

March 6, 2015

Honorable Kathleen H. Burgess
Secretary
State of New York Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

**Re: Case 12-T-0502 – Proceeding on Motion of the Commission to
 Examine Alternating Current Transmission Upgrades**

**Case 13-E-0488 – In the Matter of Alternating Current
Transmission Upgrades – Comparative Proceeding**

**Case 13-T-0461 – Application of Boundless Energy NE, LLC for a
Certificate of Environmental Compatibility and Public Need
Pursuant to Article VII for Leeds Path West Project**

Dear Secretary Burgess:

Submitted for filing herewith in the above-entitled proceedings are “Reply Comments of the New York Independent System Operator, Inc. to Motion for Waiver Submitted by Boundless Energy NE, LLC.”

Please contact me at (518) 356-8554 or at skeegan@nyiso.com if you have any questions or concerns.

Very truly yours,

/s/ Sara B. Keegan

Sara B. Keegan
Senior Attorney

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

Case 12-T-0502 – Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades

Case 13-E-0488 – In the Matter of Alternating Current Transmission Upgrades – Comparative Proceeding

Case 13-T-0461 – Application of Boundless Energy NE, LLC for a Certificate of Environmental Compatibility and Public Need Pursuant to Article VII for Leeds Path West Project

**Reply Comments of the New York Independent System Operator, Inc.
to Motion for Waiver Submitted by Boundless Energy NE, LLC**

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits these reply comments in response to the motion submitted by Boundless Energy NE, LLC (“Boundless”) on February 24, 2015 (“Waiver Request”). Boundless requests that the New York Public Service Commission (“Commission”) postpone until June 10, 2015 the deadline for Boundless to provide notice that a System Reliability Impact Study (“SRIS”) is underway for its transmission project proposed in the above-captioned proceedings (collectively, “AC Transmission Proceeding”).¹

The NYISO does not take a position regarding whether the Commission should grant Boundless’ requested waiver. However, in light of Boundless’ comments in its Waiver Request concerning the NYISO’s administration of the interconnection requirements in its tariffs, the NYISO respectfully submits these reply comments to correct misstatements, to complete the record, and to otherwise assist the Commission in understanding the NYISO’s administration of its tariffs vis-à-vis the applicants in the AC Transmission Proceeding. As described below, the

¹ The Commission established a February 27, 2015, deadline for applicants to provide notice that an SRIS for their proposed projects is underway. Case 12-T-0502, *et al.*, Order Establishing Modified Procedures for Comparative Evaluation (issued December 16, 2014) at Appendix A. The Commission has since postponed this deadline from February 27, 2015, until March 13, 2015. Case 12-T-0502, *et al.*, Letter from Kathleen H. Burgess, Secretary, to Charles M. Pratt (February 27, 2015).

NYISO has conducted the interconnection process for Boundless' proposed project in accordance with its tariff requirements and in a non-discriminatory manner.

I. Reply Comments

A. The NYISO Has Administered the Interconnection Studies of Developers' Projects in Accordance with Its Tariff Requirements

The NYISO has and will continue to treat all of the projects proposed in the AC Transmission Proceeding in accordance with the applicable provisions of its Federal Energy Regulatory Commission ("FERC") approved tariffs.² As previously described to the Commission,³ the NYISO has evaluated the projects proposed by Boundless, NextEra Energy Transmission, LLC, and North America Transmission, LLC as Merchant Transmission Facilities under the Large Facility Interconnection Procedures in Attachment X of its Open Access Transmission Tariff ("OATT"). This approach is consistent with the NYISO's existing tariff requirements and past practice.

NYISO's OATT provides for two distinct processes for evaluation of interconnection and transmission projects – (1) the OATT Section 3.7 transmission expansion process; and (2) the OATT Attachment X interconnection process. This two-process construct is part of the NYISO's existing FERC-approved tariff, the terms and provisions of which the NYISO must apply unless and until FERC accepts modifications to the tariff.

While the scope of Attachment X of the NYISO's OATT is limited to Large Generating Facilities and Merchant Transmission Facilities, the tariff provides a separate tariff process, with

² Capitalized terms that are not defined in these comments shall have the meaning set forth in Attachments X and S of the NYISO Open Access Transmission Tariff.

³ See Case No. 13-E-0488, Reply Comments of the New York Independent System Operator, Inc. to Comments Submitted by Boundless Energy NE, LLC on May 9, 2014 (June 5, 2014).

differing study requirements, for proposals by existing Transmission Owners or other entities⁴ to expand or reinforce the New York State Transmission System. Such proposals are evaluated pursuant to Section 3.7 of the OATT, which provides for a System Impact Study (“SIS”) and a Facilities Study, but not an Interconnection Feasibility Study (“Feasibility Study”), which is solely a requirement of the interconnection procedures.⁵ Such a feasibility evaluation would be one that the Transmission Owner necessarily would perform itself, often as part of its local transmission planning process, before it decided to initiate an SIS Request under the OATT Section 3.7 process.

1) The Feasibility Study Plays an Important Role in the NYISO’s Interconnection Process

Under its interconnection procedures, the NYISO conducts three interconnection studies for proposed Merchant Transmission Facilities in accordance with Attachment X: (1) a Feasibility Study, (2) an SRIS, and (3) a Class Year Interconnection Facilities Study. The Feasibility Study plays an important role in the NYISO’s interconnection process, as it involves the following technical analyses:

- the fundamental step of designing how the project will connect to the existing system;
- identification of “fatal flaws” with regard to preliminary engineering, mechanical and geographical feasibilities; and
- thermal, voltage and short circuit analyses that indicate potential overloads that the project may cause.

The larger and more complex a project is, the more critical the Feasibility Study is.

Although in many Feasibility Studies, the NYISO finds the proposed project to be feasible, the

⁴ Other entities proposing a transmission expansion project under Section 3.7 of the NYISO’s OATT must meet the definition of Eligible Customer under the NYISO’s OATT.

⁵ The interconnection procedures are set forth in set forth in Attachment X of the NYISO’s OATT (for Large Facilities) and Attachment Z of the NYISO’s OATT (for Small Generating Facilities).

evaluation can add considerable value within the context of the interconnection study process. Determining the precise configuration of the project is critical to the interconnection study process because it dictates which contingencies are generated by the project that must be evaluated to assess the reliability impacts of the proposal. This is an essential element of the project's evaluation in the interconnection study process and must be determined before the NYISO can move forward to the analyses that are required in the SRIS phase.

2) The NYISO and New York Transmission Owners Only Waive the Feasibility Study Under Limited Circumstances in which a Proposed Project Will Have Minimal System Impacts or Has Been Previously Studied

The NYISO acted appropriately in not waiving the Feasibility Study. The NYISO has treated Boundless' proposed project in the same manner as it has treated all other proposed generation and transmission projects in its interconnection process. The NYISO's and the New York Transmission Owners' long-standing and consistent practice has been to waive the Feasibility Study only under certain limited and very infrequent circumstances, such as small updates to existing facilities or previously studied projects. In these cases, the technical work necessary for subsequent studies may have already been completed or is inapplicable. Boundless' proposed project does not fall within this limited exception as it will entail substantial modifications to the New York State Transmission System with impacts on the systems of five New York Transmission Owners that would significantly affect power flows across the grid.

The NYISO has never waived a Feasibility Study for a project with the level of complexity of Boundless' proposed project. Given the complexity of the projects proposed in the AC Transmission Proceeding and the importance of the Feasibility Study in the NYISO's

interconnection process, it is not surprising that the study has not been waived for any of the developers' proposed transmission projects.

The NYISO, moreover, acted appropriately in requesting whether the impacted New York Transmission Owners consented to foregoing the study. As explicitly set forth in Section 30.6.1 of Attachment X of the NYISO's OATT, waiver of a Feasibility Study requires agreement from all parties – the Developer, the NYISO, and each Connecting Transmission Owner.

3) The Timeframe of the NYISO's Review of Boundless' Proposed Project Is Consistent with the Complexity of the Project

The length of time that the NYISO requires to perform a Feasibility Study for a proposed generation or transmission project varies based on a number of factors, including the complexity of the project, the number of New York Transmission Owners affected by the project (each of which are provided with the opportunity to provide input regarding the impact on their systems), the project developer's cooperation and timely provision of the required data, and the extent to which the project developer modifies its proposed project and/or the data upon which the project is being evaluated. In this instance, Boundless' proposed project will have potential impacts on the systems of five different New York Transmission Owners and includes complex components, including adding high voltage underground transmission cables, reconductoring significant lengths of high-voltage line, and adding series reactors and series capacitors to the New York State Transmission System. Given these complexities, the time that has been expended to perform the Feasibility Study for Boundless' proposed project is not unusual.

4) The New York Transmission Owners Play a Critical Role in the NYISO's Interconnection Process

The New York Transmission Owners necessarily play a critical role in the NYISO's interconnection process, including in the performance of a Feasibility Study. The NYISO

conducts the Feasibility Study in accordance with the interconnection requirements developed by FERC in its Order No. 2003, which require the involvement of both the NYISO and the New York Transmission Owner(s).⁶ Proposed generation or transmission projects in New York will interconnect to the New York Transmission Owners' transmission or distribution systems and impact the planning and operation of those systems. The NYISO cannot study the system impacts of proposed generation and transmission projects without the input and involvement of the New York Transmission Owners that possess much of the required technical information.

5) Status of Feasibility Study and SRIS for Boundless' Proposed Project

The Feasibility Study report for Boundless' proposed project has already been issued and a meeting to discuss the study results has been scheduled for March 18, 2015, among the NYISO, Boundless and the Connecting Transmission Owners. After the results meeting takes place, and the Feasibility Study is deemed completed, Boundless can move right into the SRIS phase if there are no project changes. To the extent that Boundless modifies its project, it must advise the NYISO of such modifications, and they will be subject to review by the NYISO to determine whether they constitute a Material Modification. If not, the modifications can be encompassed in Boundless' existing queue position, could be included in the SRIS, and would

⁶ FERC's Order No. 2003 provided for the Transmission Provider to conduct a Feasibility Study. The term "Transmission Provider" as defined in FERC's *pro forma* standard Large Generator Interconnection Procedures ("LGIP") encompasses both the NYISO and the New York Transmission Owners. See FERC's *pro forma* LGIP, available at: <http://www.ferc.gov/industries/electric/indus-act/gi/stnd-gen.asp> ("Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.") Both the NYISO, as the system operator, and the NYTOs, as the owners of the impacted transmission and distribution facilities in New York, have responsibilities in the interconnection process in New York that are assigned to the "Transmission Provider" in FERC's *pro forma* LGIP.

not require an additional Feasibility Study. To the extent the modifications are material, such modifications would require Boundless to submit a new interconnection request.⁷

B. The NYISO Administers Its Interconnection Process in an Impartial and Independent Manner in accordance with Its Tariff Requirements

The NYISO has administered its interconnection process in a non-discriminatory, impartial, and independent manner in accordance with the tariff requirements in Attachment X of the NYISO's OATT. In its Waiver Request, Boundless proposes to read beyond recognition Section 30.2.2 of Attachment X to invent out of whole cloth new interconnection requirements that are not specified within the NYISO's tariffs and are completely at odds with the explicit tariff requirements set forth in the NYISO's OATT.

Specifically, Section 30.2.2 ("Comparability") states:

The NYISO shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in the Large Facility Interconnection Procedures. As described herein, the NYISO will process and analyze all Interconnection Requests with independence and impartiality, in cooperation with and with input from the Developers, Connecting Transmission Owners and other Market Participants. The NYISO will perform, oversee or review the Interconnection Studies to ensure compliance with the Large Facility Interconnection Procedures. The NYISO will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Developers, whether or not the Large Generating Facilities or Merchant Transmission are owned by a Connecting Transmission Owner, its subsidiaries or Affiliates, or others.

Boundless proposes to revise the meaning of this language that describes the NYISO's impartial and independent application of the interconnection requirements in Attachment X to exclude its proposed project from being subject to those same interconnection requirements. As is clear from its language, Section 30.2.2 simply requires that the NYISO use the same reasonable efforts in processing any Interconnection Request it receives. Consistent with this

⁷ While certain modifications that are specifically described in Section 30.4.4.1 of Attachment X of the NYISO OATT can be accommodated prior to the SRIS, other modifications can trigger the requirement that the Developer submit a new interconnection request for the modification. Notably, NextEra has submitted its alternative proposals as new queue positions.

provision, the NYISO has used the same, impartial efforts in its review of projects proposed by any developer.

Boundless has not explained how excluding its project from the explicit requirements in Attachment X is consistent with the NYISO's requirement in Section 30.2.2 to impartially apply the requirements of Attachment X. In addition, Boundless provides no support for its reading of Section 30.2.2 or its conclusion that Order No. 1000 has somehow transmogrified the meaning of this provision. Order No. 1000 did not order changes to the interconnection processes or transmission expansion procedures of Transmission Providers, including RTOs and ISOs. Moreover, in the orders that FERC has issued in the NYISO's Order No. 1000 compliance proceeding, FERC has neither identified the NYISO's existing interconnection and transmission expansions processes as inconsistent with Order No. 1000, nor directed the NYISO to adopt any revisions to these requirements.

II. Conclusion

The NYISO respectfully requests that the Commission consider these comments as it makes any determination in response to Boundless' request for waiver submitted on February 24, 2015.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan

Senior Attorney

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, New York 12144

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