

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

Revisions to Electric Reliability)	Docket Nos.	RM12-6-000
Organization Definition of Bulk Electric)		RM12-7-000
System and Rules of Procedure)		

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

I. INTRODUCTION

The New York Independent System Operator respectfully submits these comments in response to the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) Notice of Proposed Rulemaking (“NOPR”), dated June 22, 2012.¹ In its NOPR, the Commission proposes to approve a modification to the definition of Bulk Electric System (“BES”) developed by the North American Electric Reliability Corporation (NERC) and also proposes to approve certain revisions to NERC’s Rules of Procedure. The NYISO supports the Commission’s efforts on this matter and also appreciates this opportunity to offer comments. Specifically, the NYISO would like to support the Commission’s proposed 24-month implementation period and requests clarification to the exception process in the NERC Rules of Procedure.

II. COMMUNICATIONS AND CORRESPONDENCE

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

Robert E. Fernandez, General Counsel
Raymond Stalter, Director of Regulatory Affairs
*Carl F. Patka, Assistant General Counsel

¹ *Revisions to Electric Reliability Organization Definition of Bulk Electric System and Rules of Procedure*, 139 FERC ¶ 61,247 (June 22, 2012) (“NOPR”)

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III. COMMENTS

A. The NYISO supports the Commission's proposed 24-month implementation period as it gives the industry time to make the organizational changes necessary under the new BES definition.

In its petition, NERC proposed that the new BES definition become effective on the first day of the second calendar quarter after receiving regulatory approval and that the compliance obligations for all elements newly identified as included in the BES based upon the revised definition should begin 24-months after the applicable effective date of the definition.² FERC proposes to approve NERC's 24-month implementation period because adequate justification has been provided by NERC.³ NYISO supports the 24-month implementation period proposed by NERC and provides additional justification for a period beyond the 18-months originally set forth by FERC in Order 743.

The change in the BES definition will have a significant impact in the New York Control Area and on the NYISO, particularly in its role as the Reliability Coordinator. NERC's Interconnection Reliability Operations and Coordination standards explicitly state the

² NOPR at ¶¶ 119, 120.

³ NOPR at ¶ 120.

responsibilities and authorities of the Reliability Coordinator in terms of next day planning, current operations, operational analysis and real-time assessments, monitoring facilities and other pertinent topics. In planning to meet these new obligations, the NYISO needs the entire 24-month implementation period to: (i) select and train additional operating personnel; (ii) enlarge the scope of its operational span of control; (iii) revise its operating policies and procedures to include the new BES facilities; (iv) update planning, commitment and real-time models; and (v) create appropriate compliance documentation.

For all these reasons, the NYISO supports the extension of the implementation period from 18-months to 24-months to fully implement the new BES definition within the New York Control Area.

B. The NYISO requests additional clarification and detail in the Exception process of NERC's Rules of Procedure to provide interested parties notice and an opportunity to be heard.

FERC proposes to approve the proposed changes to NERC's Rules of Procedure that detail the exception process⁴ by which entities may petition their Regional Entity or NERC to change the default classification of a facility or element. The NYISO supports this effort to provide entities an opportunity to challenge the default designation, but seeks additional clarification on certain aspects of this process. Specifically, the Rules of Procedure do not specify how an interested third party will receive notice and an opportunity to be heard during an exception proceeding. While FERC has requested an informational filing from NERC detailing

⁴ NYISO understands that an exception proceeding could add or remove specific facilities from the list of BES facilities. NOPR at ¶ 12 fn. 21.

how the list of facilities that have received exceptions will be made public, the NYISO needs notice in advance so that it can be involved in the process prior to the exception being granted.

ISOs and RTOs have an interest in participating in an exception proceeding prior to a final determination by the Regional Entity or NERC. The NYISO can also assist NERC or the Regional Entity by offering its operational experience and relevant information in an exception proceeding involving facilities within the New York Control Area. Further, exception requests may affect NYISO operationally or in its planning studies depending upon the final determination made on the specific exception request. Accordingly, NYISO requests that FERC direct NERC to clarify its Rules of Procedure to provide interested third parties notice and an opportunity to be heard on exception requests by facilities in its control area.

IV. CONCLUSION

WHEREFORE, for the reasons stated above, the NYISO requests that the Commission consider these comments and grant the requested clarification, as discussed above.

Respectfully submitted,

/s/ Kristin A. Bluvas

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September 4, 2012

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 4th day of September, 2012.

/s/ Joy A. Zimmerlin

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