



phased-in in Consolidated Edison's service territory and will not be fully implemented until 2001.<sup>2</sup> The pace of retail competition is not part of the NYISO's mandate. Similarly, the NYC Commenters dismiss the Northeastern ISOs' plans to eliminate "institutional impediments" to inter-regional coordination that they blame for New York City's transmission problems because it is uncertain that they will succeed, ignoring the possibility that voluntary coordination might be a cost-effective alternative to an ISO merger. Finally, the NYC Commenters argue that a lack of transmission coordination between New York City and its neighboring regions has contributed to load pocket conditions,<sup>3</sup> without recognizing that New York City's high load density, coupled with the difficulty of siting new transmission within it, will make it a potential load pocket, no matter how large an RTO encompasses it. In short, the NYC Commenters have not shown how the evils they perceive would be alleviated by the establishment of a "Northeastern RTO."

Moreover, the NYC Commenters entirely disregard the dramatic costs that their proposal would create. Indeed, they have failed to even clearly specify the RTO borders they would have the Commission prescribe; the City appears to prefer a New York-New Jersey-Connecticut-Pennsylvania model that would undo all three Northeastern ISOs while leaving most of New England, as well as Maryland and the District of Columbia, to fend for themselves. More generally, any effort to radically reconfigure the existing Northeastern ISOs will be very expensive and time-consuming. Such a requirement would surely push back the realization of the competitive and reliability benefits that the NYISO will provide and thus perpetuate the problems that the NYC Commenters identify. A forced

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<sup>2</sup> *Citing NYPSC web-site.*

<sup>3</sup> *Reply Comments of the New York Energy Buyers Forum at 5.*

combination would also deprive the industry of the opportunity to learn from the three separate transmission experiments presently underway in the Northeast.

Consequently, the NYISO continues to believe that although ISOs are new institutions, they have already done, and will continue to do, a great deal to strengthen reliability, foster competition, attract new capital, promote technological innovation, and unleash competitive and creative forces. The Commission should continue its commitment to respect the investment of time and resources that have been made in previously approved, voluntarily-created ISOs and avoid forcing changes in the midst of their critical implementation periods. This is no time for the sort of abrupt, radical revisions that the NYC Commenters recommend.

Respectfully submitted,

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**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.

Dated at Washington, DC this 6<sup>th</sup> day of October 1999.

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