

## **DOWNSTATE GAS-ELECTRIC PROTOCOL**

For purposes of this Downstate Gas-Electric Protocol (“Downstate Protocol”), the following terms shall have the meaning set forth below:

### **Definitions**

“As Currently Required” shall mean as required by the practices, protocols, and procedures that were in effect between and among some or all of the Parties prior to the effective date of this Downstate Protocol, and as may be amended in the future.

“Bulk Critical Generator” shall mean a Generator that is needed by the NYISO in order to prevent the shedding of firm electric load and that has been derated by reason of a GSE.

“Critical Generators” shall mean Bulk Critical Generators and Local Critical Generators, collectively.

“Department of Public Service” or “DPS” shall mean the New York State Department of Public Service.

“Downstate Area” shall mean that portion of the New York Control Area contained in New York City and Long Island delineated by NYISO Zones J and K, also commonly known as New York City and Long Island.

“Emergency Energy Alert” or “EEA” shall mean an emergency event as defined in the NYISO’s Emergency Operations Manual.

“Feasible Critical Generator” shall mean a Critical Generator that is able to be supplied by an LDC with natural gas.

“Feasible Natural Gas” shall mean natural gas that an LDC is able to make available to supply a Critical Generator.

“Gas System Event” or “GSE” shall mean an action taken by a Local Distribution Company, including issuance of an OFO, in accordance with its tariff and/or its Gas Transportation Operating Procedures for Power Generation Customer, which causes the LDC to, restrict, interrupt, impose limits on or curtail the transportation of natural gas and/or balancing services to a Generator.

“Generator” shall mean any one of the Downstate Area electric generation units and their owners listed in Attachment A.

“Good Utility Practice” shall mean any of the practices, methods or acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method,

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or act to the exclusion of all others, but rather to delineate acceptable practices, methods, or acts generally accepted in the region.

“Local Critical Generator” shall mean a Generator that is needed by a TO in order to prevent shedding of firm electric load and that has been derated by reason of a GSE.

“Local Distribution Company” or “LDC” shall mean each of Consolidated Edison Company of New York, KeySpan Energy Delivery New York, or KeySpan Energy Delivery Long Island, or their successors (and collectively the “LDCs”).

“New York Independent System Operator” or “NYISO” is the New York not-for-profit corporation responsible for providing open access transmission service, maintaining bulk power system reliability, and administering wholesale electricity markets in New York State.

“OFO” shall mean an Operational Flow Order issued by an LDC.

“Parties” shall mean the New York Independent System Operator; Consolidated Edison Company of New York, Inc.; KeySpan Energy Delivery New York; KeySpan Energy Delivery Long Island; Long Island Power Authority; and the Generators and Power Plant Operators listed in Attachment A.

“PPO” shall mean any one of the entities who operate a Power Plant on behalf of a generator in Attachment A.

“TO” shall mean each of the Consolidated Edison Company of New York, and the Long Island Power Authority (collectively the “TOs”).

#### **A. General Application**

1. This Downstate Protocol shall apply to the Downstate Area and shall apply to circumstances in which the NYISO has determined (for the bulk power system) or a TO has determined (for the local power system) that the loss of a Generator due to a GSE would likely lead to the loss of firm electric load. This Downstate Protocol shall also apply to communications following the declaration of an OFO or an Emergency Energy Alert.

2. The purpose of this Downstate Protocol is to be one of mutual assistance. Accordingly, nothing in this Downstate Protocol creates any obligation for an LDC to modify an OFO or to make gas supplies available to a Critical Generator(s). The decision to modify or not modify an OFO or to make available or not make available Feasible Natural Gas to a Critical Generator(s) shall be the LDC’s alone, in its sole discretion. Any provision of Feasible Natural Gas shall be made pursuant to the terms of the LDC’s retail tariffs. Moreover, nothing in this Downstate Protocol creates an obligation on the part of the LDC to modify the terms and conditions of the LDC’s gas tariffs and operating procedures in order to make Feasible Natural Gas available to Critical Generators.

3. The Parties agree that they shall follow Good Utility Practice in carrying out their obligations under this Downstate Protocol.

**B. Notifications**

1. Upon the declaration of an OFO by an LDC in the Downstate Area, the LDC shall notify the DPS and the PPOs affected by the OFO, As Currently Required. In addition, the LDC shall notify the relevant TOs. The declaration shall specify the date(s) and time(s) that the OFO will be effective and the specific service, receipt point(s) and delivery point(s) affected. The TOs shall notify the NYISO of the OFO.
2. Upon the declaration of an EEA by the NYISO due to a capacity shortage that involves the Downstate Area, the NYISO shall inform the TOs of such through normal communication channels, As Currently Required, and the TOs shall notify the LDCs of the EEA.
3. Upon the occurrence of a GSE requiring a PPO to derate a Generator, the PPO shall notify the TO of the derating, As Currently Required. The TO shall in turn notify the NYISO, As Currently Required.

**C. Assessment of the Electric System Following a Generator Derating**

1. Upon the notification of the derating of a Generator by a PPO, the TO shall assess the reliability of the local power system, As Currently Required. The TO shall assess whether any Generators that are derated due to a GSE is a Local Critical Generator. If any of those Generators is determined to be a Local Critical Generator, the TO shall assess, by hour, the amount of electric energy needed to avoid the shedding of firm electric load. The TO shall then communicate its findings to the NYISO, As Currently Required.
2. Upon receiving notification from the TO that the derating of a Generator due to a GSE results in a reliability concern, the NYISO shall assess the reliability of the bulk power system, As Currently Required. The NYISO shall determine whether any Generators derated due to a GSE is a Bulk Critical Generator. If any of those Generators is determined to be a Bulk Critical Generator, the NYISO shall determine, for each hour, the amount of electric energy needed to avoid the shedding of firm electric load.

**D. Assessment of Energy Requirement**

1. The NYISO shall notify the TO that one or more Bulk Critical Generators has been identified and shall notify the TO of the amount of electric energy needed for each hour from each of the Bulk Critical Generators.
2. The TO shall notify the NYISO that one or more Local Critical Generators has been identified and shall notify the NYISO of the amount of electric energy needed for each hour from each of the Local Critical Generators.
3. The TO shall notify each of the Critical Generators of the amount of electric energy needed for each hour from each of the Critical Generators.
4. The TO shall notify each of the relevant LDCs delivering natural gas to Critical Generators that one or more Critical Generators has been identified, and shall notify the LDCs of the amount of electric energy needed for each hour from each of the Critical Generators.

**E. Assessment of Gas Requirements**

1. The PPO of each Critical Generator or, if appropriate, its designated fuel manager, shall attempt to procure natural gas and shall notify the LDC of the amount of natural gas that it has procured, if any, and the proposed delivery point(s) it plans to use, subject to confirmation of the relevant the interstate pipeline. The PPO shall also inform the LDC of the estimated amount of natural gas, if any, still needed to operate in accordance with the NYISO’s schedule for each hour that the Critical Generator is required.
2. The LDC shall confirm whether or not it is able to receive the volumes procured by the PPO or its fuel manager and, if it is not able to receive the procured gas at the identified delivery point(s), whether it is able to identify an alternative point(s) of delivery to meet the Critical Generator’s natural gas requirement in whole or in part.
3. If an OFO is in effect, the LDC shall evaluate whether it is able to modify such OFO in a manner that would accommodate the delivery of all or any of the natural gas procured by the PPO or its designated fuel manager. The LDC shall notify the Critical Generators, the NYISO, the TO and the DPS whether it can receive and deliver all, any or none of the natural gas procured by such Critical Generator.

**F. Coordination of Gas Usage**

1. Upon receiving notification from the TO of the Critical Generators’ electric energy requirements, and from each of the Critical Generators of the results of its natural gas procurement efforts, and any unfilled natural gas and delivery requirements, the LDC shall assess its ability to meet the estimated remaining natural gas needs of the Critical Generators. The LDC shall determine, for each hour, which of the Critical Generators can be feasibly supplied with natural gas and, for each hour, the quantity of natural gas that can be feasibly made available and delivered to the Critical Generator beyond the level that that the Critical Generators have been able to procure for themselves.
2. The LDC shall notify the Critical Generators, the TO and the DPS of the amount, if any, of Feasible Natural Gas that can be made available and delivered in each hour to each of the Feasible Critical Generators. The PPO of each Feasible Critical Generator or, if appropriate, its designated fuel manager, shall notify the LDC of the estimated portion of its Feasible Natural Gas that it expects to use.
3. The PPO of each Feasible Critical Generator shall contact the TO and modify the Generator’s derating to reflect its capabilities with the Feasible Natural Gas. The TO shall notify the NYISO of changes in the derating of each Feasible Critical Generator, As Currently Required.
4. In the event that no additional natural gas can be made available and delivered to one or more Critical Generators by the LDC, the LDC shall inform the TO and the TO shall inform the NYISO.

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5. An LDC providing Feasible Natural Gas shall be compensated by the Critical Generator(s) in accordance with the LDC gas tariff provision determined to be applicable by the DPS.

**G. Form of Communications**

1. All communications between the Parties specified above shall use pre-existing communication channels which shall be by official telephone contact or by e-mail as shown in the Attachments to this Downstate Protocol.

2. The Parties shall be responsible for updating each other with any changes in contact details listed on Attachments A through D as soon as reasonably practicable after any contact details change, but in no event more than five days after such contact details change.

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