

October 25, 2019

By Electronic Delivery

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

**Re: Reliability Coordination Agreement Between New York Independent System Operator, Inc. and Alcoa Power Generating, Inc.
Docket No. ER20-____-000**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Section 35.13 of the Commission’s regulations,² the New York Independent System Operator, Inc. (“NYISO”) submits for filing an executed Reliability Coordination Agreement (“RC Agreement”) between the NYISO and Alcoa Power Generating, Inc. (“APGI”) (collectively, NYISO and Alcoa are referred to as “Parties”). As described in more detail below, the RC Agreement is a non-conforming version of the Operating Agreement for Non-Incumbent Transmission Owners (“Non-Incumbent TOA”), which is contained in Section 31.11 (Attachment Y, Appendix H) of the NYISO Open Access Transmission Tariff (“OATT”).³ Under the RC Agreement, the NYISO will provide the reliability services normally accorded a Non-Incumbent Transmission Owner (“NTO”) under the Non-Incumbent TOA, but will not provide any corresponding market services.

The NYISO respectfully requests that the Commission waive the applicable prior notice requirements, and allow the RC Agreement to become effective as of October 25, 2019, the date that the RC Agreement was executed by the Parties. A clean, executed copy of the RC Agreement is submitted with this filing letter as Attachment I.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13.

³ The Commission accepted the Non-Incumbent TOA for filing in 2018. *See New York Independent System Operator, Inc.*, 162 FERC ¶ 61,107 (2018).

I. RELIABILITY COORDINATION AGREEMENT

APGI's Long Sault Division owns and has operational control over a series of discrete 115 kV transmission lines and certain related facilities near Massena, New York. These facilities, referred to in the RC Agreement as Reliability Coordination Customer ("RCC") Transmission Facilities, connect certain manufacturing facilities owned by Alcoa Corporation with generation and transmission facilities owned by neighboring utilities, including the New York Power Authority and National Grid USA. APGI provides open access transmission service over the RCC Transmission Facilities pursuant to an OATT accepted for filing by the Commission.⁴

The RCC Transmission Facilities are part of the Bulk Power System regulated by the Commission pursuant to FPA Section 215, and APGI is registered with the North American Electric Reliability Corporation ("NERC") as a Transmission Owner and a Transmission Operator with respect to the RCC Transmission Facilities pursuant to NERC's Reliability Functional Model. APGI has an agreement in place with the Northeast Power Coordinating Council ("NPCC"), the applicable Regional Entity, and NERC regarding APGI's obligations to comply with Reliability Standards applicable to Transmission Owners and Transmission Operators. To ensure full reliability of the New York Control Area ("NYCA"), as well as the broader Bulk Power System, the NYISO has agreed to provide to APGI, in its capacity as a Transmission Operator, Reliability Coordination Service. The RC Agreement defines the nature of that service, as well as the respective obligations of both the NYISO and APGI in connection with the NYISO's provision of Reliability Coordination Service to APGI.

As discussed above, the RC Agreement uses the terms and conditions set forth in the Non-Incumbent TOA, but modifies those terms and conditions to include only the reliability services under the Non-Incumbent TOA, and not the market services otherwise governed by that agreement. APGI provides open access transmission service under its own OATT, and therefore does not require the market services otherwise offered under the Non-Incumbent TOA.⁵

The services to be provided by NYISO to APGI under the RC Agreement constitute a limited subset of the services normally provided to an NTO under the Non-Incumbent TOA, and focus on the monitoring and reliable operation of the RCC Transmission Facilities. Among the key services to be provided by the NYISO under the RC Agreement are the following functions with respect to the RCC Transmission Facilities: (1) the provision of outage coordination service, (2) the performance of operations planning analyses, (3) the conduct of real-time assessments, monitoring, and wide-area situational awareness, (4) the performance of certain Planning Coordinator and Balancing Authority functions, (5) the administration of a methodology for calculating System Operating Limits and Interconnection Reliability Operating

⁴ See Letter Order, *Alcoa Power Generating, Inc.*, Docket Nos. ER16-2222-000, *et al.*, issued October 28, 2016 (accepting APGI's OATT for filing).

⁵ Although the provision of stand-alone reliability coordination services without accompanying market services has been a practice in other regions (*see, e.g.*, Module F of the Midcontinent Independent System Operator, Inc. Open Access Transmission, Energy and Operating Reserve Markets Tariff), it constitutes a unique circumstance in the NYCA, and one that the NYISO does not expect to recur.

Limits, (6) the approval of system restoration plans, (7) the conduct of system restoration drills, and (8) the issuance of operating instructions to APGI.

The NYISO will provide Reliability Coordination Service to APGI without monetary compensation. In exchange for the provision of Reliability Coordination Service, APGI agrees to conform to a series of registration and operational requirements. These include (1) maintenance of APGI's registration with NERC and NPCC as a Transmission Owner and a Transmission Operator, (2) the installation of equipment, including telemetry and metering equipment, identified by the NYISO as necessary for the performance of Reliability Coordination Service, (3) compliance with all applicable NYISO procedures and manuals identified by the NYISO as required for the provision of Reliability Coordination Service, (4) the provision to NYISO of any data, operating plans, operating procedures, studies, reports, or other information identified by the NYISO as necessary for the provision of Reliability Coordination Service, (5) the obligation to follow all operating instructions issued by the NYISO in its capacity as a Reliability Coordinator and Balancing Authority, (6) the performance of all applicable Transmission Operator obligations, as determined by NPCC, under the applicable Reliability Standards, (7) compliance with all applicable Reliability Rules issued by NERC, NPCC, or the New York State Reliability Council ("NYSRC") as identified by NYISO for the provision of Reliability Coordination Service, (8) prompt conduct of investigations of malfunctions, failures, and/or outages of equipment, facilities, or transmission related to the provision of Reliability Coordination Service, and the provision to the NYISO of the results of such investigations, and (9) the prompt provision of any information requested by the NYISO in connection with relevant audits or investigations performed by the Commission, NERC, NPCC, NYSRC, or the NYISO itself. The RC Agreement allows APGI to take actions under appropriate circumstances to maintain Safe Operations, and to delegate certain functions to third parties.

The remainder of the RC Agreement provides terms governing assignment, limitations of liability, indemnification, force majeure, term and termination of the RC Agreement, confidentiality, governing law, the application of the Mobile-Sierra Doctrine, and related matters. These provisions are substantially the same as comparable provisions in the *pro forma* Non-Incumbent TOA.

II. PROPOSED EFFECTIVE DATE

The NYISO respectfully requests that the Commission allow the RC Agreement to become effective as of October 25, 2019, the date that the RC Agreement was executed by the Parties. The RC Agreement is designed to strengthen the reliability of the NYCA and the broader Bulk Power System, and an earlier effective date will help to promote reliability. Accordingly, the NYISO submits that good cause exists for a waiver of the Commission's prior notice requirements necessary to allow the RC Agreement to become effective as of October 25, 2019.

III. COMMUNICATIONS

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IV. SERVICE

The NYISO will send an electronic link to this filing to the official representative of APGI, to each participant on its stakeholder committees, and to the New York Public Service Commission. In addition, a complete copy of the documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

V. CONCLUSION

Wherefore the NYISO respectfully requests that the Commission accept the RC Agreement for filing with an effective date of October 25, 2019.

Respectfully submitted,

/s/ Christopher R. Sharp

Christopher R. Sharp

Counsel for

New York Independent System Operator, Inc.

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