

Rich Felak - Independent Member of the End Use Consumer Sector

Thank you very much for the opportunity to comment on the subject. In order to simultaneously provide both "reliable electric service" and "lowest cost to customers" it is necessary to allow your market design to first determine what level of reliability actually provides the lowest cost. This must take into account the expenditures needed to provide varying levels of firmness and the value end users place on avoiding outages.

Assuming, as you currently do, that the 50 year old LOLE criterion of 0.1 days/year meets that objective might possibly be true today only by random happenstance. Recall that the historical selection of that value was not based on cost/benefit analysis. Rather, unless relevant studies have been done that have not yet been made public, it is currently unknown if it is too high or too low. Thus, the LOLE used needs to be reset to correctly reflect current realities.

This is because when 0.1 was originally selected the applicable regulatory, technical, commercial, and economic factors which impacted consumers were vastly different than today's situation. For example, the value which consumers place on reliability is significantly different because the impact of outages on our lives is much greater than it used to be. However, the physical devices comprising the power system (and the software which controls them) have evolved and it is now possible to control the reliability individual users receive in response to how much they are willing to pay for it. In addition, if it initially seems too difficult to think about changing the statewide LOLE itself, consider variations around the concept such as applying new LOLE-like criteria to be met on a more granular localized basis than "Zones".

In any case, please don't think that LOLE cannot be changed because of existing state, regional, or federal practices. There is nothing in them that says they can never ever be updated. New York claims over and over that they are a leader in the energy domain. Thus, you can lead the start of the process to update LOLE. All of us consumers need to receive the reliability we want to pay for. Help us make sure that we are getting it at lowest cost and not overpaying because of an outdated arbitrary practice.

Best Regards,

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