



**Public Service
Commission**

Public Service Commission

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Paul Agresta
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Kathleen H. Burgess
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Three Empire State Plaza, Albany, NY 12223-1350
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March 8, 2017

SENT VIA ELECTRONIC FILING
Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. ER17-905-000 - New York Independent
System Operator, Inc. and PJM Interconnection,
L.L.C.

Dear Secretary Bose:

For filing, please find the Motion to File Answer and Answer of the New York State Public Service Commission in the above-entitled proceeding. The parties have also been provided with a copy of this filing, as indicated in the attached Certificate of Service. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

s/ *Alan T. Michaels*

Alan T. Michaels
Manager

Attachment
cc: Service List

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

New York Independent System)
Operator, Inc. and) Docket No. ER17-905-000
PJM Interconnection, L.L.C.)

**MOTION TO FILE ANSWER AND ANSWER
OF THE NEW YORK STATE
PUBLIC SERVICE COMMISSION**

INTRODUCTION

On January 31, 2017, the New York Independent System Operator, Inc. (NYISO) and PJM Interconnection, LLC (PJM) (collectively, the RTOs) submitted to the Federal Energy Regulatory Commission (FERC or Commission) proposed revisions to the Joint Operating Agreement (JOA) between the NYISO and PJM under Section 205 of the Federal Power Act (the Petition).¹ Specifically, the RTOs seek to address interchange scheduling and market-to-market (M2M) coordination on the ABC and JK interfaces between the NYISO and PJM. The interfaces presently utilize a 1,000 MW wheel (the Wheel) of electricity, but on April 30, 2017, that arrangement will terminate. The proposed revisions are designed to address the end of the Wheel, incorporate the facilities currently involved in the Wheel into interchange scheduling and M2M, and provide the necessary tariff provisions to govern the operation of these interfaces.

¹ 16 U.S.C. §824d.

On February 21, 2017, the New Jersey Board of Public Utilities, NRG Companies, and Public Service Electric and Gas Companies (the Protestors), each filed separate protests to the RTOs' Petition. Each protest complains that the RTOs' JOA does not provide payment from NYISO to PJM for services rendered or for costs. The Protestors' complaints fail to recognize the reliability benefit for Northern New Jersey provided in the agreement reached between PJM and the NYISO, and, therefore, a response to the Protests is required to clarify the record.

MOTION TO FILE ANSWER

The New York Public Service Commission (NYPSC) respectfully requests leave to answer the contentions raised by the Protestors. The NYPSC submits its Motion To File Answer (Motion) and Answer in the above-captioned proceeding pursuant to Rules 212 and 213 of the Commission's Rules of Practice and Procedure (18 C.F.R. §§385.212 and 385.213).² There is good cause for the Commission to grant the NYPSC's Motion and accept the Answer contained herein because it will contribute to the development of a complete and accurate record. The Commission

² The NYPSC submitted a timely Notice of Intervention in this proceeding on February 6, 2017. 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 Public Service Law, the Chair of the NYPSC is authorized to direct this filing on behalf of the NYPSC.

has granted motions to file Answers based on similar grounds.³ For these reasons, the Commission should grant the NYPSC's Motion.

DISCUSSION

The Commission Should Reject the Protestors' Claims for Additional Compensation Because They Fail to Recognize the Reliability Benefit Received by Northern New Jersey.

In their separate comments, the Protestors complain that Consolidated Edison Company of New York, Inc. (Con Edison) and New York ratepayers will receive the benefit of the agreement between the RTOs while avoiding the responsibility for the costs.⁴ However, the Protestors fail to recognize that the RTOs' proposal is designed to address reliability issues recognized in Northern New Jersey. It is due to this identified

³ See, Docket No. CP11-56-000, Texas Eastern Transmission, LP, et al., Order Approving Certificates and Approving Abandonment, 139 FERC ¶61,138 (2012) (accepting answer that ensures a complete and accurate record); Docket No. CP06-335-000, et al., Maritimes & Northeast Pipeline, LLC, Order Issuing Certificate and Amending Presidential Permit, 118 FERC ¶61,137 (2007) (finding good cause to allow an answer "in order to insure a complete and accurate record"); and, Docket No. IN08-3-001, Edison Mission, Order Denying Motions to Intervene And Dismissing Requests For Clarification And Rehearing of Order Approving Stipulation And Consent Agreement, 125 FERC ¶61,020 (2008) (accepting answer because it assisted in FERC's decision-making process).

⁴ Protest of the New Jersey Board of Public Utilities at 4; Motion to Intervene and Protest of Public Service Electric and Gas Company at 2; Protest of the NRG Companies at 2.

reliability issue that a solution was needed and the RTOs subsequently reached an agreement. Indeed, the termination of the Wheel will not result in any reliability issues for Con Edison. Con Edison is fully capable and prepared to continue operating without the proposed revisions to the JOA.

The RTOs' proposal includes analyses that identified reliability issues in Northern New Jersey.⁵ Once those issues were identified, further studies were performed to determine designs that would support the historical Total Transfer Capability (TTC) between the two RTOs.⁶ Within their Joint Proposal, the RTOs state, "[t]he proposed initial 400 MW OBF [Operational Base Flow] is necessary to address the short-term reliability issues in Northern New Jersey described above and to maintain historical interface transfer limits."⁷ Hence, the termination of the Wheel led the RTOs to identify key reliability issues in Northern New Jersey and to address them with their new proposal.

As noted by the New Jersey Board of Public Utilities, Con Edison was fully prepared to terminate the Wheel and the old

⁵ Proposed Revisions to Joint Operating Agreement Addressing Interchange Scheduling and Market-to-Market Coordination on the ABC Interface and JK Interface After the 1,000 MW Wheel Concludes, at 7 (Joint Proposal).

⁶ Id. at 8.

⁷ Id.

agreement.⁸ Within Con Edison's termination notice, there is no hint of a need, or even a concern, to negotiate a flow between RTOs. Indeed, the Joint Proposal does not identify any reliability need within the Con Edison service territory resulting from the termination of the Wheel. It is due to the identified reliability issue within Northern New Jersey that the RTOs negotiated and reached an agreement to create an operational base flow for the purpose of creating a short-term resolution for the reliability issues in Northern New Jersey.⁹

CONCLUSION

In accordance with the foregoing discussion, the NYPSC respectfully requests that the Commission grant the foregoing Motion to File Answer and Answer, and accept the Joint Proposal of the RTOs, as filed.

⁸ See, Protest of the New Jersey Board of Public Utilities, Attachment A.

⁹ Joint Proposal at 8.

Respectfully submitted,

s/ *Paul Agresta*

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Public Service Commission
of the State of New York
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Dated: March 8, 2017
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
March 8, 2017

s/ Alan T. Michaels

Alan T. Michaels
Manager
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