

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

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December 23, 2014

SENT VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary

Federal Energy Regulatory Commission

888 First Street, N.E.

Room 1-A209

Washington, D.C. 20426

Re: Docket No. ER15-563 – New York Independent System Operator, Inc.

Dear Secretary Bose,

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 473-4953.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Theodore F. Kelly', is written over the typed name.

Theodore F. Kelly
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System) Docket No. ER15-563
Operator, Inc.)

NOTICE OF INTERVENTION AND COMMENTS
OF THE NEW YORK STATE PUBLIC SERVICE COMMISSION

NOTICE OF INTERVENTION

On December 3, 2014, the New York Independent System Operator, Inc. (NYISO) filed proposed amendments (the Amendments) to the black start and system restoration service (Blackstart Services or Restoration Services) provisions in its Market Administration and Control Area Services Tariff (Services Tariff), along with a filing letter explaining the amendments (NYISO Filing). The New York State Public Service Commission (NYPSC) hereby submits its Notice of Intervention and Comments in the above-captioned proceeding pursuant to the Federal Energy Regulatory Commission's (FERC or Commission) Combined Notice of Filings, issued on December 3, 2014, and Rule 214 of the Commission's Rules of Practice and Procedure.¹

¹ 18 C.F.R. §385.214(a)(2).

Copies of all correspondence and pleadings should be addressed to:

Theodore F. Kelly
Assistant Counsel
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
theodore.kelly@dps.ny.gov

William Heinrich
Manager, Policy Coordination
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
william.heinrich@dps.ny.gov

BACKGROUND

On August, 31, 2012, the NYISO filed proposed revisions (2012 Amendments) to the Restoration Services provisions of the Services Tariff, as well as its Open Access Transmission Tariff (OATT).² The 2012 Amendments revised the rates, terms, and conditions under which generators provide Restoration Services as part of the Consolidated Edison Company of New York, Inc. (Con Edison) local restoration plan (Con Edison Plan). The 2012 Amendments modified or clarified certain terms related to this service and also provided for increased compensation to generators providing the service.

The NYPSC filed comments supporting the 2012 Amendments (NYPSC 2012 Comments).³ In those comments, the NYPSC explained that, while the proposed 2012 Amendments were an incremental improvement to the Con Edison Plan, the NYPSC still

² Docket Number ER12-2568-000, New York Independent System Operator, Inc., New York Independent System Operator, Inc.'s Proposed Tariff Revisions Regarding Black Start and System Restoration Service (filed August 31, 2012).

³ Docket Number ER12-2568-000, supra, Notice of Intervention and Comments of the New York State Public Service Commission (filed September 21, 2012).

had concerns regarding the adequacy of the Restoration Services program. In particular, the NYPSC expressed concern that generators currently providing the Blackstart Services could stop providing such service without any review or oversight. This could leave Con Edison, under its Plan, with insufficient resources and not enough time to remedy the deficiency.

For these reasons, the NYPSC 2012 Comments explained, the NYPSC had issued a Declaratory Ruling stating that, under New York State law, generators are required to seek consent from the NYPSC prior to terminating their provision of Black Start Services (the Declaratory Ruling).⁴ The Declaratory Ruling clarifies that State law requires NYPSC consent in any case where a generator seeks to discontinue a service it currently provides to ensure the generator's action would not adversely impact the provision of safe, adequate, and reliable electric service. The Declaratory Ruling found that termination of Blackstart Service by an existing provider is likely to adversely affect the restoration of the electric system and electric service, and thereby reduce system reliability and pose risks to public health, safety, and welfare.

On October 31, 2012, the Commission accepted the 2012 Amendments, with certain conditions related to the filing of

⁴ NYPSC Case 11-E-0423, Consolidated Edison Company of New York, Inc. - Petition for Declaratory Ruling, Declaratory Ruling Regarding Blackstart Service (issued September 28, 2011).

unit-specific rates.⁵ The NYISO submitted a further filing complying with those conditions, which the Commission accepted.⁶

In its December 3, 2014 filing, the NYISO submits further Amendments to its Services Tariff that would require certain generators to participate in the Con Edison Plan. The NYISO explains that these Amendments are consistent with Reliability Rules adopted by the New York State Reliability Council (NYSRC), the local reliability organization with responsibility for establishing New York-specific reliability rules.

The Amendments permit Con Edison, if it determines that additional Restoration Services are needed, to designate an existing generating unit that either is capable of providing Restoration Services but is not doing so, or is currently providing Restoration Services but has provided notice of intent to withdraw. If a designated generator does not elect to participate or continue participation, the NYISO will require the generator to participate, unless the NYISO determines that the generator will not provide a material benefit to the Con Edison Plan or that the generator has good cause for exemption

⁵ Docket Number ER12-2568-000, supra, Order Accepting Proposed Tariff Revisions Subject to Conditions (issued October 31, 2012).

⁶ Docket Number ER12-2568-002, supra, New York Independent System Operator, Inc.'s Compliance Filing (filed November 30, 2012); Letter Order Accepting New York Independent System Operator, Inc's 11/30/12 Filing of the Market Administration and Control Area Services Tariff and Its Open Access Transmission Tariff (issued January 8, 2013).

from the Con Edison Plan. The Amendments also eliminate provisions in the Services Tariff that detail a program in which no generator has chosen to participate and for which no generator is qualified.

COMMENTS OF THE NYPSC

New York State Public Service Law (NYS PSL) assigns the NYPSC responsibility for, inter alia, ensuring safe and adequate service by electric corporations, which include independently-owned generation owners.⁷ In order to fulfill that responsibility, the NYPSC oversees the reliability of the New York State power system. The capability of the system for service restoration following a system disruption is an important component of system reliability and has significant impacts on public health, safety, and welfare. For that reason, the NYPSC has the responsibility of ensuring that participants in the power system have made appropriate preparations for safe and expeditious service restoration. In fulfilling this responsibility, NYPSC is empowered to determine if sufficient generators have made the commitments necessary to support Blackstart and Restoration Services. For these reasons, the NYPSC affirms that, as stated in the Declaratory Ruling, generators currently providing Blackstart Service may only terminate that service with NYPSC consent.

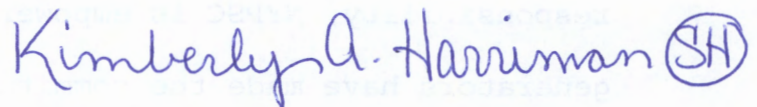
⁷ NYS PSL §§2(13) and 65.

The NYPSC supports the Amendments as an improvement to the ability of the NYISO and Con Edison to ensure that the Con Edison Plan provides for sufficient Blackstart Services. Actions by Con Edison and the NYISO to increase or maintain participation in the Blackstart Services program complement NYPSC review of proposals to discontinue participation in the program. Recent events, including Hurricane Sandy, have underscored the importance of system restoration services and the necessity of remedying any insufficiency in those services. The NYPSC will continue to work with the NYISO, Con Edison, and generators to ensure system reliability and fulfill its State law responsibilities.

CONCLUSION

In accordance with the foregoing Comments, the Commission should approve the NYISO's December 3, 2014 filing in this proceeding.

Respectfully submitted,



Kimberly A. Harriman
General Counsel
Public Service Commission
of the State of New York
By: Theodore F. Kelly
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-4953

Dated: December 23, 2014
Albany, New York

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated: December 23, 2014
Albany, New York



Theodore F. Kelly
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-4953