REVISED DRAFT FOR DISCUSSION AT 12/12/08 ESPWG

CARIS PROCEDURES

CRITERIA FOR SELECTION OF CARIS STUDIES (ATTACHMENT Y: SECTION 11.2.b)

Tariff Requirement:

11.2.b The NYISO, in conjunction with ESPWG, will develop criteria for the selection and grouping of the three congestion and resource integration studies that comprise each CARIS, as a well as for setting the associated timelines for completion of the selected studies. Study selection criteria may include congestion estimates, and shall include a process to prioritize the three studies that comprise each CARIS. Criteria shall also include a process to set the cut off date for inputs into and completion of each CARIS study cycle.

Proposed Criteria/Metrics:

- **Utilize an unweighted present value cost of congestion for the most congested elements considering both historic and projected data.**
- **The congestion metric to be used will be the change in total bid/forecasted production costs in accordance with Appendix A to Attachment Y of the NYISO OATT.**
- **The same metric will be used for both historic and projected congestion.**

Historic Congestion Considerations

- **Use historic positive unhedged congestion data for the most recent 60 months.**
- **Utilize the data from the NYISO's quarterly historic congestion reports.**

Projected Congestion Considerations

- **Use 10-years of forecast data.**
- **Projection will utilize the base case assumptions from the most recent CRP.**
- **Projection will utilize the additional agreed-upon future inputs (e.g. – fuel costs, unit parameters) for the base case CARIS analysis.**

Prioritization Methodology

- **Congestion will be identified from the list of most congested monitored element/contingency pairs.**

- **Based upon the combination of historic and projected congestion metrics noted above, the ranking for each congested element shall be determined by formula:**

  Present Value in Year 1 = [(Sum of the Future Value of Congestion from the Prior 5 Historic 12-Month Periods) + (Sum of the Present Value of Congestion from the Future 10 years)]
- **The three congested elements with the highest present value ranking shall be utilized for further assessment under the CARIS process for that cycle. This assessment will be accomplished in multiple iterations to include additional elements that appear as limiting when each of the top three constrained elements are unconstrained. The assessed element groupings will then be ranked based upon change in bid production cost. The three ranked groupings with the largest change in bid production cost will then be selected as the three CARIS studies.**
- ***Exception:*** **If future system changes (e.g. – generation, transmission or demand side additions) produce a significant declining trend in congestion over an identified congested element in later years of the study period, such element shall be excluded from the rankings.**
- **The NYISO shall perform these computations for each CARIS cycle, and review them with ESPWG.**

<u>Other Issues</u>

- **Provide the flexibility for grouping elements:**
  - **NYISO to assess and recommend groupings to ESPWG based on the individual rankings and proximity of congested elements.**
- **This process shall be incorporated in the CSPP timeline—at the beginning of the CARIS part of each cycle:**
  - **The analysis of historic congestion data can be done prior to the start of the CARIS process.**
- **The list of the three (3) studies selected under this process and, when completed, the studies themselves, will be posted on the NYISO web-site.**

Jpb
11/9/08