

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

))
New York Independent System Operator, Inc.) Docket No. ER06-506-000, -001
))

**MOTION TO INTERVENE AND COMMENTS
OF THE NEW YORK STATE RELIABILITY COUNCIL, L.L.C.**

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 (2005), the New York State Reliability Council, L.L.C. ("NYSRC") hereby files this motion to intervene and comments in the above-captioned proceeding.

I. STATEMENT OF ISSUES

Whether the NYSRC should be permitted to intervene in this proceeding, pursuant to Rules 212 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. §§ 385.212 and 385.214.

Whether the compliance filing in response to Order Nos. 661¹ and 661-A by the New York Independent System Operator, Inc. ("NYISO") and the New York Transmission Owners ("NYTOs") should be accepted by the Commission pursuant to Section 205 of the Federal Power Act.²

II. BACKGROUND

On January 18, 2006, the NYISO and the NYTOs submitted a joint compliance filing (the "Joint Filing") with respect to interconnections for wind energy projects. On January 19, 2006, an errata filing was submitted to correct the reference to the Volume number in the header

¹ *Interconnection for Wind Energy*, Order No. 661, III FERC Stats. & Regs., Regs. Preambles ¶ 31,186, *order on reh'g and clarification*, Order No. 661-A, III FERC Stats. & Regs., Regs. Preambles ¶ 31,198 (2005).

of the tariff sheets. The Commission established February 8, 2006 as the due date for interventions, protests and comments.

III. COMMUNICATIONS

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

Bruce B. Ellsworth
Chairman
NYSRC Executive Committee
46 Tamarack Road
Hopkinton, NH 03229
Telephone: (603) 746-3447
Email: ellsworth@conknet.com

P. Donald Raymond
Executive Secretary
New York State Reliability Council, L.L.C.
14 Thornwood Lane
Fayetteville, NY 13066
Telephone: (315) 637-9002
Email: Raymond40@aol.com

IV. MOTION TO INTERVENE

The NYSRC was formed under an agreement (“NYSRC Agreement”) among the members of the New York Power Pool (“NYPP”), as an essential component of the establishment of a competitive wholesale electricity market in New York State and the creation of the NYISO. A second agreement (“NYISO/NYSRC Agreement”) established the relationship between the NYISO and the NYSRC. The Commission approved these agreements in July of 1999, along with its approval of the NYISO.³

Under the Commission-approved restructuring, the NYPP was replaced by the NYISO as the entity with the primary responsibility for the reliable operation of the State’s bulk power system. The NYISO also assumed responsibility for administration of the newly established competitive wholesale electricity market. The NYSRC was assigned responsibility to promote and preserve the reliability of the New York State power system, through the development of

² 16 U.S.C. § 824d.

³ See *Cent. Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138, at 61,381 (1999), *order on reh'g*, 90 FERC ¶ 61,045 (2000); see also *Cent. Hudson Gas & Elec. Co.*, 83 FERC ¶ 61,352 (1998), *order on reh'g*, 87 FERC ¶ 61,135 (1999).

Reliability Rules to be complied with by the NYISO in its operation of the State's bulk power system and by all NYISO market participants.⁴ The NYSRC Agreement approved by the Commission expressly provides that the NYSRC Reliability Rules must comply with reliability standards, regulations, criteria, procedures and rules established or imposed by the North American Electric Reliability Council ("NERC"), the Northeast Power Coordinating Council ("NPCC"), the Commission, and the New York Public Service Commission.⁵ The NYSRC Agreement also provides that the NYSRC may adopt additional Reliability Rules that it deems necessary to meet the unique reliability needs of New York State.⁶ The NYSRC has adopted Reliability Rules that are more specific, more stringent, or that supplement the NERC or NPCC reliability standards in order to meet the special requirements of the New York Control Area ("NYCA"). The special requirements of the NYCA include the specific electric system characteristics and demographics of New York State given the configuration of the State's bulk power system, and the severe consequences that result from power interruptions in the New York Metropolitan Area.

In the Joint Filing, the NYISO proposes certain independent entity variations to preserve the reliability of New York State. Given its role in developing and adopting reliability rules, the NYSRC has a direct and substantial interest in the Commission decision in this proceeding. No other party can adequately represent the NYSRC's interest. Accordingly, it is in the public interest to permit this intervention.

⁴ "New York State Reliability Council Agreement," § 2.02, *available at* http://www.nysrc.org/pdf/nysrc_agreement.pdf/.

⁵ *Id.* § 3.01.

⁶ *Id.*

V. COMMENTS

The NYSRC files these comments in support of the NYISO's request for an independent entity variation related to power factor design criteria related to the interconnection of wind energy projects. As the NYISO points out in the Joint Filing, the Commission has previously approved an independent entity variation allowing the NYTOs to maintain reactive power requirements for large generator interconnections on a transmission district basis in order to maintain reliability in each transmission district. Joint Filing at 7. The NYISO is requesting that the Commission grant an independent entity variation to permit the current transmission district specific reactive power requirements to apply to the interconnection of large wind energy projects, consistent with the Commission's previous determination.

The NYSRC shares the NYISO's concern that a general requirement permitting wind energy projects to maintain a power factor within the range of 0.95 leading and 0.95 lagging (the "+/- 0.95 requirement") subject to a demonstration by the Transmission Provider on a case-by-case basis that a different power factor is necessary, could adversely affect reliability. *See id.* As noted, reactive power requirements for generators in the NYCA are established on a transmission district basis consistent with the reliability needs in each transmission district. Several of the transmission districts in the NYCA currently have reactive power requirements that are more stringent than the +/- 95% requirement in order to meet the specific reliability needs in those transmission districts. Wind energy projects interconnecting in transmission districts should not be granted a presumption in favor of a reactive power requirement that would be inconsistent with the reliability needs of those transmission districts. Under the NYISO's proposed independent entity variation, a wind project developer would have to comply with the reactive power requirements generally applicable to all generator interconnections in a transmission district, unless it could demonstrate that a different reactive power requirement for its project

would not adversely affect reliability. Given the primary importance of maintaining reliability, the NYSRC agrees with the NYISO that an independent entity variation to require that wind projects interconnecting within the NYCA meet the same reactive power requirements of other large generating facilities is justified.

VI. CONCLUSION

WHEREFORE, in view of the foregoing, the NYSRC respectfully requests that it be permitted to intervene with all the rights that attend to such status and that the Commission grant the NYISO's request for an independent entity variation with respect to power factor design criteria for wind energy projects, and issue an order consistent with the comments set forth herein.

Respectfully submitted,

/s/ P. Donald Raymond

Bruce B. Ellsworth
Chairman
NYSRC Executive Committee
46 Tamarack Road
Hopkinton, NH 03229
Telephone: (603) 746-3447
Email: ellsworth@conknet.com

P. Donald Raymond
Executive Secretary
New York State Reliability Council, L.L.C.
14 Thornwood Lane
Fayetteville, NY 13066
Telephone: (315) 637-9002
Email: Raymond40@aol.com

Dated: February 8, 2006

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 8th day of February 2006.

/s/ Claire Brennan

Claire Brennan

Paralegal

LeBoeuf, Lamb, Greene & MacRae LLP

1875 Connecticut Avenue, N.W.

Washington, D.C. 20009-5728

202-986-8000