

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

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PUBLIC SERVICE COMMISSION

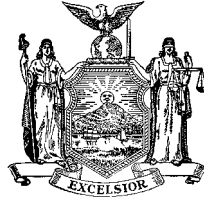
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Secretary

August 15, 2005

Honorable Magalie R. Salas, Secretary
Federal Energy Regulation Commission
888 First Street, N. E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. RM05-17-000 – Information Requirements for Available
Transfer Capability.

Dear Secretary Salas:

For filing, please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceeding. Should you have any questions, please feel free to contact me at (518) 473-8178.

Very truly yours,

David G. Drexler
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Information Requirements for) Docket No. RM05-17-000
Available Transfer Capability)

NOTICE OF INTERVENTION AND COMMENTS
OF THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NEW YORK

The New York State Public Services Commission (NYPSC) submits these Comments pursuant to the Notice of Inquiry (NOI) published in the Federal Register on June 14, 2005. The NYPSC submits its Notice of Intervention in compliance with Rule 214 of the Federal Energy Regulatory Commission's (FERC or Commission) Rules of Practice and Procedure. Copies of all correspondences and pleadings should be addressed to:

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BACKGROUND AND SUMMARY

The NOI seeks comments, in part, on the "Final Report" prepared by the North American Electric Reliability Council's (NERC) "Long-Term Available Flowgate Capability (AFC)/Available Transfer Capability (ATC) Task Force" and the advisability of

revising and standardizing ATC calculations. ATC is described therein as the amount of transfer capability still available for sale after all existing uses, such as transmission commitments, transmission reserve margins (TRM) and capacity benefit margins (CBM), are accounted for.¹

We commend NERC and FERC for addressing the need to develop a consistent methodology for calculating ATC. As the NOI notes, there is as yet no industry-wide standard for calculating ATC, which can vary considerably depending on the criteria transmission providers use to calculate it and the order in which the calculations are made. With such variety and discretion in performing these calculations, the NOI points to unduly discriminatory behavior and reliability implications cited in the August 14, 2003 Final Blackout Report,² as consequences of the lack in standardizing and coordinating ATC. As such, we support the initiative to standardize and increase

¹ To account for uncertainties or contingencies that are not explicitly modeled in the calculation of ATC, transmission providers designate CBM as "the amount of firm transmission transfer capability reserved...so that load serving entities...can access remote reserve generation from interconnected systems," and TRM as "the amount of transmission transfer capability necessary to ensure that the interconnected transmission network will be secure under a reasonable range of uncertainties in system conditions." NOI at ¶7.

² U.S.-Canada Power System Outage Task Force, Final Report on the August 14th Blackout in the United States and Canada: Causes and Recommendations 31 (April 2004).

coordination between transmission providers' calculations of ATC, considering the costs of doing so.

Moreover, we encourage FERC to explore whether there are practicable alternatives, which may be preferable, to having existing transmission providers/ISOs/RTOs perform these calculations. One such alternative may be the establishment of a separate entity to oversee the calculation of ATC within and between control regions.

DISCUSSION

I. Increased Coordination and Calculations Of Available Transfer Capability Within And Between Control Regions Is Needed

Presently, the New York Independent System Operator, Inc., as well as other ISOs and Regional Transmission Organizations (RTOs) within the Northeast Power Coordination Council (NPCC), establish ATC limits for external interface tie flows between neighboring control regions based on a seasonal analysis. ATC limits on internal interfaces are studied more frequently. Time lags in ATC calculations within and between control regions have contributed to several adverse consequences cited in the NOI, such as the August 14, 2003 blackout,³ and unduly discriminatory behavior.

³ The NOI notes that a seven-day "lag in real-time ATC values contributed to the blackout." NOI at ¶2.

We suggest that, by increasing the frequency that ATC is calculated to the day-ahead, and even potentially hour-ahead, of actual transmission dispatches, it will overcome current time lags in determining ATC, better recognize the connectivity of the transmission system, and enable transmission providers with more accurate information to better operate the transmission system in a reliable, efficient and economic manner.⁴ Moreover, this initiative would mitigate the potential for unduly discriminatory behavior that could be associated with discretionary judgments made by system operators. Further, it could advance the goals of enhancing reliability and of utilizing the transmission system more fully.

In order for ISOs/RTOs to properly determine external interface tie flow limits, they will need to have access to various information from the control region on the other side of the interface. Updated inputs required from each control region would include: load levels and distributions; generator dynamic capability data and expected MW outputs; all transmission line status and data, including line thermal limits; bus voltage limits; tap positions; phase shifter positions; and, the standard contingencies required by that control region. These inputs would only need to be updated from one day to the next,

⁴ We anticipate that as more accurate ATC calculations can be performed, it will reduce reliance on CBM and TRM calculations.

or they could be analyzed for a specific peak hour or for a specific load condition on critical days. In addition, it is possible that stability runs would not have to be executed every single day, which may provide time to perform a system evaluation of ATC in the hour-ahead, or at least a few hours ahead of real-time.

II. The Desirability Of A Separate Entity Performing And Coordinating ATC Calculations Should Be Examined

We encourage FERC to explore the potential advantages of designating an entity to oversee the calculation of ATC within and between control regions, while considering the costs of doing so. While ISOs/RTOs appear to be the appropriate entities to coordinate ATC calculations, the Final Report notes their inherent problem of failing to properly recognize the interconnections between adjacent ISOs/RTOs.⁵ Having an overarching entity responsible for calculating and coordinating ATC of various ISOs/RTOs could overcome this problem, and may have the advantages of allowing it to analyze the network beyond the individual ISO/RTO level, and potentially monitor the reliability of the transmission system in real-time.

CONCLUSION

We support the Commission's initiative to standardize and coordinate ATC calculations given the potential benefits to

⁵ NOI at Appendix A.

reliability, and for the economic and efficient operation of the transmission system. In undertaking this task, the Commission may want to examine the desirability of designating an entity to coordinate these calculations within and between ISOs/RTOs and potentially monitor the reliability of the transmission system in real-time.

Respectfully submitted,

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Albany, New York

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