



May 14, 2019

VIA FIRST CLASS AND ELECTRONIC MAIL

Ona Papageorgiou, P.E.
New York Department of Environmental
Division of Air Resources
625 Broadway
Albany, New York 12233-3255

Subject: Comments of the New York State Reliability Council on Proposed Rule 6
NYCRR Subpart 227-3, Ozone Season Oxides of Nitrogen (NOx) Emission
Limits for Simple Cycle and Regenerative Combination Turbines ("NOx
Peaker Rule")

Dear Ms. Papageorgiou:

Attached please find Comments from the New York State Reliability Council on the New York State Department of Environmental Conservation on the Proposed 6 NYCRR Subpart 227-3, the NOx Peaker Rule. Please contact me at (518) 487-7624 or at pgioia@woh.com if you have any questions concerning these comments.

Sincerely,

A handwritten signature in black ink that reads "Paul L. Gioia". The signature is written in a cursive style with a large, sweeping "P" and "G".

Paul L. Gioia
Counsel

New York state Reliability Council

May 14, 2019

**NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION
PROPOSED 6 NYCRR SUBPART 227-3, NO_x PEAKER RULE**

**COMMENTS SUBMITTED ON BEHALF OF
THE NEW YORK STATE RELIABILITY COUNCIL**

I. INTRODUCTION

The New York State Reliability Council (NYSRC) was approved by the Federal Energy Regulatory Commission in 1998.¹ The NYSRC is assigned specified responsibilities related to the maintenance of electric system reliability in the New York control area. These responsibilities include the promulgation of reliability rules that may be more specific or more stringent than the reliability standards and criteria adopted by the Northeast Power Coordinating Council or the North American Electric Reliability Council, in order to meet the special reliability requirements of the New York Control Area. The NYSRC's reliability rules establish standards that must be complied with by the New York Independent System Operator (NYISO) in its operation of the New York State bulk power system, and by all entities that participate in the NYISO's electricity markets. The NYSRC also adopts the annual statewide installed reserve margin for the New York control area, to ensure that resource adequacy criteria are met and that sufficient resources are available to meet New York State's peak load electricity requirements.

¹ Central Hudson Gas & Electric Cop., 83 FERC ¶ 61,352 (1998).

II. COMMENTS

A. Timely Implementation of the NOx Peaker Rule

The NYSRC takes no position on the merits of the proposed NOx Peaker Rule. However, we do have concerns regarding the potential impact of the proposed rule on the reliability of the New York State bulk power electric system.

In a preliminary assessment the NYISO found that, under the assumptions used in the assessment, approximately 3,300 MW of generation could be impacted by the rule. If this generation were to withdraw from the NYISO's market as a result of the implementation of the rule, the addition of substantial resources in both New York City and on Long Island may be necessary in order to maintain the reliability of the state's bulk power electric system. These needed resources could be in the form of new generation or transmission facilities, or load reduction measures. The planning and development of these resources could take years to complete. Therefore, the NYSRC respectfully requests that the Department of Environmental Conservation implement the final rule as expeditiously as possible. The timely implementation of the final rule will provide the NYISO's Reliability Planning Process and the state's utilities and energy providers the ability to ensure that the resources necessary to maintain electric system reliability are available.

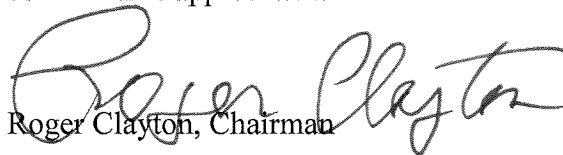
B. Potential Extension Provision to Protect Reliability

Part 227-3.6, Electric System Reliability, provides that if an affected generator is designated by the NYISO through the generator deactivation process or by the local transmission/distribution owner as a reliability resource needed to temporarily resolve a reliability need, the designated resource may continue to operate until a permanent solution is placed online, or for a period of two years after the compliance date of under the subpart has lapsed.

Part 227-3.6 further provides that an affected resource may operate for an additional two years if the NYISO determines that the reliability need still exists; the resource has been designated by the NYISO or the transmission/distribution owner as a reliability resource; and a permanent solution has been selected and is in the process of permitting and construction but not yet online. First, the NYSRC wants to commend the Department of Environmental Conservation for including in the proposed rule a provision to ensure that the reliability of the state's bulk power electric system is maintained while the rule is being fully implemented.

We also want to express our strong support for PART 227-3.6 and granting the NYISO the ability to designate reliability resources and permitting them to continue to operate if necessary to maintain electric system reliability.

Your consideration of these comments is appreciated.

A handwritten signature in black ink that reads "Roger Clayton". The signature is fluid and cursive, with the first name "Roger" and last name "Clayton" clearly legible.

Roger Clayton, Chairman

NYSRC

Roger.clayton@electricpowerresources.com

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