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Three Empire State Plaza, Albany, NY 12223-1350  
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May 9, 2018

**SENT VIA ELECTRONIC FILING**

Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

Re: Docket No. AD18-7-000 - Grid Resilience in  
Regional Transmission Organizations and  
Independent System Operators

Dear Secretary Bose:

Attached for filing in the above-referenced proceeding, please find the Comments of the New York State Public Service Commission. The parties have also been provided a copy of this filing, as indicated in the attached Certificate of Service. Should you have any questions regarding the attached, please feel free to contact me at (518) 402-1537.

Very truly yours,

*/s/ S. Jay Goodman*

S. Jay Goodman, Esq.  
Assistant Counsel

Attachment  
cc: Service List

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

Grid Resilience in Regional            )  
Transmission Organizations            )            Docket No. AD18-7-000  
and Independent System                )  
Operators                                )

**NOTICE OF INTERVENTION AND COMMENTS OF THE NEW YORK  
STATE  
PUBLIC SERVICE COMMISSION**

**INTRODUCTION**

The Federal Energy Regulatory Commission (Commission) instituted this proceeding to evaluate bulk system resilience, and decide whether continued monitoring of regional resilience efforts remains adequate, or additional Commission action is warranted.<sup>1</sup> The Commission directed Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) to detail how they assess and respond to resilience risks.

The New York Independent System Operator, Inc. (NYISO) submitted information responsive to the Resilience Order on March 9, 2018.<sup>2</sup> The NYISO Response presents a comprehensive

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<sup>1</sup> Grid Resilience in Regional Transmission Organizations and Independent System Operators, 162 FERC ¶61,012 (2018) (Resilience Order).

<sup>2</sup> Docket No. AD18-7-000, Grid Resilience in Regional Transmission Organizations and Independent System Operators, Response of the New York Independent System Operator, Inc. (dated March 9, 2018) (NYISO Response).

overview of how resilience and reliability values are embedded in the New York Control Area (NYCA) wholesale markets, and describes ongoing initiatives to identify and address emerging resilience risks. The NYISO also suggests that the Commission convene a technical conference to facilitate the exchange of ideas and best practices regarding market-based resilience services and practices.

Pursuant to the Commission's Order Extending Time for Comments,<sup>3</sup> the New York State Public Service Commission (NYPSC) hereby submits its comments on the NYISO Response.<sup>4</sup> The NYISO Response explains that NYISO and stakeholder efforts to address bulk system resilience are comprehensive and continuous. The "Commission's continued attention," therefore, will be adequate to ensure bulk power resilience in the NYCA without other Commission action.<sup>5</sup> Further, as the NYISO suggests, it may be helpful for the Commission to host a technical conference that facilitates the exchange of ideas and best practices regarding bulk system resilience.

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<sup>3</sup> Grid Resilience in Regional Transmission Organizations and Independent System Operators, 162 FERC ¶61,256 (2018).

<sup>4</sup> The views expressed herein are not intended to represent those of any individual member of the NYPSC. Pursuant to Section 12 of the New York State Public Service Law, the Chair of the NYPSC is authorized to direct this filing on behalf of the NYPSC.

<sup>5</sup> Resilience Order, ¶13.

## NOTICE OF INTERVENTION

The NYPSC hereby provides its Notice of Intervention pursuant to Rule 214(a)(2) of the Commission's Rules of Practice and Procedure.<sup>6</sup>

### COMMENTS

#### The Commission Should Determine That The NYISO Is Adequately Addressing Bulk System Resilience, And Should Continue to Monitor Developments By Convening A Technical Conference

The Commission commenced this proceeding and ordered RTOs/ISOs to detail how they address bulk system resilience "to enable [the Commission] to examine holistically the resilience of the bulk power system."<sup>7</sup> The Commission explained that, based on this responsive information, it would decide whether monitoring remains sufficient to address grid resilience, or if additional Commission action is warranted.<sup>8</sup>

The NYISO Response demonstrates that there is no need for Commission action in the NYCA beyond the Commission's "continued attention." It thoroughly describes how the NYISO

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<sup>6</sup> 18 C.F.R. §385.214(a)(2). The NYPSC is a regulatory body established under the laws of the State of New York with jurisdiction to regulate rates and charges for the sale of electric energy to consumers within the State, and is therefore a State Commission as defined in section 3(15) of the FPA (16 U.S.C. §796(15)).

<sup>7</sup> Resilience Order, ¶1.

<sup>8</sup> Id.

and stakeholders address existing resilience risks throughout the wholesale markets, and how they anticipate emerging risks and the market solutions needed to address them. The NYISO explains that standards, operating and system planning requirements, and security and infrastructure protection requirements established by the Commission, the North American Electric Reliability Corporation, the Northeast Power Coordinating Council, Inc., and the New York State Reliability Council, L.L.C. promote NYCA system resilience.<sup>9</sup> Through these rules and standards, as well as mechanisms developed by the NYISO, resilience values are embedded in the energy, capacity, and ancillary services markets and the NYISO system planning processes. This includes certain storm hardening investments that improve the resilience of distribution, transmission, and generation assets.<sup>10</sup> The markets thus ensure that “[r]esources are paid for their reliability and resilience services based on competitive outcomes.”<sup>11</sup>

The NYISO explains that the NYCA markets include mechanisms that are not explicitly directed to reliability or resilience but nevertheless support reliable system operation throughout fuel disruptions, extreme weather events, and other

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<sup>9</sup> NYISO Response, p.5.

<sup>10</sup> Id., pp. 9-10.

<sup>11</sup> Id., p. 6.

contingencies. The Commission has acknowledged that market mechanisms may secure resilience benefits without specifically targeting resilience.<sup>12</sup>

The NYISO responds to emergent risks and anticipates future system needs in evaluating whether current market rules sustain a resilient and reliable system. The NYISO, for instance, examined its market design following the “Polar Vortex” that occurred during the 2013-2014 winter period. This review led the NYISO and stakeholders to implement new operating reserve requirements that bolster system resiliency.<sup>13</sup> As to future risks, the NYISO monitors incremental changes in transmission resources and the supply portfolio, as well as economic, environmental, and policy drivers of market changes, to anticipate how future conditions may give rise to new resilience or reliability risks. When the NYISO identifies such risks, it works with stakeholders to determine whether they should be addressed by modifying existing products and services or developing new market mechanisms.

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<sup>12</sup> Resilience Order, ¶12 (stating that, “[w]hile none of the Commission’s efforts described above were specifically targeted at “resilience” by name, they were directed at elements of resilience, in that they sought to ensure the uninterrupted supply of electricity in the face of fuel disruptions or extreme weather threats”).

<sup>13</sup> NYISO Response, p. 7.

Further, the NYPSC oversees a variety of distribution-level initiatives that supplement the NYISO's work on bulk system resilience.<sup>14</sup> These initiatives provide an important complement to bulk system resilience investments because, in some instances, limited ratepayer dollars can be deployed more effectively at the distribution level.

Notably, the Commission recognized that regional differences among the RTOs/ISOs drive regional variations in how each RTO/ISO addresses system resilience.<sup>15</sup> The Commission also noted that the RTOs/ISOs are "well-suited to understand the needs of their respective regions" and develop mechanisms tailored to those unique geographic needs.<sup>16</sup>

As described above and in the NYISO Response, the NYISO and its stakeholders address existing and emerging resilience risks to the NYCA system on an ongoing basis. This effort is wide-ranging and does not focus narrowly on limited

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<sup>14</sup> See Resilience Order, n.31 (noting the importance of distribution system resilience and encouraging RTOs/ISOs to engage with state regulators and other stakeholders to address resilience at the distribution level). For instance, distribution-level resilience investments include, but are not limited to, promoting distributed generation and microgrids, and utility projects that are embedded in capital plans and reviewed in distribution utility rate cases.

<sup>15</sup> Id., ¶25.

<sup>16</sup> Id., ¶19.

aspects of grid resilience.<sup>17</sup> Significantly, the Commission found that there is no record evidence in any Commission proceeding "indicating that any RTO/ISO tariffs are unjust and unreasonable because they do not adequately account for resilience."<sup>18</sup> For all the foregoing reasons, the "Commission's continued attention" will be adequate to ensure that the NYCA system is resilient and reliable.<sup>19</sup> The Commission, therefore, should grant the NYISO's request to remain the lead entity that assesses and develops market enhancements that address NYCA system resilience and reliability.<sup>20</sup>

Finally, the NYISO notes that it may be helpful for the Commission to facilitate a dialogue "regarding concepts for market-based resilience services and practices..."<sup>21</sup> The NYISO suggests that the Commission may host a technical conference to encourage the exchange of ideas and best practices regarding bulk system resilience.<sup>22</sup> The NYPSC agrees that a technical

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<sup>17</sup> Resilience Order, ¶19 (stating that "a proper evaluation of grid resilience should not be limited to" secure onsite fuel, and instead "should encompass a broad consideration of resilience issues, including wholesale electric market rules, planning and coordination, and NERC standards").

<sup>18</sup> Id., n.25.

<sup>19</sup> Resilience Order, ¶13.

<sup>20</sup> NYISO Response, p.3.

<sup>21</sup> Id., p.5.

<sup>22</sup> Id.



conference would supplement the record in this proceeding, and that RTOs/ISOs and stakeholders may benefit from a technical conference to share information and identify best practices.

**CONCLUSION**

For the reasons detailed herein, the NYPSC respectfully asks that the Commission continue monitoring issues regarding bulk system resilience, while preserving the NYISO's leadership role in addressing NYCA system resilience. The Commission should also consider convening a technical conference that facilitates the exchange of information and best practices regarding bulk system resilience.

Respectfully submitted,

**/s/ Paul Agresta**

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Dated: May 0, 2018  
Albany, New York

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated: Albany, New York  
May 9, 2018

**/s/ S. Jay Goodman**

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