

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 03-E-0188 - Proceeding on Motion of the Commission
Regarding a Retail Renewable Portfolio
Standard.

RULING ON MOTION TO AMEND COMMENT
SCHEDULE AND CONVENE RELIABILITY IMPACTS MEETING

(Issued June 13, 2003)

ELEANOR STEIN, Administrative Law Judge:

On June 3, 2003, Multiple Intervenors (MI) filed a motion seeking to amend the schedule for filing comments in this proceeding established in a letter to active parties dated May 29, 2003. In addition, Multiple Intervenors seeks the convening of a meeting of parties to discuss the impact of the adoption of a renewable portfolio standard (RPS) on New York system reliability. Responses were filed by Independent Power Producers of New York, Inc. (IPPNY), Consumer Power Advocates, the Municipal Electric Utilities Association of New York State, (Municipal Utilities), utility representatives¹, the New York Independent System Operator (NYISO), New York State Reliability Council, and the Renewable Energy Technology and Environment Coalition (RETEC).²

¹ This group includes Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Orange and Rockland Utilities, Inc., New York State Gas & Electric Corporation, Rochester Gas and Electric Corporation, Niagara Mohawk Power Corporation, and The Energy Association of New York State.

² RETEC includes American Lung Association of New York, American Wind Energy Association, Citizens Advisory Panel, Community Energy, Hudson River Sloop Clearwater, Natural Resources Defense Council, New York Lawyers for the Public Interest, New York Public Interest Research Group, New York Renewable Energy Coalition, New York Solar Energy Industries Association, Pace Energy Project, Plug Power, Riverkeeper, Scenic Hudson, Sierra Club Atlantic Chapter, Solar Energy Industries Association, and Union of Concerned Scientists.

THE MOTION TO AMEND THE SCHEDULE

The schedule established May 29, 2003 provides for dual comment tracks, contemplating the filing of cost and benefit studies by parties by July 23, 2003. The two tracks consist of comments on all non-cost issues (initial comments on July 9 and replies on August 15), and on cost issues (initial comments on August 15, replies on August 26, 2003).³

MI proposes that initial comments on all issues be filed August 15 and reply comments on all issues be filed August 26, 2003, to accommodate its concern about integrating cost information into all filings, without delaying the overall schedule.

The Parties' Positions

In its motion, MI asserts the two-track schedule will limit parties' ability to address the major issues in their initial comments, on the ground that cost analyses are essential to formulating a rational policy. MI predicts inefficiency, as parties will likely have to modify their non-cost positions to take the cost and benefit information into consideration in later filings. Generally supporting the MI motion to amend the schedule, on the same grounds, are Consumer Power Advocates, Municipal Utilities, IPPNY, and the utility representatives.

The RETEC coalition, opposing the motion, responds that, in its view, some major design issues in the proceeding can be addressed initially without reference to the formal cost and benefit analyses. RETEC fears the modifications MI seeks to

³ The May 29, 2003 letter also refers to a workshop on cost and benefit study methodologies. This is now scheduled to take place on June 27, 2003, at 2:00 P.M., at the Commission's Albany offices, Three Empire State Plaza, Albany, in the 19th floor Boardroom.

the schedule will result in delay, and add an unnecessary hiatus.

Discussion

The current schedule was designed to build on the parties' momentum from the working group efforts and allow for early analysis of those design issues that are not primarily cost-driven. The issue of the relationship between cost, benefit and other factors, raised by MI, is a substantive one for future consideration. However, the view of many parties that consolidating the comments is more efficient is persuasive.

THE MOTION TO CONVENE A MEETING CONCERNING RELIABILITY

MI points out that the design and implementation of an RPS hinge, in part, on considerations of the impact on reliability of the addition of substantial intermittent resources. It asserts that the NYISO should be consulted on this impact, and that NYISO should immediately provide information to parties, in a collective setting, on potential reliability impacts. MI moves that, prior to the filing of initial comments, a meeting be convened with NYISO to address reliability.

The Parties' Positions

New York State Reliability Council (Reliability Council), whose stated responsibility is to establish an annual statewide installed capacity requirement to be implemented by the ISO, supports the request for a meeting, asserting a timely meeting between NYISO and parties regarding reliability concerns is appropriate. The Reliability Council argues the quantity and composition of renewable resources could affect the statewide installed capacity requirement. Municipal Utilities agrees that if NYISO, NYSERDA and other necessary parties agree to participate meaningfully, such a meeting would be productive.

NYISO, the entity responsible for transmission system reliability, agrees that the reliability implications of an RPS—positive and negative—should be addressed; affirms its intention of doing so; and informs that it is in the process of developing an initial evaluation of the effects of integrating significant levels of intermittent wind generation into New York's transmission system. NYISO plans to seek input from interested parties once a final draft of that evaluation is ready, at the end of this year. Parties are referred to the current ISO status report, PowerAlert III. In the NYISO's view, the reliability evaluation need not predate resolution of other RPS issues and, in fact, reliability implications may be clearer once design choices are made. Moreover, NYISO asserts, the cost consequences of the addition of substantial intermittent power can best be evaluated based upon design choices on eligibility, an appropriate premium, and standard contracts. NYISO recommends, however, that the Commission consider these issues prior to a final order.

RETEC opposes such a meeting as unnecessary, asserting that, first, NYISO has been studying and accommodating the effect on reliability of renewable technologies, including the positive effect on diversity. Second, RETEC argues, existing NYISO procedures are the place to address technical reliability issues.

Discussion

There is no dissension among the parties that discussion and analysis of reliability implications are an important dimension of an RPS. Moreover, reliability concerns may also trigger additional costs. Parties charged with responsibility for system reliability should continue to respond to other parties' inquiries and assist them in obtaining relevant information. The question is: at what stage will a

meeting on this issue, and its formal analysis, be most productive? Based upon the representations of the NYISO, it appears that a meeting or workshop on reliability concerns should follow the issuance of the Recommended Decision. This schedule will focus the NYISO analysis process and allow parties to explore and comment on all reliability issues prior to a final Commission decision, while also maximizing the usefulness of the exercise. The Recommended Decision will include such a schedule.

CONCLUSION

The motion of Multiple Intervenors to amend the comment schedule is granted, and the schedule is modified as follows:

July 23	Cost and benefit studies filed
August 15	Initial Comments
August 26	Reply Comments

The motion of Multiple Intervenors to convene a meeting of the parties concerning reliability issues is granted to the extent such meeting will be convened prior to final Commission action in this proceeding, but denied to the extent it will follow the issuance of the Recommended Decision.

(SIGNED) ELEANOR STEIN