



SUMMARY

The Tie Benefits results for the year 2011 using the existing methodology and a change in methodology proposed by ISO-NE was discussed by the CP-8 Working Group at their December 6, 2007 meeting. ISO-NE proposed the change in methodology for the 2010-2011 time period to take into consideration the reliability impact anticipated from implementation of their Forward Capacity Market. In the revised methodology, the Area internal transmission constraints were removed when the Areas loads were adjusted to bring all of the Areas to criteria. The final step in the revised methodology converts the load adjustment into a perfect capacity equivalent for the tie benefits calculation. The proposed change in methodology only affects the “At Criteria” results, not the determination of “As Is” Tie Benefits.

The only Area for which the tie benefit changed significantly with the revised methodology was Quebec, where the maximum tie benefit potential increased by more than 1,000 MW, indicating that the absence of internal transmission constraints in the other Areas makes more assistance available for import into Quebec. For all of the other Areas, the change in “At Criteria” methodology resulted in less than a 200 MW difference, as compared with the existing methodology calculation.

The CP-8 Working Group reviewed the results of the proposed change in methodology and agreed not to change in methodology at this time. As presented to the NPCC Reliability Coordinating Committee at its November 27, 2007 meeting, if no change is recommended, the results for 2011 would be finalized and provided as an addendum to the 2007 -2009 Tie Benefits report.

The following Table EX-1 (rev) shows the Range of Estimated Annual Tie Benefit CP-8 Study results for the years 2009 – 2011.



Addendum – Review of Interconnection Assistance Reliability Benefits

Table EX – 1 (rev)
Comparison of Assumed and Estimated
ANNUAL INTERCONNECTION ASSISTANCE – MW

NPCC Area (Year of Review) ¹	Tie Benefit Assumption Reported in Recent NPCC Review of Resource Adequacy	Range of Estimated Annual Tie Benefit CP-8 Study results for 2007 ²	Range of Estimated Annual Tie Benefit CP-8 Study results for 2009 ²	Range of Estimated Annual Tie Benefit CP-8 Study results for 2011
Québec (2006)	0	2,264 – 2,534	1,618 – 2,440	2,157 - 2,586
Maritimes (2006)	0	1,026 - 1,200	1,291 - 1,491	1,399 - 1,485
New England (2006)	2,000 ³	3,492 – 4,407	4,110 – 4,701	3,707 - 4,477
New York (2006)	2,300	5,418 - 7,015	3,698 – 6,203	6,248 - 7,442
Ontario (2006)	1,200	3,760 - 4,000	5,245 – 5,250	5,245 - 5,245

¹ See: <http://www.npcc.org/documents/reviews/Resource.aspx>

² See: <http://www.npcc.org/documents/publications/Assis.aspx>

³ See: http://www.iso-ne.com/genrtion_resrcs/reports/nepool_oc_review/2007/icr_2007-2008_report.pdf , page 15.