

**Con Edison  
Initial Planning Process Comments**

**Prepared for Planning Working Group Meeting  
July 2, 2003**

Con Edison supports the NYISO goal to initiate an initial planning process as soon as practicable. The following comments are provided to share Con Edison's views on key issues with market participants as we work through the collaborative process to develop the initial planning process.

***1. The Initial Planning Process Should Focus on Reliability Needs***

As indicated by the NYISO, the initial planning process should focus on reliability. The NYISO should develop a variety of scenarios that include market participant proposed projects as well as projects proposed by transmission owners. The NYISO should conduct appropriate analyses to determine that reliability criteria are met. The NYISO should consult with the New York State Reliability Council (NYSRC) as needed. If the NYISO identifies reliability needs that need to be met, it should inform market participants and allow an appropriate period of time for market participants, including transmission owners, to respond to those needs with specific projects. Once the second project solicitation is complete, the NYISO should re-evaluate its initial findings, and then produce its Planning Assessment Report. This process will be consistent with the existing requirements of Article 18 of the NYISO Agreement.

***2. A Complete Review of Historical Congestion is Needed***

As part of its Planning Assessment, the NYISO should provide market participants with a thorough analysis of historical congestion. It should not only provide details of actual congestion costs experienced, but also seek to provide analysis of the system events that resulted in such congestion, as practicable. Such an analysis should also provide an accurate reporting of congestion costs and resulting impact on customers, and should avoid misleading accounting that inflates the congestion information.

***3. The NYISO should not forecast congestion costs***

The NYISO should not forecast congestion costs. There are just too many variables that could influence the forecast. Instead, the NYISO should consider resuming the sale of a small amount of longer term TCCs. Such a sale of TCCs should follow the NYISO's release of historical congestion analysis as well as load forecast information. Armed with this information, market participants will be able to bid to purchase longer term TCCs. The clearing price of these TCCs will provide a forward price curve of how market participants view the future cost of congestion. This information will be available to all market participants as well as the NYISO and other regulators, and can be used to help guide future policy direction.

This method is also consistent with the current NYISO Agreement, Article 18, Section 18.05, which spells out the need for the NYISO to provide Actual Congestion Information, but does not include any forecast of congestion by the NYISO.