



**Department of
Public Service**

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Three Empire State Plaza, Albany, NY 12223-1350
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August 28, 2015

Mr. Richard Dewey
Executive Vice President
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Mr. Kenneth Daly
President, NY
National Grid NY
One Metro Tech Center
Brooklyn, NY 11201

Dear Mr. Dewey and Mr. Daly:

By letter dated August 25, 2015, NRG Energy, Inc. (NRG) informed the New York Public Service Commission (Commission) that NRG intends to retire Huntley Generating Units 67 and 68, located in Tonawanda, New York, effective March 1, 2016.¹ Also, NRG advised the Commission on August 25, 2015 that it will mothball the remaining Dunkirk unit, beginning January 1, 2016.² National Grid and NRG currently have a Reliability Support Service Agreement (RSSA) for Dunkirk Unit 2 that expires December 31, 2015.³

¹ Case 15-E-0505, Huntley Power, LLC, Petition to Retire Generating Units 67 and 68 (filed August 25, 2015).

² NRG "Media Statement on NRG's Dunkirk, NY Power Plant" (received August 25, 2015)(indicating "[u]nfortunately, the Entergy lawsuit has created a tremendous amount of uncertainty for NRG in moving forward with the Dunkirk project, and at this point the project remains on hold. Dunkirk continues to operate under a Reliability Support Services (RSS) agreement with National Grid, but in January 2016 that agreement ends, and Unit 2 will be shut down and placed in mothball status along with Units 1, 3, & 4").

³ Case 12-E-0136, Petition of Dunkirk Power LLC and NRG Energy, Inc. for Waiver of Generator Retirement Requirements, Order Deciding Reliability Need Issues and Addressing Cost Allocation and Recovery (issued May 18, 2015).

Pursuant to Commission Order in Case 05-E-0889 regarding generation unit retirements,⁴ I am requesting that the New York Independent System Operator, Inc. (NYISO) and National Grid work together, as necessary, to perform appropriate studies to assess the reliability impacts of the Huntley Units 67 and 68 retirements, effective March 1, 2016, and the mothballing of all the Dunkirk facilities, effective January 1, 2016. These studies should use the reliability standards and planning criteria adopted by the North American Electric Reliability Corporation (NERC), Northeast Power Coordinating Council (NPCC), New York State Reliability Council (NYSRC), and National Grid.

Specifically, one study should assess the retirements of Huntley Units 67 and 68, combined with the mothballing of all Dunkirk units. The second study should assume that the Huntley Units 67 and 68 remain in-service after March 1, 2016, and that all the Dunkirk units are mothballed after January 1, 2016. Finally, a third study should assume that the three Dunkirk Units (2, 3, and 4) are in-service after March 1, 2016, and the Huntley Units 67 and 68 are retired, effective March 1, 2016.

In addition, please analyze and explain any long-term reliability impacts of the Huntley retirements and Dunkirk mothballing by performing an analysis for the ensuing five years. In the event the unavailability of these generating units adversely affects reliability, please provide a description and study of the potential transmission upgrades and/or alternative resources that would be needed to maintain reliability, including any cost estimates and implementation schedules.

Further, in light of NRG's decision to put on hold the refueling project of three of its Dunkirk generating units and in order to better understand the changed circumstances, if any, in Western NY affecting National Grid's transmission system and to ensure that electric customers receive safe and reliable electric service, National Grid should explain electric system changes or developments that have occurred that affect the need and timing for the transmission projects that were considered avoidable, assuming the Dunkirk refueled units are in-service in September 2015.⁵

I am requesting that each one of you respond by September 24, 2015, by filing in Cases 15-E-0505, 12-E-0577, and 12-E-0136, your determination and, if necessary, your plans and schedule for accomplishing any additional studies and system reinforcements. Please contact Mr. Leka Gjonaj of the New York State Department of Public Service Staff at (518) 486-2491 or by email (Leka.Gjonaj@dps.ny.gov) to confirm your receipt of this letter, to discuss the status of

⁴ Case 05-E-0889, Policies and Procedures Regarding Generation Unit Retirements, Order Adopting Notice Requirements for Generation Unit Retirements (issued December 20, 2005).

⁵ Case 12-E-0577, Proceeding on Motion of the Commission to Examine Repowering Alternatives to Utility Transmission Reinforcements, Order Addressing Repowering Issues and Cost Allocation and Recovery (issued June 13, 2014).

your efforts on this matter, and to ask any questions you may have about this request. Thank you in advance for your cooperation in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Raj Addepalli', with a long horizontal stroke extending to the right.

Raj Addepalli,
Managing Director,
Utility Rates and Service

cc: Michael Worden, DPS
Diane Barney, DPS
Leka Gjonaj, DPS
Jerry Ancona, DPS
Rick Gonzalez, NYISO
Wes Yeomans, NYISO
Henry Chao, NYISO
Zach Smith, NYISO
John Gavin, National Grid
Peter Altenburger, National Grid
Bart Franey, National Grid