

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

Revision to Electric Reliability)
Organization Definition of Bulk)
Electric System)

Docket No. RM09-18-000

**REPLY COMMENTS OF
THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits these reply comments in response to issues raised in initial comments filed by parties to the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) March 18, 2010 *Notice of Proposed Rulemaking* (“NOPR”) regarding *Revision to Electric Reliability Organization Definition of Bulk Electric System*.¹

I. COMMUNICATIONS AND CORRESPONDENCE

All communications and services in this proceeding should be directed to:

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¹ Although the Commission did not establish a deadline for the submission of reply comments to the NOPR, the NYISO, to the extent necessary, respectfully moves for permission to submit these reply comments in answer to initial comments filed in this proceeding. The Commission generally accepts answers to filings in its proceedings where they are helpful to provide a complete record. After reviewing the comments of the Public Service Commission of the State of New York (NYPSC), the Northeast Power Coordinating Council (NPCC), Inc., and the New York State Reliability Council, (NYSRC) the NYISO provides these comments to clarify its position that, if the FERC decides to do so in the name of national uniformity, the NYISO does not object to the 100 kV threshold for defining Bulk Electric System facilities. The NYISO submits that these reply comments submitted in response to those of the NYPSC, NYSRC, and NPCC will clarify NYISO’s position regarding the NOPR and complete the record.

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II. COMMENTS

In its initial comments, the NYISO stated that “[i]f the Commission determines that a uniform definition of the Bulk Electric System (“BES”) should be adopted across North America, the NYISO does not object to the Commission’s proposal to define the BES in which the North American Electric Reliability Corporation (“NERC”) standards apply to all transmission facilities 100 kV and above.” After reviewing the initial comments of the Public Service Commission of the State of New York (“NYPSC”), the Northeast Power Coordinating Council, Inc. (“NPCC”), and the New York State Reliability Council (“NYSRC”), the NYISO wishes to augment and clarify the comments it previously submitted. First, the NYISO reaffirms its long standing support for the development and enforcement of mandatory reliability standards throughout the United States.

While the NYISO supports FERC’s efforts to develop reliability standards, the Commission should be aware that the NYPSC has stated that the proposed BES definition has not been demonstrated to “obtain any measurable reliability benefits” beyond the definition that is currently in effect in the NPCC.²

² NYPSC Comments, at 6.

Second, according to the NERC and the NPCC, the costs of compliance with the 100 kV BES definition are estimated to exceed \$280 million for the United States Portion of the NPCC.³ As the NYISO pointed out in its initial comments, this estimate includes \$2.85 million in estimated NYISO annual costs, which will most likely be ultimately reflected in retail rates.

Finally, the NYISO respectfully requests that the Commission consider, before issuing a final rule, whether it could achieve the desired level of reliability objectives by using a functional test to define the BES facilities that are subject to the NERC standards. Specifically, as requested by the NYPSC, FERC should allow the NPCC to use an impact-based analysis, such as a Transfer Distribution Factor (“TDF”), to identify transmission facilities that play a significant role in system transfers, and apply the NERC standards to those facilities. As the NYSRC requested, “[t]he Commission should permit NPCC to continue to use an impact methodology to determine which facilities should be included in the definition of the bulk electric system”⁴

III. CONCLUSION

Wherefore, for the foregoing reasons, the NYISO respectfully requests that the Commission accept these reply comments in the above-captioned proceeding.

³ Docket No. RC09-3-000, Compliance Filing and Assessment of Bulk Electric System Definition Report of the NERC and NPCC (filed September 21, 2009), at 13.

⁴ NYSRC comments, at 9.

Respectfully submitted,

/s/ Carl F. Patka

Carl F. Patka

Counsel to the

New York Independent System Operator, Inc

May 25, 2010

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 25th day of May, 2010.

/s/ Joy A. Zimmerlin

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