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**New York ISO  
Interregional Planning Working Group  
June 8, 2010**

**Cross-border Project Identification and Cost Allocation  
New York Transmission Owners**

## *Basic Principles:*

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- The Cross-border process applies only to regulated transmission projects addressing reliability needs.
  - However, in NYISO, transmission, generation and DSM solutions are considered as solutions to identified needs.
- Projects must identify benefits in more than one region.
  - The NYISO RNA will identify reliability needs on the New York System.
- Process is prospective.

## *Basic Principles - continued:*

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- Respect existing planning and cost allocation processes of the RTO/ISOs.
  - Identification of needs will be based on processes within the individual RTOs.
    - The NCSP can assist on defining the benefits of a proposed project.
  - A proposed project is evaluated independently by the regions.
  - Each participating region must independently approve the project.
  - Cost allocation within the participating regions will be pursuant to each regions approved planning processes.

## *Process from the New York Side*

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- Market solutions considered first.
- If no market solution arises, there are two ways to propose a regulated project under the NYISO CSPP.
  1. Inclusion of a Project as a **Regulated Backstop Solution** in New York.
  2. Inclusion of a Project as a **Alternate Regulated Solution** in New York.

## *Inclusion of a Project as a Regulated Backstop Solution in New York*

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- NYISO RNA would identify the Needs on the New York system and the NYISO will designate the Responsible TOs.
- Transparent Planning Processes in each of the RTOs ensures that needs in regions are known.
- The NCSP can provide information on benefits at the request of cross-border project proponents.
- Responsible TOs may choose to collaborate with developer or TO partner from neighboring regions to resolve multi-regional needs.
- Responsible TOs would propose a project as a Regulated Backstop Solution.
- The NYISO will evaluate and determine if a project(s) proposed, including any cross border project, resolves a reliability needs identified in the RNA.
- Responsible TOs would evaluate the benefits of a cross-border project and determine the portion of project costs to be recovered in the NYISO process.

## *Inclusion of a Project as a Regulated Backstop Solution in New York - continued*

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- Determined portion of the cost allocation in New York would be according to the NYISO cost allocation rules.
  - Other regions would allocate their portion of the costs according to their cost allocation rules.
- Responsible TOs will coordinate with neighboring developer or TO partners to secure regional approvals.

## *Inclusion of a Project as a Alternate Regulated Solution in New York*

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- NYISO RNA would identify the Need on the New York system.
- Transparent Planning Processes in each of the RTOs ensures that needs in regions are known.
- The NCSP can provide information on benefits at the request of cross-border project proponents.
- Transmission developers may choose to collaborate with TOs or other developer from neighboring regions to resolve multi-regional needs.
- Transmission developers may propose a project as an Alternate Regulated Solution.
- The NYISO will evaluate the proposed alternative regulated solution and determine whether the proposed cross border project will resolve a reliability need identified in the RNA.
- Transmission Developers would evaluate the benefits of cross-border projects and determine the portion of project costs to propose for recovery in the New York.

## *Inclusion of a Project as a Alternate Regulated Solution in New York - continued*

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- If the NYISO triggers a solution, the transmission developer will seek appropriate regulatory approval consistent with the current process.
- Approved project costs would be allocated in New York according to the NYISO cost allocation rules.
  - Other regions would allocate their portion of the costs according to their cost allocation rules.
- Transmission developers will coordinate with neighboring TOs or Other Developer to secure regional approvals.