

January 10, 2017

By Electronic Delivery

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 15-E-0302 – Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard

Dear Secretary Burgess:

In accordance with the Notice Soliciting Comments on Clean Energy Standard Phase 1 Implementation Plan and the Notice Extending Comment Period, both in the above-referenced matter, the New York Independent System Operator, Inc. hereby submits the enclosed Comments.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney, Attorney

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, NY 12144

Tel: (518) 356-7659

JSweeney@nyiso.com

**STATE OF NEW YORK
PUBLIC SERVICE COMMISSION**

**Proceeding on Motion of the Commission to
Implement a Large-Scale Renewable Program
and a Clean Energy Standard**

Case 15-E-0302

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

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits these comments on the proposed Clean Energy Standard (“CES”) Phase 1 Implementation Plan (“Plan”) filed by Staff of the Department of Public Service (“DPS Staff”) and the New York State Energy Research and Development Authority (“NYSERDA”) on October 31, 2016. Specifically, the NYISO comments support the Plan’s new operational flexibility and peak coincidence criterion in the generation facility evaluation criteria for new Renewable Energy Standard resources.

As the entity responsible for operating the bulk power transmission system and administering wholesale energy markets in New York, the NYISO commends DPS Staff and

NYSERDA for the new evaluation criterion related to operational flexibility and peak coincidence. A criterion to evaluate the value that a generator provides by following dispatch signals from the NYISO or a Transmission Owner is a worthwhile addition to the evaluation criteria. Resources with the ability to follow dispatch signals to ramp up, ramp down or turn off are critical to the reliable operation of the bulk power transmission system. New resources that exhibit these characteristics will strengthen the operation of the bulk power transmission system for the reasons discussed in the Plan.¹

As described in the NYISO's prior comments, power systems are dynamic, and are affected by factors that change in real-time by the second, minute, and hour.² Throughout each of these time horizons, balance must be maintained between system load and available resources. In New York, a significant investment has been made in competitive markets and market systems to help meet system reliability needs, including the balance of load and supply, with the optimal set of resources. For example, the current energy market design provides real-time price signals and cost guarantee incentives for flexible resources that are able to respond quickly. Aligning the Plan's new resource evaluation criteria with energy market price signals will provide additional incentives for the entry of flexible resources that are necessary to maintain system reliability.

The evaluation of operational flexibility and peak coincidence will also help select resources that better align with the structure and benefits of the wholesale electric markets. The NYISO looks forward to further collaboration with DPS Staff and NYSERDA on

¹ See Plan at p 25 ("Generation sources that can be dispatched at the request of the power grid operators or the plant owner are desirable to balance the electric system; to optimize generation dispatch; to minimize operating reserve requirements; and to address grid congestion and constraints.").

² See Supplemental Comments of the New York Independent System Operator, Inc., Case No. 15-E-0302, July 8, 2016 at p 7-9.

implementation of the operational flexibility and peak coincidence criterion for new Renewable Energy Standard resources.

Dated: January 10, 2017

Respectfully submitted,

/s/ James H. Sweeney

Robert E. Fernandez, General Counsel

Raymond Stalter, Director, Regulatory Affairs

James H. Sweeney, Attorney

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, NY 12144

Tel: (518) 356-7659

JSweeney@nyiso.com

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 Rensselaer, NY this 10th day of January 2017.

/s/ John C. Cutting

John C. Cutting
New York Independent System Operator, Inc.
10 Krey Blvd.
Rensselaer, NY 12144
(518) 356-7521