

December 18, 2015

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Docket No. ER16-81-000, Huntley Power LLC

Dear Secretary Bose:

On October 14, 2015, Huntley Power LLC (“Huntley”) filed an unexecuted cost-of-service agreement, designated as Huntley’s FERC Electric Rate Schedule No. 1 (“Rate Schedule”). On December 7, 2015, Huntley filed an Amended Application to revise the Rate Schedule that it filed on October 14, 2015. Huntley’s Amended Application incorporated the result of its discussions with the New York Independent System Operator, Inc. (“NYISO”) into the proposed Rate Schedule. Although the NYISO and Huntley were not able to reach agreement on all issues related to the non-rate terms and conditions of service, the NYISO appreciates Huntley’s efforts to develop an amended Rate Schedule.

While the NYISO was working with Huntley to revise the non-rate terms and conditions of the Rate Schedule, the NYISO was also working with National Grid, to determine if a local Reliability Need might require the NYISO to enter into the Rate Schedule with Huntley for a period of months. The NYISO has determined that the retirement of Huntley Units 67 and 68 on March 1, 2016 (along with the Mothball Outage of all remaining Dunkirk Units) is not expected to result in any national, regional, state or local reliability criteria violations, and that both Huntley Generators can be Retired on March 1, 2016.

The NYISO’s made its determination based on the NYISO’s proposed rules addressing RMRs that are pending Commission review in Docket No. ER16-120-000. Under its proposed rules, the NYISO would only enter into an RMR Agreement to address an identified “Reliability Need.” A Reliability Need is defined as “[a] condition identified by the ISO as a violation or potential violation of one or more Reliability Criteria and, for purposes of administering the Gap Solution process in Section 31.2.11, applicable local criteria.”¹

¹ See NYISO’s Proposed OATT Section 31.1.1. “Reliability Criteria” are the electric power system planning and operating policies, standards, criteria, guidelines, procedures, and rules promulgated by the North American Electric Reliability Corporation, Northeast Power Coordinating Council and the New York State Reliability Council.

Attached are (1) a letter dated December 11, 2015 from Mr. Rick Gonzales (NYISO) to Mr. John Spink (National Grid), requesting confirmation that it will not be necessary to retain Huntley Units 67 and/or 68 to meet local reliability criteria; and (2) a response dated December 16, 2015 from Mr. Spink to Mr. Gonzales confirming that it is not necessary to retain the Huntley or Dunkirk plants in order to satisfy National Grid's local reliability planning criteria.

The NYISO's determination has been communicated to Huntley, and this filing will be publicly posted on the NYISO's web site. The NYISO does not intend to execute a Reliability Must-Run Agreement with Huntley, or to further participate in this Docket.

Please contact the undersigned with any questions regarding this letter.

Respectfully submitted,

/s/ Alex M. Schnell

Robert E. Fernandez

General Counsel

Karen G. Gach

Deputy General Counsel

Alex M. Schnell

Assistant General Counsel/Registered Corporate
Counsel

New York Independent System Operator, Inc.

10 Krey Blvd.

Rensselaer, New York 12144

(518) 356-8707

aschnell@nyiso.com

cc: Michael Bardee
Anna Cochran
Kurt Longo
Max Minzner
Daniel Nowak
Larry Parkinson
J. Arnold Quinn
Douglas Roe
Kathleen Schnorf
Jamie Simler
Gary Will

December 11, 2015

Mr. John Spink
Vice President, Control Center Operations
National Grid
7437 Henry Clay Blvd
HCB#3
Liverpool, NY 13088

Dear John:

By letter dated October 30, 2015, National Grid informed the New York Public Service Commission that reliability of the local National Grid transmission system and the Bulk Power System can be maintained through at least 2020 even if Dunkirk is mothballed and Huntley is retired effective March 1, 2016, subject to the implementation of certain system upgrades.

In order for the NYISO to make a final determination regarding whether a need exists for Huntley Generating Units 67 and/or 68 to be retained as Reliability Must Run (RMR) generator(s), the NYISO requests certain confirmations from National Grid that are described below.

NERC, NPCC and NYSRC Reliability Criteria

In the event that both Huntley and Dunkirk are out of service, the NYISO has verified that all applicable NERC, NPCC and NYSRC reliability criteria for the New York State Bulk Power System can be maintained once certain relay setting modifications at the Sawyer 23kV distribution station are implemented.

The NYISO requests that National Grid please state via a written response to this letter whether or not: (a) all applicable NERC, NPCC and NYSRC reliability criteria for the non-bulk National Grid system will similarly be maintained when the relay setting modifications at the Sawyer 23kV distribution station are implemented, and (b) whether National Grid will make the relay setting modifications at the Sawyer 23kV distribution station by March 1, 2016.

Applicable Local Criteria

The NYISO requests that National Grid please state in a written response to this letter whether or not it has identified a need for Huntley Generating Units 67 and/or 68 to be retained as Reliability Must Run (RMR) generator(s) to meet any applicable local criteria.

Mr. John Spink
Vice President, Control Center Operations
National Grid
Page 2 of 2

Information Required to Justify Execution of an RMR Agreement Based on applicable local criteria

In order for the NYISO to enter into an RMR Agreement to address an identified Reliability Need based on applicable local criteria, the NYISO must provide a complete explanation of the relevant local criteria to FERC. The NYISO's explanation must include documentation as to when the criteria became effective, how the criteria were applied, which regulatory body approved the reliability standard, and any other supporting information. If appropriate, National Grid should include this information in its written response.

The NYISO requests National Grid provide its response to this letter no later than December 16, 2015. The NYISO thanks National Grid for its efforts and cooperation in our mutual interest of maintaining New York State electric system reliability.

Sincerely,



Rick Gonzales
Chief Operating Officer
New York ISO

Cc: Raj Addepalli, DPS Staff
Leka Gjonaj
Jerry Acona
Michael Worden
Dave Drexler
Jay Goodman

Ken Daly, National Grid
Peter Altenburger
Bart Franey
Carlos Gabilondo

Rich Dewey, NYISO
Wes Yeomans
Henry Chao
Zach Smith

December 16, 2015

Via Electronic Mail

Rick Gonzales
Chief Operating Officer
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Re: Huntley Power LLC, Proposal to Retire Generating Units 67 and 68

Dear Rick,

I write in response to your December 11, 2015 letter to me regarding the effects on the transmission system of Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or “the Company”) from the retirement of Huntley Units 67 and 68 effective March 1, 2016 proposed by Huntley Power LLC (“Huntley”), and the mothballing of the remaining unit operating at Dunkirk Power LLC (“Dunkirk”) plant by January 1, 2016.

National Grid has evaluated its transmission system and has determined it is not necessary to retain the Huntley or Dunkirk plants in order to satisfy NERC, NPCC, or NYSRC reliability criteria, or the Company’s local transmission planning criteria.

NERC, NPCC and NYSRC Reliability Criteria

Your December 11 letter states the NYISO has verified that all applicable NERC, NPCC and NYSRC reliability criteria for the New York State Bulk Power System can be maintained once certain relay settings modifications are implemented at the Sawyer 23 kV distribution substation.

National Grid is planning to implement certain relay settings modifications at its Sawyer 23 kV distribution substation, with a projected completion date of December 31, 2015. National Grid confirms that once these modifications are implemented, all NERC, NPCC and NYSRC reliability criteria applicable to National Grid’s non-bulk transmission system can be maintained without any of the Dunkirk or Huntley units in service.

Applicable Local Criteria

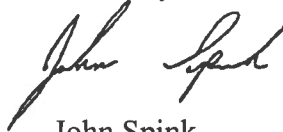
National Grid has evaluated its local transmission planning criteria and has determined that it is not necessary to retain the Huntley or Dunkirk plants in order to satisfy the Company’s local transmission planning criteria.

Update to October 30, 2015 Letter

In its October 30, 2015 letter to the New York Public Service Commission, National Grid committed that it would continue to evaluate system conditions and provide updates to the NYISO and Department of Public Service Staff regarding planned transmission projects. In the October 30 letter, National Grid indicated its intent to install two 230kV capacitor banks in the Huntley area along with potential reconfigurations and/or relay setting modifications at a 23kV distribution station to address voltage reliability issues primarily due to 23kV load connected to the 230kV system. Since that time, the Company has determined that applicable reliability criteria can be maintained with the relay setting modifications alone. Installation of the capacitor banks is recommended to maintain voltage levels and aid in service restoration under certain contingency conditions; however, the capacitor banks are not required to meet applicable reliability criteria. As indicated above, National Grid anticipates that the necessary relay setting modifications will be in place by December 31, 2015. Both capacitor banks are expected to be in service before June 1, 2016.¹ The Company will continue to provide bi-weekly schedule updates to Zach Smith until the projects are completed.

Please contact me if you have questions regarding any of the above information.

Sincerely,



John Spink

cc: Raj Addepalli, DPS Staff
Jerry Ancona
David Drexler
Leka Gjonaj
Jay Goodman
Michael Worden

Henry Chao, NYISO
Richard Dewey
Zach Smith
Wes Yeomans

Peter Altenburger, National Grid
Ken Daly
Bart Franey
John Gavin
Bill Malee

¹ The Company also continues to progress the project to reconductor the 115kV lines between Homer Hill and Five Mile Road, which it expects to complete by December 31, 2015.

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 18th day of February, 2015.

By: /s/ John C. Cutting

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