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Via Electronic Mail to raymond40@aol.com

To: The New York State Reliability Council

From: Matthew Schwall

Date: 10/27/16

Re: Comments on NYSRC PRR 131C – Dual Fuel Testing Requirements

Independent Power Producers of New York, Inc. (“IPPNY”) hereby comments on the New York State Reliability Council’s (“NYSRC”) Proposed Reliability Rule (“PRR”) 131C, which would impose a testing requirement on combined-cycle dual fuel plants that participate in the Minimum Oil Burn program in Zone J. Specifically, PRR 131C requires owners of combined-cycle units, which have the ability to automatically swap from natural gas to a liquid fuel source in the event of the sudden interruption of gas fuel supply or loss of gas pressure or unavailability of gas supply to the generator, to develop and implement procedures to test the capability of those combined-cycle units to switch fuels.

PRR 131C is an improvement over the originally proposed rule in the Reliability Rules Subcommittee, which would have required testing for all dual fuel units in New York State even though the evidence demonstrates that only two combined-cycle projects in Zone J have had difficulty switching fuels. While the scope of PRR 131C is limited to the type of unit that has experiences such difficulties, the proposed rule continues to be an overreaction to circumstances that would be better addressed through discussions with the individual plant owners in question. Moreover, the NYSRC Executive Committee’s (“EC”) adoption of this rule would set bad precedent by using the NYSRC’s broad rulemaking authority to address circumstances involving only two projects that could be more efficiently and effectively addressed in other ways. If the NYSRC EC decides to adopt PRR 131C, it should modify the proposed rule to clarify that dual fuel generators will receive compensation under the New York Independent System Operator, Inc.’s (“NYISO”) tariff for their costs of complying with the proposed rule. Under the NYISO’s tariff, dual fuel testing is not a compensable service. Item 9 – Implementation Plan – should be amended as follows:

A NYISO Tariff change will be required before the rule changes in this PRR can be implemented. Following NYSRC Executive Committee approval of PRR 131C, the NYISO shall pursue the tariff revisions necessary to establish the authority needed to

comply with this rule change and to provide that dual fuel generators will receive compensation under the NYISO tariff for their full costs of complying with the rule. Within 60 days of receiving FERC approval for the Tariff change, the NYISO shall submit evidence to the NYSRC RCMS that the NYISO has modified its appropriate procedures to comply with PRR 131C rule changes.