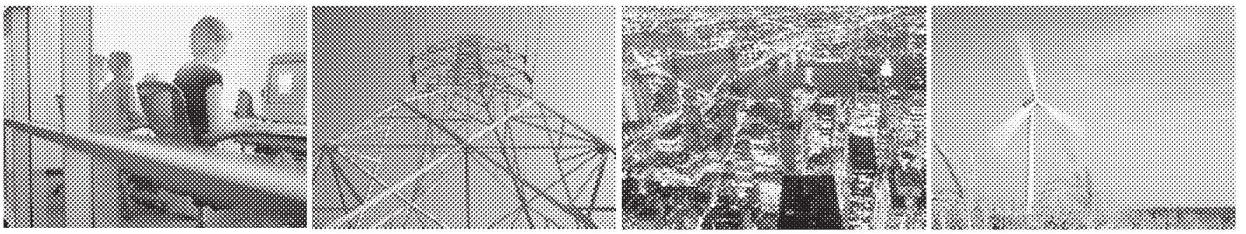
NEW YORK INDEPENDENT SYSTEM OPERATOR

2009 Comprehensive Reliability Plan



Comprehensive System Planning Process

FINAL REPORT

May 19, 2009

1. Introduction

The Comprehensive Reliability Planning Process (CRPP) encompasses a ten-year planning horizon and evaluates the future reliability of the New York bulk power system. In order to preserve and maintain system reliability, the NYISO, in conjunction with Market Participants, identifies the reliability needs over the planning period and issues its findings in the Reliability Needs Assessment (RNA). The Comprehensive Reliability Plan (CRP) then evaluates a range of proposed solutions to address the needs identified in the RNA, if any. A request for solutions to identified reliability needs is issued with the expectation that Market-Based Solutions will come forward to meet the identified needs. In the event that Market-Based Solutions are not sufficient, the process provides for the identification of Regulated Backstop Solutions proposed by designated transmission owners, and Alternative Regulated Solutions proposed by any market participant. The NYISO then evaluates all proposed solutions to determine whether they will meet the identified reliability needs. Thus, the Comprehensive Reliability Plan (CRP) is developed, setting forth the plans and schedules that are expected to be implemented to meet those needs.

For the first time, this year's CRP will be the starting point for the new economic planning process called the Congestion Assessment and Resource Integration Study (CARIS), which will commence in the summer of 2009. The CARIS will evaluate transmission constraints and potential economic solutions to the congestion identified. All three resource types (generation, transmission and demand side management (DSM) programs) will be considered on a comparable basis as potential economic solutions for alleviating the identified congestion. On October 16, 2008, in response to the NYISO's Order 890 compliance filing, the Federal Energy Regulatory Commission (FERC) conditionally approved the NYISO's newly expanded planning process called the Comprehensive System Planning Process (CSPP), which integrates the existing CRPP and the CARIS into an extended two-year planning cycle.

The NYISO's planning process must take into account a number of other state initiatives. Pursuant to the Energy Efficiency Portfolio Standard (EEPS), New York State Public Service Commission (PSC) has taken initial steps to implement its jurisdictional portion of the Governor's initiative to lower energy consumption on the electric system by 15% of the 2007 forecasted levels by 2015. Using conservative assumptions appropriate to a baseline reliability analysis and current authorized spending levels, the NYISO determined that its Base Case should include a reduction of approximately 5% of peak load from the previously forecasted levels by 2015.

Moreover, the New York State PSC has commenced a three-phase Energy Resource Planning (ERP) proceeding to examine long-term energy planning in New York. In the first phase, the PSC examined how to undertake cost allocation and cost recovery of non-transmission regulated solutions to reliability needs, specifically generation and demand response projects.[3] In the second phase, the PSC examined the process to determine which regulated solutions should be

[3] Cost allocation and cost recovery of transmission regulated solutions to reliability needs occur under the FERC approved NYISO Tariff.