PSC and the TOs will have to review this and come back to the group, she also asked John Buechler for a chart illustrating the requirements for all three solutions.

Criteria for Monitoring Regulated and Alternative Solutions

Paul Gioia will suggest alternative language regarding monitoring of TOs' implementation of their planned upgrades and resource additions.

Criteria for Invoking a Regulated Solution

Concern was raised over the new title of the document, it was renamed: "Criteria for the Cutoff Date for Invoking a Regulated Backstop Solution"

RNA 2005 Lessons Learned

Bill Lamanna asked for formal comments from stakeholders on lessons learned. 1st step is in base case development.

2006 RNA Update

TO Base Cases should be distributed by the end of August.

Next Meeting

September 20, 2006.