



February 22, 2011

**VIA ELECTRONIC MAIL AND HAND DELIVERY**

Jaclyn A. Brillling, Secretary  
Public Service Commission  
3 Empire State Plaza  
Albany, New York 12223-1350

Re: Case 10-E-0640 – Petition of the New York Independent System Operator, Inc. for Authority to Incur Indebtedness for a Term in Excess of Twelve Months

Dear Secretary Brillling:

On December 21, 2010, the New York Independent System Operator (“NYISO”) filed a Petition with the New York Public Service Commission (“PSC”) for approval of financing of up to \$45 million for construction of a new control center and renovations for a new backup control center and related repairs and upgrades. The PSC opened a new proceeding on the Petition, Case 10-E-0640, entitled “Petition of the New York Independent System Operator, Inc. for Authority to Incur Indebtedness for a Term in Excess of Twelve Months.” The PSC issued a notice seeking comments under the State Administrative Procedure Act. The notice seeks comments by February 28, 2011. These comments are submitted on behalf of the New York State Reliability Council (“NYSRC”).

The mission of the NYSRC is to promote and preserve the reliability of the bulk electric grid in New York State. This charge includes developing, maintaining, and from time-to-time updating Reliability Rules with which the NYISO and all market participants must comply. In fulfilling its mission, the NYSRC works in close conjunction with the NYISO.

Among the more important elements in maintaining an efficient and reliable power system is the effectiveness of system control, as exercised through the power control center. Control centers became especially important as power systems expanded and merged to form what we now know as synchronous interconnections, or “grids.” This process took place throughout the 20<sup>th</sup> Century, and eventually power systems in

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most of the U.S. and Canada formed four large synchronous interconnections, the largest of which, the Eastern Interconnection, stretches from the Eastern Seaboard to the Rockies and from the Canadian Maritime Provinces to Florida. With systems this large, reliability becomes a major concern, in turn making coordination a critical requirement. And the control centers are the most critical element in such coordination. The NYISO control center has this responsibility for the power systems in New York State (the “New York Control Area”).

To continue maintaining a reliable system in New York, with the introduction of “smart grid” technology and the addition of more and diverse loads, it is essential that the NYISO control center have appropriate capabilities. This involves not only effective monitoring and control of facilities within New York State, but monitoring of critical system elements in neighboring systems. Among the new technologies now available, for example, is “phasor monitoring” – the NYISO is already implementing this technology to monitor the status of system conditions well beyond New York. Other possibilities are being investigated; for example, both the Northeast Power Coordinating Council (“NPCC”) and the NYSRC are exploring “defensive strategies;” these would automatically respond to developing situations outside of New York that could cause overloads, system instability and blackouts within the New York Control Area. Adding to the expected enhancements are industry developments such as demand response systems, renewable energy sources, and hybrid and/or electric vehicles.

NYISO performs a critical role in maintaining the reliability of the grid in New York and must have a control center that can effectively operate the system. The NYSRC respectfully urges the NYPSC to consider, among other factors, the state-of-the-art tools needed to continue effective and reliable system operation, including evolving data management and analytical systems.

Very truly yours,

George C. Loehr  
Chairman  
New York State Reliability Council  
Executive Committee