

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**New York Independent System Operator, Inc. )**

**Docket No. ER15-563-000**

**MOTION TO INTERVENE AND COMMENTS OF  
THE NEW YORK STATE RELIABILITY COUNCIL, L.L.C.  
IN SUPPORT OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 212 and 214 of the Federal Energy Regulatory Commission's ("Commission") Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.214, the New York State Reliability Council, L.L.C. ("NYSRC"), moves to intervene and file comments in support of the New York Independent System Operator, Inc. ("NYISO") filing<sup>1</sup> in the above-captioned docket.

**I. BACKGROUND**

The NYSRC was established in parallel with the formation of the NYISO, and was approved by orders issued by the Commission in 1998 and 1999.<sup>2</sup> The basic purpose of the NYSRC is to establish Reliability Rules with respect to the planning and operation of the bulk-power system in the New York Control Area ("NYCA") that are binding on the NYISO and, through the NYISO, on its market participants. The NYSRC's Reliability Rules must be consistent with the North American Electric Reliability Corporation ("NERC") and the Northeast Power Coordinating Council, Inc. ("NPCC") reliability standards and provide the more specific or stringent standards that are necessary to address the particular reliability needs of the NYCA,

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<sup>1</sup> *New York Independent System Operator, Inc.*, Proposed Tariff Revisions Regarding Black Start and System Restoration Service, Docket No. ER15-563-000 (Dec. 3, 2014).

<sup>2</sup> *Cent. Hudson Gas & Elec. Corp.*, 83 FERC ¶ 61,352 (1998), *order on reh'g*, 87 FERC ¶ 61,135 (1999); *Cent. Hudson Gas & Elec. Corp.*, 86 FERC ¶ 61,062 (1999); *Cent. Hudson Gas & Elec. Corp.*, 87 FERC ¶ 61,135 (1999); *Cent. Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138 (1999).

including the special reliability needs in the New York City Metropolitan Area. The NYSRC also closely monitors compliance with its Reliability Rules.

The NYSRC rulemaking process is open and transparent, with provisions for input by all interested parties both in its subcommittees and at its Executive Committee. All proposed rules are posted on the NYSRC website and all comments received are carefully considered by the Executive Committee prior to final action on a proposed rule. The NYSRC has a close working relationship with the NYISO, which the NYSRC relies upon to assist it in the exercise of its responsibilities.

These comments are submitted by the NYSRC in support of the NYISO's filing for Commission approval of tariff revisions necessary to implement the NYSRC's recently adopted Reliability Rule to provide greater assurance that adequate black start resources will be available to restore power in the New York City Metropolitan Area as promptly as reasonably possible following a major system disturbance or blackout.

## **II. COMMUNICATIONS**

All communications, pleadings, and orders with respect to this proceeding should be sent to the following individuals:

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### **III. MOTION TO INTERVENE**

The NYSRC was approved by the Commission as part of the restructuring of the electricity market in New York State and the formation of the NYISO. In its orders, the Commission approved the NYSRC Agreement among the members of the New York Power Pool, which established the NYSRC and described its responsibilities, and the NYISO/NYSRC Agreement which established the relationship between the NYISO and the NYSRC, and outlined their respective responsibilities. The NYSRC's responsibilities include the development of reliability rules that are more stringent or more specific than NPCC and NERC standards and criteria that are necessary to meet the special requirements of New York's bulk electric system; the assessment of NYISO and market participant compliance with those reliability rules; and the adoption of the annual statewide installed capacity requirement. The NYISO filing in this proceeding seeks approval of tariff revisions necessary for compliance with the recently adopted NYSRC Reliability Rule to provide greater assurance of the prompt restoration of electric service in the in the New York City area. Given the NYSRC's responsibilities related to electricity reliability in the NYCA, including the promulgation of reliability rules for the NYISO's system restoration plan, it is in the public interest to approve this motion to intervene.

#### **IV. NYSRC RELIABILITY RULES ON SYSTEM RESTORATION**

Section G of the NYSRC Reliability Rules addresses System Restoration.<sup>3</sup> The Introduction statement in this section provides that “[t]he NYISO and market participants must ensure plans, procedures, and resources are available to restore the NYCA NYS Bulk Power to a normal condition in the event of a partial or system-wide shutdown.”

Reliability Rule G-R1 provides that “[a] NYCA System Restoration Plan (NYCA SRP) shall be maintained to restore the NYCA system to a normal operating state in a safe and orderly manner and as promptly as reasonably possible following a major or total blackout.” Rule G-1 further provides that the NYCA SRP “shall be composed of a NYISO system restoration plan and Transmission Owner system restoration plans.” The NYISO system restoration plan is designed to restore service in the NYCA high voltage backbone transmission system. Responsibility for system restoration in the New York City Metropolitan Area rests with the Consolidated Edison Company, Inc. (“Con Edison”).

The availability of sufficient black start resources is essential for an effective system restoration plan. Reliability Rule Measurement G-M2 (TO Responsibilities) provides that “[t]he Transmission Owner SRP shall adopt procedures to identify black start resources that are necessary for implementing their SRP . . . .”

#### **V. ADOPTION OF NYSRC RELIABILITY RULE I-R6**

The NYSRC considers system restoration to be one of the most important reliability requirements and is committed to establishing system restoration rules that, to the greatest extent reasonably possible, ensure that system restoration is completed as promptly as possible following a major system disturbance. While a major outage may have serious consequences

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<sup>3</sup> The NYSRC Reliability Rules are available on the NYSRC website: <http://www.nysrc.org/NYSRCReliabilityRulesComplianceMonitoring.asp>.

wherever it occurs, a major power outage will have particularly serious impacts in the New York City Metropolitan Area, due to its population density, its public transportation system that includes commuter trains and subways that rely on electricity, the large number of high rise buildings including hospitals that rely on elevators for entry and exit, and its importance as a major communications and financial center. Experience has demonstrated the very serious health and public safety consequences that can occur from an extended power outage in the New York City area. Consequently, system restoration standards for the New York City area are a reliability priority for the NYSRC.

After a review of its system restoration Reliability Rules, the NYSRC concluded that there was a circumstance, not covered by its existing system restoration rules that could pose a significant impediment to achieving the goal of ensuring that sufficient black start resources are available to restore the bulk power system as promptly as reasonably possible. Under the NYISO's existing tariff a black start resource participating in system restoration plan could withdraw from the plan, even if its withdrawal resulted in a material degradation in system restoration, without providing the NYISO or the Transmission Owner any justification for its withdrawal. Similarly, a generator with black start capability could refuse to participate in a system restoration plan, even if its participation would provide a material benefit to system restoration, without providing any justification for its refusal to participate.

After consultation with the NYISO and the Transmission Owners, the NYSRC concluded that this issue was not a significant concern in the Upstate New York region, because of the abundance of hydro-electric black start resources available to support the NYISO's "backbone" system restoration plan, but it was a serious concern for the New York City area. Consequently, over a two year period, and after extensive consultation with the NYISO, the

Transmission Owners and other interested parties,<sup>4</sup> the NYSRC developed Local Reliability Rule I-R6 and two related Local Rule Measurements, I-M7 and I-M8, that require the NYISO and Con Edison to have procedures and to take actions necessary to implement the rule. Local Reliability Rule I-R6 and the two related Rule Measurement are attached to these comments as Exhibit A. The NYISO's proposed tariff revisions submitted in this proceeding would permit the NYISO to comply with the NYSRC's recently adopted system restoration Reliability Rule.

Local Reliability Rule I-R6 – System Restoration from Eligible Black Start Resources provides as follows: “The NYCA SRP shall allow for the inclusion or continued inclusion of any *Eligible Black Start Resource* in the Con Edison SRP that would provide a *Material Benefit* to its SRP if included.” “Eligible Black Start Resource” is defined in the NYSRC Glossary as “[e]ither a non-participating black start capable resource in the Con Edison SRP that has the physical capability installed to provide black start service or a participating black start resource that has given notice of its intent to withdraw from black start service in the Con Edison SRP.” “Material Benefit” is defined as “[t]he benefit to system restoration when the addition of a black start resource would improve the speed, adequacy or flexibility of restoring electric service in a safe, orderly and prompt manner following a major system disturbance.” At the NYISO's request, the NYSRC Executive Committee confirmed that the intent of the rule is that the term Material Benefit means a material improvement in the speed, adequacy or flexibility in the restoration of electric service.<sup>5</sup>

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<sup>4</sup> Pursuant to NYSRC procedures for proposed Reliability Rules, Reliability Rule I-R6 was posted on the NYSRC website for a 45 day comment period. All comments received were fully discussed by the NYSRC Executive Committee prior to final action on the rule.

<sup>5</sup> See Final Minutes, NYSRC Executive Committee Meeting No. 183 (July 11, 2014) at 4-5, available at: [http://www.nysrc.org/pdf/ECMeetingMinutes/ECMinutes\\_183Final.pdf](http://www.nysrc.org/pdf/ECMeetingMinutes/ECMinutes_183Final.pdf).

Measurements I-M7 (NYISO Responsibilities) and I-M8 (Con Edison Responsibilities) provide that the NYISO shall have procedures and implement actions to provide for the inclusion or continued inclusion of any Eligible Black Start Resource in the Con Edison SRP. These procedures and actions include requiring Con Edison to: perform and document studies to identify any eligible Black Start Resource that would provide a Material Benefit to its SRP; and provide any designated resource and the NYISO with the rationale and documentation supporting its designation, including its study.

If the designated black start resource declines to participate in the Con Edison SRP, it must seek an exemption from the NYISO for good cause. Good cause may include “engineering, technical, financial, environmental, or other reasons that would render the provision or continued provision of black start service by the resource unduly burdensome or unreasonable.”<sup>6</sup> The resource would be required to provide a study or other documentation to support its contention that good cause exists for its refusal to participate. Con Edison and the resource would be required to provide any supplemental information requested by the NYISO to assist in its determination of whether an exemption should be granted. After reviewing all of the information provided by Con Edison and the designated resource, the NYISO will determine whether good cause exists for an exemption. If an exemption is not granted by the NYISO, the designated resource would be required to participate or continue to participate in the Con Edison SRP.<sup>7</sup>

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<sup>6</sup> NYSRC Reliability Rules, Measurement I-M7, Section I-M7.3.1.

<sup>7</sup> The provisions of Reliability Rule I-R6 for an exemption, and in the NYISO’s proposed tariff revisions, are similar to those adopted by the NYISO and approved by the Commission with respect to the NYISO’s ability to require a new generator in the Con Edison service territory to include black start capability if that would provide a material benefit to the Con Edison SRP (See NYISO OATT, Attachment X, Section 30.2.5).

## **VI. IMPORTANCE OF NYISO COMPLIANCE WITH THE NYSRC SYSTEM RESTORATION RELIABILITY RULES**

The NYISO/NYSRC Agreement, the ISO Agreement, and the NYISO tariffs, all approved by the Commission, require the NYISO, and entities participating in the NYISO markets, to comply with all NYSRC Reliability Rules.<sup>8</sup> As noted, the NYSRC considers system restoration in the NYCA, and particularly in the New York City Metropolitan Area, among its most important reliability responsibilities. The NYSRC determined that the ability of a resource with black start capability to withdraw or refuse to participate in the Con Edison SRP, when such participation would provide a Material Benefit to system restoration, without any justification, presented an unacceptable risk to system reliability and to the public health and safety. The NYSRC determined that this reliability risk had to be addressed in its system restoration Reliability Rules in order for the NYSRC to effectively execute its responsibility to establish reliability standards that provide reasonable assurance that the reliability of the New York bulk power system will be maintained.

The rules adopted by the NYSRC to address this issue, which the NYISO, with the support of its market participants, seeks to implement through its proposed tariff revisions, will address this important reliability concern in a reasonable and balanced manner. Under the NYSRC rule and the NYISO's proposed tariff revisions, Con Edison would be required to

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<sup>8</sup> See ISO/NYSRC Agreement Section 2.1 which provides that “[p]ursuant to the NYSRC Agreement, the NYSRC shall develop Reliability Rules which shall be complied with by the ISO and all entities engaged in transactions on the NYS Power System,” and Section 3.1 which provides that “[t]he ISO shall comply with all Reliability Rules, including the Local Reliability Rules.” See also ISO Agreement, Section 6.02 which provides that “[t]he ISO OATT and the ISO Services Tariff will require those entities having a Service Agreement with the ISO to comply with the Reliability Rules and ISO Procedures regarding the reliability of the NYS Power System and to furnish data to the ISO as required,” and ISO Services Tariff, Section 5.1.1.1 which states that “[i]n accordance with applicable requirements in this Tariff and the ISO Procedures, all Customers shall conform to all applicable reliability criteria, policies, standards, rules, regulations and other requirements of NERC, NPCC, NYSRC, any applicable regional council, or their successors, the ISO's specific reliability requirements and ISO Procedures, and applicable operating guidelines and all applicable requirements of federal and state regulatory authorities.” The NYISO's OATT and MST, the NYISO/NYSRC Agreement, and the ISO Agreement are available on the NYISO website: [http://www.nyiso.com/public/markets\\_operations/documents/legal\\_regulatory/index.jsp](http://www.nyiso.com/public/markets_operations/documents/legal_regulatory/index.jsp).

submit a study and other documentation to demonstrate that a designated black start resource would provide a Material Benefit to its system restoration plan. The designated black start resource would have the opportunity to demonstrate to the NYISO that, for a wide range of reasons, its participation in the Con Edison SRP would be unduly burdensome or unreasonable. Of course, under the NYISO tariff, a black start resource is entitled to receive full compensation for all costs related to the provision of black start service, and the opportunity to petition the Commission for additional compensation, if warranted.

While black start service is generally provided on a voluntary basis, that does not deprive the NYSRC and the NYISO from requiring a black start resource that, like all market participants, relies on the cooperation of other market participants and the reliability of the bulk power system to conduct its business, to assist in system restoration after a major system disturbance, unless it can provide a good reason for its refusal to participate. NYISO market participants are required by the NYISO tariffs and service agreements to comply with all NYSRC Reliability Rules and to take actions ordered by the NYISO when necessary to protect system reliability.<sup>9</sup> It also should be noted that the special reliability requirements in New York was recognized in the Federal Energy Policy Act of 2005, which provides that New York State may establish rules that result in greater reliability within the state as long as such action does not result in lesser reliability outside the State.<sup>10</sup>

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<sup>9</sup> NYISO Market Services Tariff, Attachment A – Form of Service Agreement for New York ISO Market Administration and Control Area Services Tariff, Section 2.0: “The Customer represents and warrants that it has met all applicable requirements set forth in the ISO Market Administration and Control Area Services Tariff . . . and has complied with all applicable ISO Procedures.”

<sup>10</sup> Energy Policy Act of 2005, Section 215(i)(3).

## VII. CONCLUSION

For the foregoing reasons, the NYSRC respectfully requests that the Commission approve the tariff revisions filed by the NYISO in this proceeding, so that it may be in compliance with the NYSRC's recently revised system restoration Reliability Rules.

Respectfully submitted,

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L.L.C.*

Dated: December 23, 2014

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, D.C. this 23<sup>rd</sup> day of December, 2014.

/s/ Carlos L. Sisco

Carlos L. Sisco

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# Exhibit A

I. LOCAL RELIABILITY RULES (CONT'D.)

**I-R6. System Restoration from Eligible Black Start Resources**

The NYCA SRP shall allow for the inclusion or continued inclusion of any *Eligible Black Start Resource* in the Con Edison SRP that would provide a *Material Benefit* to its SRP if included.

I-R3 & I-R5 Reliability Rule Applications

There are applications, approved by the NYISO for implementing this Reliability Rule, which specify minimum oil burn requirements for select generators in New York City and Long Island.

From time to time, changes in system conditions and other circumstances may render existing applications inadequate, or may require alternate applications. Con Edison and LIPA, with NYISO review and approval, shall determine whether revised or additional applications are necessary to meet this Reliability Rule and associated measurements. Any changes must be reviewed by the NYSRC for compliance with the Reliability Rules.

**Measurements**

**I-M1.** The NYISO shall document, maintain, and publish requirements for Con Edison to develop procedures for operating its system in accordance with I-R1, I-R3, and I-R4, including notification of the NYISO when actions are taken in accordance with these *local reliability rules*, and the reasons thereof. The NYISO shall review and approve Con Edison procedures and required studies, including any updates to such procedures and studies.

I. LOCAL RELIABILITY RULES (CONT'D.)

**I-M7.** (NYISO Responsibilities)

The NYISO shall have procedures and implement actions to provide for the inclusion or continued inclusion of any *Eligible Black Start Resource* in the Con Edison SRP, as follows:

**I-M7.1** Con Edison shall perform and document studies to identify any *Eligible Black Start Resource* that would provide a *Material Benefit* to its SRP if included. These studies shall be conducted whenever changes to relevant system conditions may affect the results of the previous study.

**I-M7.2** If Con Edison identifies an *Eligible Black Start Resource* that would provide a *Material Benefit* to its SRP if included based on a study pursuant to I-M7.1, Con Edison shall designate the resource for participation in its SRP. Con Edison shall notify the NYISO and the applicable generator owner that the resource has been designated for participation or continued participation as a black start resource in its SRP. This notification shall be accompanied by supporting rationale and documentation, including a Con Edison study, subject to appropriate confidentiality protections. The NYISO may request additional documentation, as required, from Con Edison.

**I-M7.3** If the owner of the *Eligible Black Start Resource* designated by Con Edison pursuant to I-M7.2 does not want to participate or continue to participate in the Con Edison SRP, it must seek an exemption from the NYISO for good cause.

## I. LOCAL RELIABILITY RULES (CONT'D.)

- I-M7.3.1** The NYISO shall require the owner of the *Eligible Black Start Resource* seeking an exemption to provide to the NYISO and Con Edison a study and/or other documentation to support its contention that good cause exists for the exemption. Good cause may include engineering, technical, financial, environmental, or other reasons that would render the provision or continued provision of black start service by the resource unduly burdensome or unreasonable.
- I-M7.3.2** After reviewing the documentation pursuant to I-M7.3.1 the NYISO may request additional documentation from the *Eligible Black Start Resource* requesting the exemption or from Con Edison.
- I-M7.3.3** The NYISO shall determine whether good cause for an exemption has been demonstrated after considering: (1) the supporting documentation submitted by the resource owner seeking the exemption, and (2) information developed by the NYISO or provided by Con Edison. If the NYISO determines that good cause has been demonstrated for an exemption, it shall grant the exemption. If the NYISO determines that good cause has not been demonstrated, it shall deny the exemption and direct the black start resource to participate or continue to participate in the Con Edison SRP.

## I. LOCAL RELIABILITY RULES (CONT'D.)

**I-M7.3.4** The NYISO shall inform the NYSRC that an exemption request has been made and submit a report to the NYSRC regarding its determination, subject to appropriate confidentiality protections.

### **I-M8.** (Con Edison Responsibilities)

Con Edison shall have procedures and implement actions for the identification of *Eligible Black Start Resources* in accordance with I-M7 and NYISO procedures, as follows:

**I-M8.1** Con Edison shall perform and document studies to identify *Eligible Black Start Resources* that would provide a *Material Benefit* to its SRP if included. These studies shall be conducted whenever changes to relevant system conditions may affect the results of the previous study.

**I-M8.2** If Con Edison identifies an *Eligible Black Start Resource* that would provide a *Material Benefit* to its SRP if included based on a study pursuant to I-M8.1, it shall designate the resource for participation or continued participation in its SRP. Con Edison shall notify the NYISO and the applicable generator owner that the resource has been designated for participation or continued participation as a black start resource in its SRP. This notification shall be accompanied by supporting rationale and documentation, including a Con Edison study, subject to appropriate confidentiality protections. If requested, Con Edison shall provide additional documentation to the NYISO.

**I-M8.3** If, after being notified that it has been designated as a *Eligible*

## I. LOCAL RELIABILITY RULES (CONT'D.)

*Black Start Resource* for participation or continued participation in the Con Edison SRP, the owner of the resource does not want to participate or continue to participate, Con Edison shall prepare supplemental information, if requested by the NYISO, for use in a NYISO review to determine whether an exemption for the resource from participation or continued participation in the Con Edison SRP shall be granted or denied pursuant to I-M7.3.1.

### References

Reliability Rule 1 – PSC Directive, July 17, 1961

Reliability Rule 2 – PSC Order #27302

Reliability Rule 4 – PSC Order #27302