

# **ESPWG Status Update**

By  
Bill Palazzo, Chairman ESPWG  
BIC/OC Meetings  
April 28-29, 2004  
Albany

Agenda 7B

# Phase I Implementation

- At Last meeting 4/15/04
  - Update on the implementation of the initial planning process
    - Final draft report anticipated 5/16/04
  - Congestion Impact Calculation Update
    - Preliminary 2003 congestion impacts discussed
    - Based upon the definition of congestion and the congestion impact reporting matrix approved by the OC
      - TCC hedge impacts still must be reflected
    - Powergem Proposal for identifying unusual days discussed
    - Expect final report of 2003 historical congestion for review at 5/12 meeting

# Phase II: Comprehensive Process

## Discussions continue on Open issues

- Applicable Transmission Facilities for identification of reliability need
  - NYISO Proposed NY Bulk Power Transmission facilities as designated in the current ATR study and approved by the OC
  - Seems to be general agreement among the MP's on the NYISO proposed list
  
- Cost Allocation/Cost Recovery
  - Presentations by TO's on the subject at the 4/15 meeting
  - Appears to be a general consensus of market participants in support of a beneficiaries pay position for reliability upgrades
    - ESPWG agreed that it will take time to develop cost allocation methodologies and agreed that cost allocation principals should be developed for filing with FERC and that implementation details would follow
    - Agreement for MP's to submit cost allocation principals by 4/30 for discussion at a special ESPWG meeting on 5/6
  
- Regulated Backstop Response issues
  - Roles of the NYPSC/NYISO and TO's are still under discussion
  - Comments due 4/30
    - Will be discussed further at 5/6 special meeting

# Schedule

- ESPWG meetings 5/6 and 5/12
- Goal is to finalize a recommendation for OC consideration at its May meeting
- Hope is for a single consensus proposal
  - If no consensus OC may be presented with alternatives to consider on some issues