



# **Transmission Owners' Proposal for Defining “Continuing” Projects**

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# Mandatory and “Continuing” Projects

- The ISO uses the following definitions in the project prioritization process:
  - **Mandatory projects** are key to support Strategic Initiatives, comply with FERC Orders, or sustain the operation of the NYISO business.
  - **Continuing projects** are included in the NYISO's budget for the current year. While they are not Mandatory, the NYISO classifies them as Continuing after considering stakeholder feedback.
- Both mandatory and continuing projects are included in the budget before considering other market projects.

# General Approach

- The ISO's current procedure for designating which market projects are "continuing" is narrow.
  - Until a project reaches an advanced stage of development, projects that are already underway generally need to be prioritized again in order to proceed.
- The TOs propose a broader approach.
  - In most cases, non-exploratory projects that have been prioritized would not need to be prioritized again.
- This proposal is based on a proposal that I described at a BPWG meeting in April.
  - Several additional details and modifications have been added.

# Default Assumption

- Under the TOs' proposal:
  - The default assumption is that market projects that were included in the budget in one year would be included in the list of “continuing” projects, and would be included in the budget, for the next year.
  - This default assumption would not apply to projects that are exploratory.
    - Projects that are expected to reach the Issue Discovery, Study Defined or Study Complete milestones in a given year would not be included in the list of continuing projects for the next year.
    - In those cases, it is appropriate to use the normal prioritization procedure to assess whether to proceed with those projects.

# Temporary and Permanent Removal

- Either the ISO or a majority of the members of a sector could propose removing a project from the list of continuing projects.
  - The entity proposing to remove the project would specify whether it seeks to remove that project from the list of continuing projects temporarily or permanently.
    - It would also be expected to provide its rationale for seeking to remove the project.
  - An entity might propose to remove a project temporarily if it thinks that an ongoing project should proceed, but that it needs to pause for a year (e.g., due to other competing priorities or delays resulting from the implementation of other projects).
  - An entity might propose to remove a project permanently if it thinks that an ongoing project should be delayed for multiple years or should be abandoned.

# Removal Procedures

- If there are no objections (by the ISO or any market participant) to the proposal to remove the project (either temporarily or permanently) from the list of continuing projects for the next year, it would be removed from that list.
- If there are any objections to a proposal to remove a project, stakeholders would vote on whether to remove it.
  - A 58% vote would be required to remove a project from the list of continuing projects.
  - If a project is removed in this manner, the removal would be temporary.
- Projects that are removed (temporarily or permanently) from the list of continuing projects for a year would remain eligible for consideration in the normal prioritization process for that year.

# Continuing Projects for the Following Year

- If a project was removed temporarily from the list of continuing projects for a given year, or is included in the budget for a given year, that project would re-appear on the list of continuing projects for the next year.
- In contrast, if a project was removed permanently from the list of continuing projects for a given year, and is not included in the budget for a given year, that project would not re-appear on the list of continuing projects for the next year.

## Removal in Two Consecutive Years

- However, if a project was removed from the list of continuing projects and is not included in the budget for two consecutive years, its removal from the list of continuing projects would be permanent.
  - This applies whether the removal was uncontested or was subject to a vote.
- Any permanently removed projects would be treated in the prioritization process in the same way as new projects.
  - Therefore, if such a project is prioritized again at some point in the future, it would be included in the list of continuing projects for subsequent years, unless it is removed using the procedures described above.



# Illustrative Example

- Assume that a market project is included in the budget for 2024, and is expected to reach the Market Concept Proposed milestone by the end of 2024.
  - Also assume that the ISO or the majority of a sector proposes to remove this project from the list of continuing projects for 2025.
- If there is unanimous consent, it would be removed, either temporarily or permanently. Otherwise, there would be a vote.
  - If there is a 58% vote to remove the project, it would be removed from the list of continuing projects for 2025.
  - If it is removed, it would still appear on the list of continuing projects for 2026, unless there was unanimous consent to remove it permanently and it was not included in the budget for 2025.

## Illustrative Example (cont.)

- Next, assume that it is not included in the 2025 budget, but it appears on the list of continuing projects for 2026, and the ISO or a sector proposes to remove this project from that list.
  - If there is unanimous consent, or there is a 58% vote to remove the project, it would be removed from the list of continuing projects for 2026.
  - If it is removed, and is not included in the budget for 2026, then it would also be removed from the list of continuing projects for 2027 and subsequent years.
- It would be subject to the normal prioritization procedures for those years.
  - Thus, if it was included in the budget for 2027, it would return to the list of continuing projects for 2028, just like a new project that was included in the 2027 budget.