

October 7, 2019

By Electronic Delivery

Ona Papageorgiou, P.E.
New York State Department of Environmental Conservation
Division of Air Resources
625 Broadway
Albany, NY 12233-3255
E-mail: Air.Reg@dec.ny.gov

Re: Supplemental Comments of the New York Independent System Operator on the Revised Rulemaking to Set Nitrogen Oxide (NO_x) Emission Rate Limits for Simple Cycle and Regenerative Combustion Turbines (SCCT) During the Ozone Season

Dear Ms. Papageorgiou:

The New York Independent System Operator, Inc. (“NYISO”) hereby submits supplemental comments to the New York State Department of Environmental Conservation (“DEC”) on the new proposed Part 227-3 of the DEC’s regulations concerning the Nitrogen Oxide (“NO_x”) Emission Rate Limits for Simple Cycle and Regenerative Combustion Turbines During the Ozone Season (the “Proposed Rule”).¹ Given the DEC’s proposed effective dates and compliance plan due date, the NYISO continues to support final adoption of the Proposed Rule as soon as possible.

The NYISO is committed to reliable operation of the electric system by continuously monitoring the system and taking actions necessary to maintain system reliability. Given the Proposed Rule’s expected impacts on the transmission-constrained southeastern region of New York State and the possible long lead time that may be necessary for developing and implementing solutions to identified reliability needs, it is critical that the final rule be issued in time for generators’ compliance plans to be coordinated with the NYISO’s reliability planning processes.

As discussed in the NYISO’s May 20, 2019 comments, the Proposed Rule provides for a transition to the generator NO_x emission limits on a timeline that aligns with the NYISO’s mission to

¹ *Proposed Rule Making Hearing(s) Scheduled, Set Nitrogen Oxide (NO_x) Emission Rate Limits for Simple Cycle and Regenerative Combustion Turbines*, New York State Register, I.D. No. ENV-09-19-00015-RP, August 21, 2019.

conduct comprehensive long-term planning for the state's electric power system and to plan for potential generator deactivations. Gaining greater certainty regarding potential deactivations is critical for the NYISO to timely and effectively perform reliability impact assessments in its Reliability Planning Process. The NYISO urges the DEC to timely adopt the final rule as proposed, which (1) requires generators to submit compliance plans to the DEC by March 2020 to meet the emission limits proposed for May 1, 2023 and May 1, 2025; and (2) allows the NYISO or a local transmission/distribution owner to select a generator impacted by the rule to continue to operate under a reliability must run agreement for up to two years after the compliance deadline, with a possible further two-year extension, if the generator is designated by the NYISO or a local transmission/distribution owner as needed to resolve an identified reliability need until a permanent solution is in place.

The compliance schedule in the Proposed Rule effectively integrates with the NYISO's reliability planning and generator deactivation planning processes. This integration is essential because it enables the NYISO to take into account generator compliance plans as it conducts planning assessments to identify potential reliability issues in advance. On the basis of these assessments, the NYISO can solicit permanent solutions to identified reliability needs and designate generators for continued operation under reliability must-run agreements, if necessary, while permanent solutions are being planned and built.

The NYISO offers two additional comments to clarify its understanding of the black start and electric system reliability provisions. The NYISO seeks to confirm that the exemption for black start resources applies if those resources only provide black start service, including testing their ability to provide the black start service. The Assessment of Public Comment supports this understanding by stating that "the Department does not agree that contingency or other ancillary services where black start units inject electricity to the electricity grid should be exempt from these requirements."² However, the text of the rule provides that "the provisions of this Subpart do not apply to black start resources."³ The DEC should clarify the Proposed Rule, consistent with the Assessment of Public Comment discussion, by exempting resources that only provide black start service, which includes bringing a facility from shutdown to operational without reliance on external supplies or the electric system or performing periodic black start service testing consistent with applicable reliability criteria as needed to provide black start service.⁴

The NYISO also requests that the DEC confirm that a generator may to continue to operate in accordance with Section 227-3.6 of the Proposed Rule once it is designated as a reliability source by the NYISO or the local transmission/distribution owner under Section 227-3.6, without further discretionary evaluation of whether the resource should be permitted to operate past its applicable compliance date. The NYISO seeks this clarification because the Assessment of Public Comment provides that "[i]f a reliability need is determined by the NYISO or transmission/distribution owner, then an extension to comply *may* be granted to the source."⁵ By comparison, the Proposed Rule

² See New York State Register, I.D. No. ENV-09-19-00015-RP, at p 21.

³ *Id.* at 95.

⁴ Black start resources may need to perform more frequent periodic testing in the future to maintain their black start functionality after they stop operating to provide energy and other ancillary services.

⁵ See New York State Register, I.D. No. ENV-09-19-00015-RP, at p 22 (emphasis added).

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provides that a “a designated reliability source may continue to operate without complying with the applicable emissions limits of this Subpart until one of the following provisions are met: ...”.⁶ The NYISO strongly supports the language of the Proposed Rule that allows designated resources to continue to operate for the periods of time provided in Section 227-3.6(b) or (c).

The NYISO appreciates the DEC’s consideration of these comments, and looks forward to continuing to work with the DEC to utilize wholesale competitive electricity markets to effectuate implementation of the Proposed Rule while maintaining electric system reliability for all New Yorkers.

Sincerely,

/s/ Zachary G. Smith

Zachary G. Smith

Vice President, System & Resource Planning

New York Independent System Operator, Inc.

⁶ *Id.* at p 102.