

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ISO New England Inc., <u>et al.</u>)	Docket Nos. RT04-2-000 and ER04-116-000
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)	
Bangor Hydro-Electric Company, <u>et al.</u>)	Docket Nos. ER04-157-000 and ER04-157-001
)	
)	
The Consumers of New England v. New England Power Pool)	Docket No. EL01-39-000

**REQUEST FOR OPPORTUNITY TO RESPOND AND
LIMITED RESPONSE OF THE NEW YORK INDEPENDENT SYSTEM
OPERATOR TO THE COMMENTS OF THE LONG ISLAND POWER
AUTHORITY AND LIPA**

In accordance with Rule 213 of the Federal Energy Regulatory Commission’s (“Commission’s”) Rules of Practice and Procedure, 18 C.F.R. § 385.213, the New York Independent System Operator (“NYISO”) hereby requests that the Commission consider this Limited Response to the Comments of the Long Island Power Authority and LIPA On the Report of Compliance Relating to the Proposed Establishment of RTO New England (“Comments”)¹ in its deliberations in the above-captioned dockets.

I. Request for Opportunity to Respond

The NYISO recognizes that the Commission generally discourages responses to comments of the sort filed by the Long Island Power Authority and LIPA (collectively, “LIPA”). The Commission has, however, allowed such responses when they help to clarify complex issues, provide additional information that will assist the Commission, correct inaccurate statements, or are otherwise helpful in the development of the record in

¹ The Comments were filed on July 27, 2004.

a proceeding.² The NYISO's Limited Response meets this standard. The NYISO's response does not introduce new arguments, but instead is submitted for the limited purpose of clarifying certain factual matters raised in LIPA's Comments, thereby assisting the Commission in its review and consideration of the complex issues presented in this proceeding. The NYISO therefore respectfully requests that the Commission exercise its discretion and accept the NYISO's Limited Response.

II. Limited Response

A. Controllable Line Issues

On pages four and five of its Comments LIPA discusses Cross Border Controllable Line Scheduling, a seams issue that is of particular interest to LIPA. LIPA has a strong interest in the scheduling of controllable Direct Current ("DC") and Phase Angle Regulator ("PAR") controlled lines because LIPA holds Advance Reservations over the Cross-Sound Cable ("CSC") and owns the Northport to Norwalk 1385 PAR cables ("1385 Cables"). In its comments LIPA suggests that the NYISO and New England Independent System Operator ("ISO-NE") have committed to implement full controllable line scheduling for both the CSC and the 1385 Cables by June of 2005. In fact, the NYISO, with the required support from ISO-NE, has committed to ensure that:

- (a) its generic controllable line software solution will be available by June of 2005; and
- (b) the application of the NYISO's generic software solution to the particular facts and circumstances of the CSC will also be completed by June of 2005. Neither the NYISO

² See, e.g., *Morgan Stanley Capital Group, Inc. v. New York Independent System Operator, Inc.*, 93 FERC ¶ 61,017 at 61,036 (2000) (accepting an answer that was "helpful in the development of the record . . ."); *New York Independent System Operator, Inc.*, 91 FERC ¶ 61,218 at 61,797 (2000) ("Initial Order") (allowing "the NYISO's Answer of April 27, 2000, [because it was deemed] useful in addressing the issues arising in these proceedings . . ."); *Central Hudson Gas & Electric Corp.*, 88 FERC ¶ 61,138 at 61,381 (1999) (accepting prohibited pleadings because they helped to clarify the issues and because of the complex nature of the proceeding).

nor ISO-NE have committed to tailoring the generic controllable lines solution to the particular facts and circumstances affecting the 1385 Cables (which Cables have not received the focused attention afforded the CSC) by June, 2005. The NYISO believes that taking on an additional, as yet undefined commitment of this nature could delay its completion of the CSC project.

Outstanding issues that must be resolved before the NYISO can adapt its generic software solution to the operating circumstances affecting the 1385 Cables include:

(1) developing a scheduling protocol for the 1385 Cables that is consistent with the provisions of the NYISO's Tariffs and Related Agreements protecting LIPA's tax exempt financing of its facilities; and (2) because accepting schedules over the 1385 Cables may, in certain circumstances, reduce the transfer capability of the NYISO's existing A/C interconnections with the ISO-NE Control Area, the NYISO and ISO-NE must conduct studies and jointly develop a protocol to determine the appropriate level at which to permit scheduling over the 1385 Cables while preserving the integrity of the existing A/C interface. The NYISO and ISO-NE are in the process of setting up a series of meetings to address issues related to the scheduling of the 1385 Cables.

B. Project Prioritization Process Issues

On page seven of its Comments LIPA suggests that it should have some ability to raise "additional seams issues that do not even have a preliminary milestone for evaluation" that are not identified in the NYISO/ISO-NE Interregional Coordination Agreement ("ICA") outside of the NYISO and/or ISO-NE project prioritization processes. The NYISO objects to any attempt to remove seams issues from the project prioritization process and grant these issues a *de facto* super priority. As sections 3.2(c)

and (e) of the NYISO/ISO-NE ICA explain, *all* projects (even those specifically provided for in the ICA) are subject to the project prioritization requirements that are in place in New York and New England. The Commission should not permit LIPA to make an end-run around these procedures, even if the issue LIPA is raising can be categorized as “seams issues.”

III. Conclusion

The NYISO respectfully requests that the Commission consider the NYISO’s Limited Response in conducting its deliberations in the above-captioned proceedings.

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 Secretary's official service list in this proceeding.

Dated at Albany, New York, this 11th day of August, 2004.

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Submission Contents

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