

**JOINT BOARD/MANAGEMENT COMMITTEE MEETING
JUNE 11, 2007**

Potential Questions for Market Participants on Agenda Items:

**Economic Planning
Market Evolution
Advanced Metering**

QUESTIONS RE: ECONOMIC PLANNING

1. The NYISO's historic role with regard to economic planning has been as a provider of information on congestion and to allow the marketplace to respond.
Do you support the current role of the NYISO with regard to economic planning?
2. FERC's Order 890 requires all ISO/RTO planning processes to include both reliability and economic issues. Order 890 contains nine Planning Principles that all planning processes must comply with. The NYISO Staff, working with the ESPWG, has spent the past several months developing an Economic Planning "Strawman" in response to this Order—which is posted on the NYISO website.
 - a. Do you support the "Strawman" in its current form?
 - b. Do you believe that the Strawman goes too far, or not far, enough with regard to expanding the NYISO's planning role?
 - c. Do you believe that the Strawman is compliant with the FERC requirements?
3. Specific Questions on Economic Planning Strawman:
 - a. Do you agree that the process for the identification and prioritization of congestion studies should be developed jointly with stakeholders rather than based simply on a queue of individual requests?
 - b. Do you agree with establishing a sequential process under which the results of the CRPP would be utilized in establishing the base system expansion assumptions for conducting the economic planning studies?
 - c. Do you agree with expanding the planning process to 24 months in order to accommodate the additional economic planning requirements?
 - d. Do you agree that all resources should be considered as potential solutions?
 - e. Should the NYISO develop thresholds for congestion?
 - f. Should the NYISO estimate the costs of specific solutions?
 - g. Should the NYISO conduct cost/benefit analyses?
 - h. Should the NYISO process provide for regulated backstops to congestion?
4. Specific Questions on Cost Allocation:
 - a. Do you agree with the proposed principles for Cost Allocation for economic projects?

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- b. Do you believe that these principles are sufficient—or should the NYISO develop a more specific methodology for cost allocation for economic projects?
 - c. How should the beneficiaries of economic projects be determined?
 - d. What metrics should be used to determine the beneficiaries? Bid production cost, LBMP savings, environmental benefits, other??
 - e. Should beneficiaries be allowed to vote on economic projects?
 - f. Should all individual beneficiaries be permitted to vote—or else who should represent them—TOs, ESCOs?
 - g. Should entities facing cost increases as the result of an economic upgrade receive any compensation?
5. Should the NYISO be performing an “Integrated Resource Planning” function for NY State?
6. What does IRP really mean in a restructured environment with divested generation ownership and wholesale electric markets?
7. If the State (PSC?) is to perform an IRP function, how should the NYISO planning process coordinate with that of the State?
8. Should the proponent of an economic project seeking regulated cost recovery be held responsible for cost overruns?
9. How can an economic planning process co-exist in a wholesale market environment—such as NYS?
10. What are your concerns regarding the additional resource and budgetary implications for the NYISO with respect to the economic planning requirements of Order 890?

QUESTIONS RE: MARKET EVOLUION

11. What additional products and services do Market Participants envision that NYISO should implement?
12. What is the appropriate role for the NYISO in the development of state-wide, regional and national environmental policy initiatives?
13. How should the NYISO markets work with these new initiatives?
14. Is there opportunity for an increased role for aggregations of small customers in the NYISO’s energy and capacity markets?
15. How can the NYISO provide more transparent price signals to support liquidity in the markets?

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16. How can the NYISO best reduce the cost of collateral for participation in the markets, while minimizing risk of default costs for all participants?
17. What do Market Participants feel are the highest priority seams issues that should be addressed?
 - a. What more can be done to develop regional planning initiatives?
 - b. Should there be renewed efforts to develop ITS programs with NE and PJM?
 - c. How can the NYISO better align the market rules with generation resource operating costs and system reliability needs?
18. Questions Pertaining to Futures Markets,
 - a. How can the energy, TCC and capacity markets be improved to enhance long-term price signals?
 - b. Should the Energy, TCC and ICAP markets have long-term market components?
 - c. What are the optimal long-term markets for each?
 - d. Should the Energy markets go out further than DA, if so, how far?
 - e. What is the optimal long-term window for capacity markets?
 - f. Should participation in long-term capacity markets be mandatory?
 - g. How can long-term contracts fit into long-term markets to protect existing suppliers, including DSM participants?
19. Questions Pertaining to Enhanced Role of Virtual Transactions
 - a. How can nodal pricing be developed to best enhance the TCC and Energy markets?
 - b. Should the NYISO develop nodal pricing, or would that result in market gaming concerns?
 - c. Should virtual bidding be expanded to include trading in the ancillary services market?
20. Questions Pertaining to an Enhanced Role for DSM
 - a. How can DSM participation be enhanced in our markets?
 - b. How can DSM support the current and future mix of environmental and market initiatives?
 - c. Should DSM qualify as a renewable source?

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- d. Should capacity markets include requirements to purchase capacity from renewables?

QUESTIONS RE: METERING

21. What is the role of the NYISO and the NYISO markets in developing New York State/industry-wide metering standards?
22. How can the NYISO markets take advantage of new technologies and programs that would improve metering and data collection capability?
23. How should enhanced wholesale metering be funded? Should wholesale metering costs be recovered via the NYISO markets?
24. How should the NYISO pursue advanced metering in its marketplace to further DRP?
25. What do Market Participants perceive as the impediments to widespread installation of advanced metering?
26. What initiatives do the Market Participants believe would be appropriate for the NYISO to undertake?
27. Should the NYISO have a greater role in administering the quality of metering systems supporting the wholesale marketplace? Should the NYISO compel minimum standards via a market recovery mechanism?