

**Comments of the New York Transmission Owners on the
Analysis Group’s Draft Report re Fuel and Energy Security in New York State
November 5, 2019**

The New York Transmission Owners (“NYTOs”)¹ submit these comments on the Analysis Group’s October 2019 draft report, “Fuel and Energy Security in New York State: An Assessment of Winter Operational Risks for a Power System in Transition” (“Fuel Security Report”). The NYTOs appreciate the New York Independent System Operator, Inc.’s (“NYISO”) and Analysis Group’s diligent work in preparing the Fuel Security Report, including vetting it with stakeholders, and the opportunity to submit these comments on the report.

Analysis Group prepared the draft Fuel Security Report in response to the NYISO’s requests that it (i) conduct a forward-looking assessment to examine the fuel and energy security of the New York electric grid and (ii) assess winter fuel and energy security risks and identify key factors that will affect the likelihood and potential severity of any risks.² The Analysis Group identified several key observations with respect to energy and fuel security in New York, including, among other things, that: (a) New York’s power grid is well-equipped to manage energy and fuel security risks; (b) NYISO has already taken several steps to address potential risks associated with fuel and energy concerns; (c) dual fuel capability is essential for maintaining reliability; (d) meeting the State’s renewable and clean energy resource goals can provide valuable reliability support (for example, renewable resources can slow the rate of back-up fuel consumption); and (e) long-term, the potential magnitude and pace of change to the resource fleet stemming from requirements under the Climate Leadership and Community Protection Act (“CLCPA”)³ may be of far greater importance for evaluation than the considerations, scenarios and physical disruptions evaluated in this fuel and energy security study with respect to winter operational risks.⁴

The NYTOs generally agree with the Analysis Group’s conclusion that no major market changes to address energy and fuel security risks are required at this time. That said, although the Fuel Security Report does not identify reliability issues under reasonably expected conditions, simplifications in the modeling assumptions may understate the consequences of certain disruption scenarios, which can be addressed in the next report. The NYTOs believe that the NYISO and Analysis Group should update the studies underlying the Fuel Security Report periodically, such as every two years as more renewable resources come online. Subsequent

¹ For purposes of these comments, the NYTOs include: Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., National Grid, New York Power Authority, New York State Electric & Gas Corp., Orange & Rockland Utilities, Power Supply Long Island and Rochester Gas & Electric Company.

² See Fuel Security Report at 8.

³ Climate Leadership and Community Protection Act, A.8429 (Englebright)/S.6599 (Kaminsky) (Governor’s Program Bill No. 7), available at: <https://legislation.nysenate.gov/pdf/bills/2019/S6599>. The New York State Public Service Commission (“NYPSC”) recently commenced a proceeding “to consider how to reconcile resource adequacy programs with the State’s renewable energy and environmental emission reduction goals,” and solicited comments on specific questions related to resource adequacy and other related matters. See *Proceeding on Motion of the Commission to Consider Resource Adequacy Matters*, Case 19-E-0530, Order Instituting Proceeding and Soliciting Comments (Aug. 8, 2019) (“Resource Adequacy Proceeding”).

⁴ See generally Fuel Security Report at 18-20.

studies should build upon the existing studies in the following areas: (a) enhanced modeling on New York City's natural gas grid, (b) shifting the coldest study days to a weekday and (c) transmission security study of constrained load areas. Additionally, studies of dual fuel capabilities should include analysis of the availability of oil barges to replenish depleted oil inventories during cold weather events and the impediments caused by river ice, high winds and harbor closures when ordered by government agencies. If any subsequent study indicates a change in rules is warranted, the NYISO should propose rule changes to the appropriate committee or working group.

The NYTOs further believe that the study should consider fuel supply impacts on system resilience going forward as the system experiences substantial, rapid change as the state moves to implement CLCPA. The NYISO is undertaking significant projects focused on how to adapt the markets to accommodate: (a) a substantial increase in intermittent renewable resources; (b) substantial decarbonization of electric production in route to a zero-emission sector in 2040; and (c) substantial electrification of other sectors, such as transportation and heating. Moreover, in the Resource Adequacy Proceeding, the NYPSC is considering various procurement methods to meet resource adequacy. The NYTOs believe fuel security must be a key consideration as market and procurement methods evolve. Additionally, the NYTOs agree with the Analysis Group that dual fuel capability, adequate oil inventories and access to refills will be key contributors to continued reliable operations.

The NYTOs appreciate the NYISO's responsiveness and look forward to working with the NYISO and other stakeholders on fuel security in the future.