

### **31.3 Economic Planning Process**

#### **31.3.1 System & Resource Outlook for Economic Planning**

##### **31.3.1.1 General**

The ISO shall prepare and publish the System & Resource Outlook as described below.

Each System & Resource Outlook shall: (i) summarize the current assessments, evaluations, and plans in the biennial Comprehensive System Planning Process and the information and sources relied upon by the ISO; (ii) produce a twenty-year projection of congestion; (iii) identify, rank, and group the congested elements on the New York State Transmission System based on the metrics set forth in Sections 31.3.1.3.4 and 31.3.1.3.5; and (iv) assess the potential benefits of addressing the identified congestion. For the non-BPTF portion of the New York State Transmission System, the ISO will coordinate with the Transmission Owners in the development of the System & Resource Outlook. The ISO will incorporate the Transmission Owners' Local Transmission Owner Plans into the Economic Planning Process.

The Economic Planning Process shall determine whether to approve an Interregional Transmission Project, identified and evaluated under the "Analysis and Consideration of Interregional Transmission Projects" section of the Interregional Planning Protocol, if any, and proposed in the ISO's Economic Planning Process, as an economic transmission project in lieu of a proposed regional Regulated Economic Transmission Project for regulated cost allocation and recovery under the ISO Tariff.

The Economic Planning Process will align with the Reliability Planning Process as provided in Section 31.1.8 of this Attachment Y.

### **31.3.1.2 Interested Party Participation in the Development of the System & Resource Outlook**

31.3.1.2.1 The ISO shall develop the System & Resource Outlook in consultation with Market Participants and all other interested parties. The TPAS will have responsibilities consistent with ISO Procedures for review of the ISO's technical analyses. ESPWG will have responsibilities consistent with ISO Procedures for providing commercial input and assumptions to be used in the development of the congestion assessment and the congestion assessment scenarios provided for under Section 31.3.1.5, and in the reporting and analysis of congestion costs. Coordination and communication will be established and maintained between these two groups and ISO staff to allow Market Participants and other interested parties to participate in a meaningful way during each stage of the Economic Planning Process. The ISO staff shall report any majority and minority views of these collaborative governance work groups when it submits the System & Resource Outlook to the Business Issues Committee for a vote, as provided below.

### **31.3.1.3 Preparation of the System & Resource Outlook**

31.3.1.3.1 The Study Period for the Economic Planning Process shall be twenty years, with year one being the first year or the second year of the current biennial Comprehensive System Planning Process, as determined by the ISO in consultation with stakeholders.

31.3.1.3.2 The base case for the System & Resource Outlook will assume a reliable system throughout the Study Period covered by the most recent Reliability Planning Process and Short-Term Reliability Process. If any Reliability Needs in

the Study Period in the Reliability Planning Process or Short- Term Reliability Process remain unresolved at the time the System & Resource Outlook is conducted, the base case for the System & Resource Outlook will incorporate sufficient compensatory MW to resolve those needs for the Reliability Planning Process and Short-Term Reliability Process Study Period, starting with the most recently-approved base cases from the Reliability Planning Process and the Short-Term Reliability Process, and updated in accordance with ISO Procedures. The ISO is not required to project reliability needs or compensatory MW for the remainder of the Economic Planning Process Study Period, but may adjust load and resources in the remainder of the Economic Planning Process Study Period in the base case and/or scenarios as determined pursuant to ISO Procedures and in consultation with stakeholders.

31.3.1.3.3 In developing the System & Resource Outlook, the ISO shall assess system congestion on the New York State Transmission System over the Economic Planning Process Study Period, measuring congestion by the metrics set forth in Sections 31.3.1.3.4 and 31.3.1.3.5. The ISO, in conjunction with the ESPWG, will develop the specific production costing model to be used in the System & Resource Outlook. The System & Resource Outlook may include consideration of the economic impacts of advancing a regulated solution contained in the Reliability Planning Process or the Short-Term Reliability Process.

31.3.1.3.4 In developing the System & Resource Outlook, the ISO shall identify congestion by conducting the NYCA-wide production cost simulations both with

the existing constraints on the New York State Transmission System and without such constraints, and report the production cost change that results from relaxing individual constraints or groups of constraints as determined by the ISO in consultation with stakeholders. The present value of the NYCA-wide production cost change will be determined in accordance with the following formula:

*Present Value in year 1 = Sum of the Present Values from each of the 20 years of the Study Period.*

The discount rate to be used for the present value analysis shall be the current after-tax weighted average cost of capital for the Transmission Owners.

31.3.1.3.5 Additional benefit metrics may include estimates of reductions in losses, LBMP load costs, generator payments, ICAP costs, Ancillary Services costs, emission costs, TCC payments, and energy deliverability. The ISO will work with the ESPWG to determine the most useful metrics for each Economic Planning Process cycle, given overall ISO resource requirements. The additional metrics will estimate the benefits of addressing the congestion identified for information purposes only. All the quantities, except ICAP, will be the result of the forward looking production cost simulation. The additional benefit metrics will be determined by measuring the difference between the Economic Planning Process base case system value and a system value when the congestion is relieved. The value of the additional metrics will be expressed in present value by using the following formula:

*Present Value in year 1 = Sum of the Present Values from each of the 20 years of the Study Period.*

The discount rate to be used for the present value analysis shall be the current after-tax weighted average cost of capital for the Transmission Owners. The definitions of the LBMP load cost metric, generator payments metric, reduction in losses metric, Ancillary Services costs metric, and TCC payment metric are set forth below.

31.3.1.3.5.1 LBMP load costs measure the change in total load payments and unhedged load payments. Total load payments will include the LBMP payments (energy, congestion and losses) paid by electricity demand (forecasted load, exports, and wheeling). Exports will be consistent with the input assumptions for each neighboring control area. Unhedged load payments will represent total load payments minus the TCC payments.

31.3.1.3.5.2 Reductions in losses measure the change in marginal losses payments. Losses payments will be based upon the loss component of the zonal LBMP load payments.

31.3.1.3.5.3 Generator payments measure the change in generation payments. Generation payments will include the LBMP payments (energy, congestion, losses), and may include Ancillary Services payments made to electricity suppliers. Ancillary Services costs may include payments for Regulation Services and Operating Reserves, including 10 Minute Synchronous, 10 Minute Non-synchronous and 30 Minute Non-synchronous. Generator payments will be the sum of the LBMP payments and, if calculated, Ancillary Services payments, to generators and imports. Imports will be consistent with the input assumptions for each neighboring Control Area.

31.3.1.3.5.4 The TCC payment metric set forth below will be used for purposes of the System & Resource Outlook, and will not be used for Regulated Economic Transmission Project cost allocation under Section 31.5.4.4 of this Attachment Y. The TCC payment metric will measure the change in total congestion rents collected in the day-ahead market. These congestion rents shall be calculated as the product of the Congestion Component of the Day-Ahead LBMP in each Load Zone or Proxy Generator Bus and the withdrawals scheduled in each hour at that Load Zone or Proxy Generator Bus, minus the product of the Congestion Component of the Day-Ahead LBMP at each Generator Bus or Proxy Generator Bus and the injections scheduled in each hour at that Generator bus or Proxy Generator Bus, summed over all locations and hours.

31.3.1.3.5.5 The emission metric will measure the change in CO<sub>2</sub>, NO<sub>x</sub>, and SO<sub>2</sub>, emissions in tons on a zonal basis as well as the change in emission cost by emission type. Emission costs will be reflected in the development of the production cost curve.

31.3.1.3.5.6 The calculation of the ICAP cost metric will be determined in accordance with ISO Procedures and in consultation with interested parties in the ISO stakeholder process. Where practicable, the ICAP calculation will be consistent with the tools and methods pursuant to Section 5.11.4 of the ISO Services Tariff.

31.3.1.3.5.7 The energy deliverability metric set forth in this section will be used for purposes of the studies conducted in the Economic Planning Process, and will not be used for Regulated Economic Transmission Project cost allocation under Section 31.5.4.4 of this Attachment Y. This metric will provide information

about the ability of each Resource, individually and taken collectively with other Resources, to be able to deliver its full energy capability to the system and the degree of, and the conditions that are expected to lead to, any curtailment thereof. The scope of this information will be developed in consultation with the Electric System Planning Working Group and will include, but not be limited to: (i) quantification of the energy projected to be produced by each Resource considering the impact of applicable local, statewide, and interregional transmission constraints as compared to the total amount of energy that such Resource is capable of producing in the absence of transmission constraints, and accounting for fuel availability of each Resource type including wind, solar, and water; (ii) quantification of the collective impact of Resources on energy deliverability at locations on the system that are identified as being constrained in whole or in part; and (iii) providing such additional information resulting from the study analysis, where available, concerning capability remaining on the transmission system to support energy deliverability. The metric may be expressed as a percentage of such total amount of energy or as the amount of curtailed energy.

31.3.1.3.6 As referenced in Section 31.2.1.3, the ISO, using engineering judgment, will determine whether a regional transmission solution might more efficiently or more cost effectively address congestion on the BPTFs identified in the System & Resource Outlook that impacts more than one Transmission District than any local transmission solutions identified by the Transmission Owners in their LTPs

in the event the LTPs specify that such transmission solutions are included to address congestion for economic reasons.

#### **31.3.1.4 Planning Participant Data Input**

At the ISO's request, Market Participants, Developers, and other parties shall provide, in accordance with the schedule set forth in the ISO Procedures, the data necessary for the development of the System & Resource Outlook. This input will include but not be limited to existing and planned additions and modifications to the New York State Transmission System (to be provided by Transmission Owners and municipal electric utilities); proposals for Merchant Transmission Facilities (to be provided by merchant Developers); generation additions and retirements (to be provided by generator owners and Developers); demand response programs (to be provided by demand response providers); any long-term firm transmission requests made to the ISO; and state policies and related agreements, procurements, and credits.

#### **31.3.1.5 System & Resource Outlook Scenario Development**

The ISO, in consultation with the ESPWG, shall develop congestion scenarios in the System & Resource Outlook for the Study Period. Variables for consideration in the development of these congestion scenarios include but are not limited to: federal, state, and local policies and regulations, load forecast uncertainty, fuel price uncertainty, new resources, retirements, emission data, the cost of allowances and potential requirements imposed by proposed environmental and energy efficiency mandates, as well as overall ISO resource requirements. The ISO shall report the results of these scenario analyses in the System & Resource Outlook.



#### **31.3.1.6 Consequences for Other Regions**

The ISO will coordinate with the ISO/RTO Regions to identify the consequences of a Regulated Economic Transmission Project on such neighboring ISO/RTO Regions using the respective planning criteria of such ISO/RTO Regions. The ISO shall report the results in the Economic Transmission Project Evaluation. The ISO shall not bear the costs of required upgrades in another region.

#### **31.3.1.7 System & Resource Outlook Preparation**

Once all the analyses described above have been completed, ISO staff will prepare a draft of the System & Resource Outlook including a discussion of its assumptions, inputs, methodology, and the results of its analyses.

#### **31.3.1.8 System & Resource Outlook Review Process and Actual Project Proposals**

31.3.1.8.1 Collaborative Governance Process. The draft System & Resource Outlook shall be submitted to both TPAS and the ESPWG for review and comment. The ISO shall make available to any interested party sufficient information to replicate the results of the draft System & Resource Outlook. The information made available will be electronically masked and made available pursuant to a process that the ISO reasonably determines is necessary to prevent the disclosure of any Confidential Information or Critical Energy Infrastructure Information contained in the information made available. Following completion of that review, the draft System & Resource Outlook reflecting the revisions resulting from the TPAS and ESPWG review shall be forwarded to the Business Issues Committee and the Management Committee for discussion and action.

**31.3.1.8.2 Board Action.** Following the Management Committee vote, the draft System & Resource Outlook, with Business Issues Committee and Management Committee input, will be forwarded to the ISO Board for review and action. Concurrently, the draft System & Resource Outlook will be provided to the Market Monitoring Unit for its review and consideration. The Board may approve the System & Resource Outlook as submitted, or propose modifications on its own motion. If any changes are proposed by the Board, the revised System & Resource Outlook shall be returned to the Management Committee for comment. The Board shall not make a final determination on a revised System & Resource Outlook until it has reviewed the Management Committee comments. Upon approval by the Board, the ISO shall issue the System & Resource Outlook to the marketplace by posting it on its website. The responsibilities of the Market Monitoring Unit that are addressed in the above section of Attachment Y to the ISO OATT are also addressed in Section 30.4.6.8.4 of the Market Monitoring Plan, Attachment O to the ISO Services Tariff.

#### **31.3.1.9 Public Information Sessions**

In order to provide ample exposure for the market place to understand the content of the System & Resource Outlook, the ISO will provide various opportunities for Market Participants and other potentially interested parties to discuss the final System & Resource Outlook. Such opportunities may include presentations at various ISO Market Participant committees, focused discussions with various industry sectors, and /or presentations in public venues.

## **31.3.2 Economic Transmission Project Evaluation**

### **31.3.2.1 Overview**

As discussed in Section 31.3.1 of this Attachment Y, the System & Resource Outlook analyzes system congestion over the Study Period. If a Developer proposes a Regulated Economic Transmission Project, including an Interregional Transmission Project, to address constraint(s) on the BPTFs identified in the Economic Planning Process, then the ISO will: (i) process that project proposal in an Economic Transmission Project Evaluation in accordance with the relevant provisions of Sections 31.5.1, 31.5.4 and 31.5.6 of this Attachment Y, and, for information purposes, may provide benefit/cost analysis and other analysis of potential generic solutions to the congestion identified; and (ii) for Interregional Transmission Projects, jointly evaluate the project proposal with the relevant adjacent transmission planning region(s) in accordance with Section 7.3 of the Interregional Planning Protocol. The relevant Transmission Owners will assist the ISO in developing the generic solution cost estimates to be used by the ISO to conduct benefit/cost analysis of each of the potential solutions, if requested as part of the evaluation.

### **31.3.2.2 Eligibility and Qualification Criteria for Developers and Projects**

For purposes of fulfilling the requirements of the Developer qualification criteria in this Section 31.3.2.2 and its subsections, the term “Developer” includes Affiliates, as that term is defined in Section 2 of the ISO Services Tariff and Section 1 of the ISO OATT. To the extent that a Developer relies on Affiliate(s) to satisfy any or all of the qualification criteria set forth in Section 31.3.2.2.1.1, the Affiliate(s) shall provide to the ISO: (i) the information required in Section 31.3.2.2.1.1 to demonstrate its capability to satisfy the applicable qualification criteria, and (ii) a notarized officer’s certificate, signed by an authorized officer of the Affiliate with

signatory authority, in a form acceptable to the ISO, certifying that the Affiliate will participate in the Developer's project in the manner described by the Developer and will abide by the requirements set forth in this Attachment Y, the ISO Tariffs, and ISO Procedures related and applicable to the Affiliate's participation.

#### **31.3.2.2.1 Developer Qualification and Timing**

The ISO shall provide each Developer with an opportunity to demonstrate that it has or can draw upon the financial resources, technical expertise, and experience needed to finance, develop, construct, operate and maintain a Regulated Economic Transmission Project. The ISO shall consider the qualifications of each Developer in an even-handed and non-discriminatory manner, treating Transmission Owners and Other Developers alike.

##### **31.3.2.2.1.1 Developer Qualification Criteria**

The ISO shall make a determination on the qualification of a Developer to propose to develop a Regulated Economic Transmission Project based on the following criteria:

31.3.2.2.1.1.1 The technical and engineering qualifications and experience of the Developer relevant to the development, construction, operation and maintenance of a transmission facility, including evidence of the Developer's demonstrated capability to adhere to standardized construction, maintenance, and operating practices and to contract with third parties to develop, construct, maintain, and/or operate transmission facilities;

31.3.2.2.1.1.2 The current and expected capabilities of the Developer to develop and construct a transmission facility and to operate and maintain it for the life of the facility. If the Developer has previously developed, constructed, maintained or operated transmission facilities, the Developer shall provide the ISO a description

of the transmission facilities (not to exceed ten) that the Developer has previously developed, constructed, maintained or operated and the status of those facilities, including whether the construction was completed, whether the facility entered into commercial operations, whether the facility has been suspended or terminated for any reason, and evidence demonstrating the ability of the Developer to address and timely remedy any operational failure of the facilities; and

31.3.2.2.1.1.3 The Developer's current and expected capability to finance, or its experience in arranging financing for, transmission facilities. For purposes of the ISO's determination, the Developer shall provide the ISO:

- (1) evidence of its demonstrated experience financing or arranging financing for transmission facilities, if any, including a description of such projects (not to exceed ten) over the previous ten years, the capital costs and financial structure of such projects, a description of any financing obtained for these projects through rates approved by the Commission or a state regulatory agency, the financing closing date of such projects, and whether any of the projects are in default;
- (2) its audited annual financial statements from the most recent three years and its most recent quarterly financial statement or equivalent information;
- (3) its credit rating from Moody's Investor Services, Standard & Poor's, or Fitch or equivalent information, if available;
- (4) a description of any prior bankruptcy declarations, material defaults, dissolution, merger or acquisition by the Developer or its predecessors or subsidiaries occurring within the previous five years; and

- (5) such other evidence that demonstrates its current and expected capability to finance a Regulated Economic Transmission Project.

31.3.2.2.1.1.4 A detailed plan describing how the Developer – in the absence of previous experience financing, developing, constructing, operating, or maintaining transmission facilities – will finance, develop, construct, operate, and maintain a transmission facility, including the financial, technical, and engineering qualifications and experience and capabilities of any third parties with which it will contract for these purposes.

#### **31.3.2.2.1.2 Developer Qualification Determination**

Any Developer seeking to become qualified may submit the required information, or update any previously submitted information, at any time. The ISO shall treat on a confidential basis in accordance with the requirements of its Code of Conduct in Attachment F of the ISO OATT any non-public financial qualification information that is submitted to the ISO by the Developer under Section 31.3.2.2.1.1.3 and is designated by the Developer as “Confidential Information.” The ISO shall within 15 days of a Developer’s submittal, notify the Developer if the information is incomplete. If the submittal is deemed incomplete, the Developer shall submit the additional information within 30 days of the ISO’s request. The ISO shall notify the Developer of its qualification status within 30 days of receiving all necessary information. A Developer shall retain its qualification status for a three-year period following the notification date; *provided, however*, that the ISO may revoke this status if it determines that there has been a material change in the Developer’s qualifications and the Developer no longer meets the qualification requirements. A Developer that has been qualified shall inform the ISO within thirty days of any material change to the information it provided regarding its qualifications and

shall submit to the ISO each year its most recent audited annual financial statement when available. At the conclusion of the three-year period or following the ISO's revocation of a Developer's qualification status, the Developer may re-apply for a qualification status under this section.

Any Developer determined by the ISO to be qualified under this section shall be eligible to propose a Regulated Economic Transmission Project and shall be eligible to use the cost allocation and cost recovery mechanism for regulated transmission projects set forth in Section 31.5 of this Attachment Y and Rate Schedule 10 of the ISO OATT for any approved project.

#### **31.3.2.2.2 Information Requirements for Projects**

The ISO shall consider the criteria in Section 31.3.2.3 when determining whether a proposed project is eligible to be offered as a Regulated Economic Transmission Project.

#### **31.3.2.2.3 Timing for Submittal of Project Information and Entity Qualification Information and Opportunity to Provide Additional Information**

The required project information may be submitted at any time, but the proposed Regulated Economic Transmission Project will be evaluated using the most recently available database for an Economic Transmission Project Evaluation. Any Developer that the ISO has determined under Section 31.3.2.2.1.2 to be qualified to propose to develop a Regulated Economic Transmission Project may submit the required project information; *provided, however*, that based on the specific constraint(s) identified that requires a solution, the ISO may request that the qualified Developer provide additional Developer information. Any Developer that the ISO has not determined to be qualified, but that wants to propose to develop a project, must submit to the ISO the information required for Developer qualification under Section 31.3.2.2.1. The ISO shall within 30 days of a Developer's submittal of its Developer qualification

information, notify the Developer if this information is incomplete. The Developer shall submit additional Developer or project information required by the ISO within 15 days of the ISO's request. A Developer that fails to submit the additional Developer qualification information or the required project information will not be eligible for its project to be considered in that planning cycle.

### **31.3.2.3 Project Information Requirements**

Any Developer seeking to offer a Regulated Economic Transmission Project must provide, at a minimum, the following details: (1) contact information; (2) the lead time necessary to complete the project including, if available, the construction windows in which the Developer can perform construction and what, if any, outages may be required during these periods; (3) a description of the project, including type, size, and geographic and electrical location, as well as planning and engineering specifications as appropriate; (4) evidence of a commercially viable technology; (5) a major milestone schedule; (6) a schedule for obtaining any required permits and other certifications; (7) a demonstration of Site Control or a schedule for obtaining such control; (8) status of any contracts (other than an interconnection agreement) that are under negotiation or in place, including any contracts with third-party contractors; (9) status of ISO interconnection studies and interconnection agreement; (10) status of equipment availability and procurement; (11) evidence of financing or ability to finance the project; (12) detailed capital cost estimates for each segment of the project; (13) a description of permitting or other risks facing the project at the stage of project development, including evidence of the reasonableness of project cost estimates, all based on the information available at the time of the submission; and (14) any other information requested by the ISO.



A Developer shall submit the following information to indicate the status of any contracts: (i) copies of all final contracts the ISO determines are relevant to its consideration, or (ii) where one or more contracts are pending, a timeline on the status of discussions and negotiations with the relevant documents and when the negotiations are expected to be completed. The final contracts shall be submitted to the ISO when available. The ISO shall treat on a confidential basis in accordance with the requirements of its Code of Conduct in Attachment F of the ISO OATT any contract that is submitted to the ISO and is designated by the Developer as “Confidential Information.”

A Developer shall submit the following information to indicate the status of any required permits: (i) copies of all final permits received that the ISO determines are relevant to its consideration, or (ii) where one or more permits are pending, the completed permit application(s) with information on what additional actions must be taken to meet the permit requirements and a timeline providing the expected timing for finalization and receipt of the final permit(s). The final permits shall be submitted to the ISO when available.

A Developer shall submit the following information, as appropriate, to indicate evidence of financing by it or any Affiliate upon which it is relying for financing: (i) evidence of self-financing or project financing through approved rates or the ability to do so, (ii) copies of all loan commitment letter(s) and signed financing contract(s), or (iii) where such financing is pending, the status of the application for any relevant financing, including a timeline providing the status of discussions and negotiations of relevant documents and when the negotiations are expected to be completed. The final contracts or approved rates shall be submitted to the ISO when available.

Upon the completion of any interconnection study or transmission expansion study of a proposed Regulated Economic Transmission Project that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachments P, ~~or~~ X, or HH of the ISO OATT, the Developer of the proposed project shall notify the ISO that the study has been completed and, at the ISO's request, shall submit to the ISO any study report and related materials prepared in connection with the study.

Failure to provide any data requested by the ISO within the timeframe provided in Section 31.3.2.2.3 of this Attachment Y will result in the rejection of the proposed solution from further consideration during that planning cycle.

#### **31.3.2.4 Posting of Approved Solutions**

The ISO shall post on its website a list of all Developers who have undertaken a commitment to build a Regulated Economic Transmission Project that has been approved by project beneficiaries, in accordance with Section 31.5.4.6 of this Attachment Y.

### **31.3.3 Requested Economic Planning Study**

31.3.3.1 A Market Participant or another interested party may request that the ISO perform a Requested Economic Planning Study separate from and in addition to the System & Resource Outlook. For purposes of this Section 31.3.3, the Market Participant or other interested party requesting the Requested Economic Planning Study shall be known as the "Requestor." A Requested Economic Planning Study is also separate from and addition to: (i) studies related to firm point-to-point transmission service pursuant to Section 3.7 of the ISO OATT, (ii) studies that a customer can request related to Network Integration Transmission Service pursuant to Section 4.5 of the ISO OATT, (iii) studies related to Interconnection

Requests pursuant to Attachments X, or Attachment Z, or HH of the ISO OATT, (iv) studies related to Transmission Interconnection Applications pursuant to Attachment P of the ISO OATT, and (v) requests for evaluation of projects as potential solutions to Short-Term Reliability Process Needs, Reliability Needs, or Public Policy Transmission Needs pursuant to Attachment Y or Attachment FF of the ISO OATT. The ISO shall, upon request and subject to resource limits, conduct a Requested Economic Planning Study at any time during the year. The ISO will accommodate all study requests to the extent reasonable and practicable, subject to resource limitations.

31.3.3.2 A Requestor may request that the ISO perform a Requested Economic Planning Study by submitting to the ISO: (i) a completed and executed Requested Economic Planning Study Request Form in the form included in Section 31.13 of this Attachment Y, and (ii) a study deposit in the amount of \$25,000. A Requestor must submit a separate request form and a separate study deposit for multiple study requests that involve significant differences in study scope and assumptions. The ISO shall acknowledge receipt of the Requested Economic Planning Study Request Form within ten (10) business days of its receipt and shall inform Requestor whether, in the ISO's judgement, the form is complete. If the form is not complete, the ISO will request additional information. The ISO will post the following on its website regarding a submitted Requested Economic Planning Study Request Form: (i) a general description of the requested study, (ii) the date the ISO received the request form, and (iii) the identity of the Requestor.

31.3.3.3 The ISO will process Requested Economic Planning Study Request Forms in the order it receives the requests on a first come, first served basis; *provided*, *however*, that the ISO is not required to complete and report the results of the Requested Economic Planning Studies in the order the request forms are received. The Requested Economic Planning Study Request Form will be deemed received by the ISO on the date that the ISO receives the completed request form and the required deposit. If the scope and subject matter of two or more contemporaneous Requested Economic Planning Studies overlap, the ISO, with the agreement of each affected Requestor, may conduct the overlapping study work on a consolidated basis and allocate the costs of such study work equally to each affected Requestor.

31.3.3.4 Following its receipt of a complete Requested Economic Planning Study Request Form, the ISO shall establish with the Requestor a mutually agreeable time for a scoping meeting. The scoping meeting shall determine the scope of the study to be conducted and deliverables to be provided. The Requestor may define the scope for its study, such as: (i) additional metrics for measuring congestion and the benefits of relieving that congestion; (ii) additional scenarios and the assumptions to be used; (iii) whether the Requestor wants the ISO to analyze potential transmission, generation, demand response and/or energy efficiency solutions and the characteristics of those solutions; and (iv) the degree of certainty requested for the solution cost estimates.

31.3.3.5 Following the scoping meeting, the ISO will memorialize in writing the scope of work and the deliverables to be provided by the ISO in a Study

Agreement for a Requested Economic Planning Study in the form set forth in Section 31.14 of this Attachment Y. The ISO will provide the study agreement to the Requestor and a non-binding estimate of the total study costs. The ISO may require, at its discretion, Requestor to pay a deposit amount in addition to the initial \$25,000 deposit that the Requestor must provide pursuant to Section 31.3.3.2 to cover the total study cost estimate. For the ISO to commence the Requested Economic Planning Study, the Requestor must execute the study agreement and provide any required additional study deposit amount. If Requestor modifies the scope of the Requested Economic Planning Study in a manner that increases the estimated total costs of the study, the ISO may require, at its discretion, that Requestor pay an additional deposit to cover any cost increase. The ISO shall hold the study deposit(s) provided by Requestor with its Requested Economic Planning Study Request Form pursuant to Section 31.3.3.2 and any additional study deposit(s) provided by Requestor pursuant to this Section 31.3.3.5 in an interest-bearing account for which the interest earned will be associated with Requestor and shall be applied to study costs and subject to refund as described in Section 31.3.3.8.

31.3.3.6 The ISO shall use the database and base case assumptions in the scope agreed upon by the Requestor and the ISO for the Requested Economic Planning Study. The ISO will use reasonable efforts to complete each Requested Economic Planning Study by a date mutually agreed to with the Requestor. If the ISO determines this target date will not be met, the ISO will promptly inform the Requestor and provide the Requestor with an updated estimate of the new date by

which the Requested Economic Planning Study will be completed. Requestor may withdraw its Requested Economic Planning Study Request Form at any time by written notice to the ISO. Upon receipt of such request, the ISO will immediately terminate any further study work, except as reasonably necessary to wrap up work and return information to the Requestor.

31.3.3.7 The ISO shall charge, and Requestor shall pay, the actual costs incurred by the ISO in performing a Requested Economic Planning Study. This includes costs that the ISO incurs at its discretion to use contractors or consultants, computing services, and costs that Transmission Owners may incur to supply study-related data at the ISO's request. The ISO shall track its staff and administrative costs that it incurs in performing the Requested Economic Planning Study, including any costs associated with using contractors or consultants, computing services, and costs incurred by involved Transmission Owners.

31.3.3.8 The ISO shall invoice the Requestor monthly for study costs incurred by the ISO in performing the Requested Economic Planning Study. Such invoice shall include a description and an accounting of the study costs incurred by the ISO, estimated consultant and contractor costs, estimated computing services costs, and estimated costs incurred by Transmission Owners. Requestor shall pay the invoiced amount within thirty (30) calendar days of the ISO's issuance of the monthly invoice. The ISO shall continue to hold the full amount of the study deposit(s) that Requestor submitted to the ISO pursuant to Sections 31.3.3.2 and 31.3.3.5 until settlement of the final invoice; *provided, however*, if a Requestor: (i) does not pay its monthly invoice within the timeframe described above, or (ii)

does not pay a disputed amount into an independent escrow account as described in Section 31.3.3.9 below, the ISO may draw upon the study deposit(s) to recover the owed amount. If the ISO must draw on the study deposit(s), the ISO shall provide notice to the Requestor, and the Requestor shall within thirty (30) calendar days of such notice make payments to the ISO to restore the full study deposit amount. If the Requestor fails to make such payments, the ISO may halt its performance of the Requested Economic Planning Study. Upon: (i) the completion of the Requested Economic Planning Study or the withdrawal of the Requestor's Requested Economic Planning Study Request Form, including withdrawal due to the termination of its Requested Economic Planning Study Agreement, and (ii) the ISO's receipt of all final invoices from its consultants and contractors, computing services, and involved Transmission Owners, the ISO shall issue a final invoice to Requestor. Upon the ISO's receipt of Requestor's final payment for all outstanding invoiced amounts, the ISO shall refund to Requestor: (i) its study deposit(s) submitted to the ISO pursuant to Sections 31.3.3.2 and 31.3.3.5, less any amount that the ISO was required to draw upon to satisfy prior invoiced amounts, and (ii) any interests earned on the net study deposit amount held by the ISO.

31.3.3.9 In the event of a Requestor's dispute over invoiced amounts, Requestor shall: (i) timely pay any undisputed amounts to the ISO, and (ii) pay into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Requestor fails to meet these two requirements, then the ISO shall not be obligated to perform or continue to perform the Requested

Economic Planning Study or to provide the study results. Disputes arising under this section shall be addressed through the Dispute Resolution Procedures set forth in Section 2.16 of the ISO OATT and Section 11 of the ISO Services Tariff. Within thirty (30) calendar days after resolution of the dispute, Requestor will pay the ISO any amounts due with interest actually earned on such amounts.

31.3.3.10 Upon completion of the Requested Economic Planning Study, the ISO will provide the agreed upon deliverables for the Requested Economic Planning Study to Requestor. If Requestor has withdrawn its Requested Economic Planning Study Request Form prior to the completion of the study, the ISO will forward to the Requestor the results of any study work, related to the deliverables, completed prior to the withdrawal date following Requestor's final payment. The ISO will remove any Confidential Information or aggregate or mask such information to avoid disclosure of Confidential Information prior to providing the study results to Requestor. Upon request, the ISO will schedule a meeting to review the study results with the Requestor. The results of a Requested Economic Planning Study will be treated as Confidential Information under Attachment F to the OATT; *provided, however*, the ISO will post the results of the Requested Economic Planning Study if and when: (i) Requestor requests that the ISO post the results of the Requested Economic Planning Study; (ii) the ISO is informed that the results of the Requested Economic Planning Study have been made public; or (iii) Requestor seeks regulated cost recovery for a Regulated Economic Transmission Project under the ISO Tariff based upon the results of the Requested Economic Planning Study, and the ISO will note in such posting whether the



database and base case assumptions used in the study are different from such study assumptions that are required for seeking regulated cost recovery under the Economic Transmission Project Evaluation.