

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

Communication of Operational Information)	Docket No. RM13-17-000
Between National Gas Pipelines and)	
Electric Transmission Operators)	

The New York Independent System Operator (“NYISO”) submits these comments in response to the Notice of Proposed Rulemaking (the “NOPR”) issued by the Federal Energy Regulatory Commission (“FERC” or “Commission”) in this proceeding.

I. INTRODUCTION

The NYISO supports FERC efforts to encourage sharing of non-public, operational information regarding gas supply and transport for the purpose of promoting reliable service or operational planning. Improved knowledge of any real-time conditions on the gas pipeline system that could impact generator capability would help maintain reliability. For that reason, the NYISO joins the ISO/RTO Council (“IRC”) Comments in support of this NOPR. The NYISO hereby supplements those Comments with the following proposals:

- (1) FERC should encourage sharing of non-public operational information by generators, fuel managers, and intrastate and local gas distribution company (“LDC”) pipelines;
- (2) FERC should encourage pipelines to provide greater detail to electric transmission operators when issuing notifications; and
- (3) Generators should notify transmission operators that they are off-schedule and participate in discussions between transmission operators and pipeline owners, but only when it is necessary and appropriate to do so for reliability.

These additions will provide more information and flexibility to improve the ability of the NYISO and other transmission operators to maintain reliability during cold weather periods.

II. COMMENTS

A. FERC Should Encourage the Sharing of Non-Public, Operational Information by Generators, Fuel Managers, and Intrastate and LDC Pipelines

The NYISO supports the ability to obtain non-public, operational information from interstate gas pipelines. However, given the reality of the way gas is bought and sold—*not just shipped* through the gas pipeline system—the NYISO notes that involving only interstate pipelines and transmission operators in the proposed information sharing could give an incomplete picture of generator capability. While there are likely situations where knowledge of pipeline pressure or capacity is enough to infer generator capability, there are also situations where the pipeline has adequate capacity, but has no knowledge of whether a generator is able to purchase gas. Only the generator and/or its fuel manager would know if additional gas supply will or can be purchased. To that end, it is important that transmission operators receive that information.

Further, for the NYISO, receiving information from intrastate and LDC pipelines would also be useful. The majority of New York Control Area (NYCA) gas-fired generators are *not* directly connected to the interstate pipelines. In fact, of all gas-fired generation capacity in New York, about 30% is directly connected to the interstate pipelines. While sharing detailed information that would impact directly connected units would be helpful, understanding the same level of detail about the majority of the NYCA gas-fired capacity located behind an LDC—which includes *virtually all* units in New York City and Long Island—would be most helpful.

Extending the NOPR to include intrastate and LDC pipelines—and explicitly encouraging the option of such communications from generators and fuel managers—would allow the NYISO to receive detailed operational information impacting the majority of its gas-

fired generators. While the NYISO is aware that state regulations govern the operations of intrastate pipelines, Hinshaw pipelines, and LDCs, FERC should encourage the same shared communication between these entities and transmission operators.

B. The NYISO Supports the Types of Non-Public Operational Information Sharing Proposed By FERC and Proposes that FERC Also Support Sharing of More Specific Details on Pipeline-issued Notifications

As noted in the IRC Comments in response to this NOPR, the NYISO and the IRC support the examples of non-public operational information sharing provided by the Commission in the NOPR. In particular, given the timing of when generators purchase and nominate gas day-ahead, the NYISO agrees that receiving information as to whether intra-day changes to a particular shippers' nomination quantity can be accommodated in real-time would aid its operators' understanding of specific generator capability. Likewise, the ability to share information regarding the nominated quantities of shippers who are or who supply gas-fired generators would enhance NYISO operators' knowledge of real-time, next hour fuel capability of gas-fired units, especially during cold weather events. Flexibility to allow generator participation when sharing this kind of information is important. And, as noted above, the NYISO in particular would benefit from receiving this kind of information about units located behind an LDC.

In terms of additional useful information, the NYISO notes that, while the interstate pipelines presently post critical and non-critical information on their online Electronic Bulletin Boards ("EBBs"), more specific information that would indicate the extent to which a particular notification may impact a specific generator would also be useful. For example, knowing that an interstate pipeline is restricting secondary in or out of the path or interruptible nominations during the intra-day cycles is of some value, but knowing how that might impact generator

capacity located upstream or downstream of that delivery point (especially given what that generator may or may not have nominated day-ahead) is another piece of operational information the NYISO would find valuable. Simply put, receiving greater detail as to the specific impact a secondary service restriction will have on a particular generator or generators beyond what is provided in the EBB—e.g. *this secondary restriction will limit capacity north of this delivery point during these specific hours*—would enhance a transmission operator’s ability to maintain electric system reliability.

C. Transmission Operators Should Have the Flexibility to Include Generator Owners in Information Sharing, But Their Participation Should Not Be Mandated.

As a preliminary matter, the NYISO expects that its generators will, as a matter of course, react to fuel availability concerns by derating their capacity when circumstances dictate. However, the dynamic nature of operating conditions, particularly during cold weather events, make additional detailed information desirable. For that reason, along with the IRC, the NYISO supports a requirement that generators share necessary information with the electric transmission operator regarding the possibility that the generator’s natural gas service may be disrupted.

In addition, the NYISO notes that transmission operators need flexibility to decide whether or not to include generators when receiving non-public, operational information from pipeline owners, given the varying reasons why the non-public information may be sought. The reasons a generator might be off-schedule vary, and those reasons will affect whether it is necessary or appropriate for the generator to be included in a communication between the transmission operator and pipeline owner. For instance, the availability of gas transmission capability may be important to a generator needing to seek additional gas. In that circumstance, it may be appropriate to institute a three-way communication among the transmission operator,

pipeline owner, and generator, particularly if that generator's scheduled dispatch is critical to reliability. By contrast, if an operational issue on a pipeline makes it impossible for multiple generators along that pipeline to receive their purchased, nominated gas, it is less appropriate to include the generators in communication between the ISO and the interstate pipeline.

In sum, in most cases, the generators already inform the NYISO of any operating limitations by derating their available capacity. However, understanding their hour ahead generating capability over the dispatch day more completely and, in particular, the reasons underlying any consequent inability to respond to further dispatch signals, will best allow the NYISO to assess and respond to reliability concerns.

III. CONCLUSION

For the foregoing reasons, the NYISO respectfully requests that Commission consider the NYISO's comments as articulated above.

/s/ Carl F. Patka
Carl F. Patka
Assistant General Counsel
Christopher R. Sharp
Compliance Attorney
Raymond Stalter
Director, Regulatory Affairs
New York Independent System Operator, Inc.
10 Krey Blvd
Rensselaer, New York 12144

August 26, 2013

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 in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Rensselaer, NY this 26th day of August, 2013.

By: /s/ John C. Cutting

John C. Cutting
New York Independent System Operator, Inc.
10 Krey Blvd.
Rensselaer, NY 12144
(518) 356-7521