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December 12, 2007

Hon. Jaclyn A. Brillig, Secretary
Public Service Commission of the State of New York
Three Empire State Plaza
Albany, New York 12223-1350

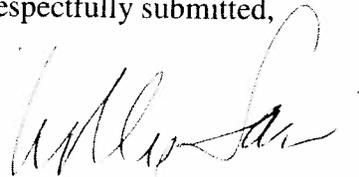
CASE 94-E-0952 -	In the Matter of Competitive Opportunities Regarding Electric Service.
CASE 00-E-0165 -	In the Matter of Competitive Metering.
CASE 02-M-0514 -	Proceeding on Motion of the Commission to Investigate Competitive Metering for Gas Service.

Dear Secretary Brillig:

The New York Independent System Operator (NYISO) hereby submits an original and five copies of *Comments on Features and Functions of AMI Systems* in the above dockets. Please accept these comments as two days out of time.

The NYISO has electronically served all active parties in this proceeding with a copy of these comments.

Respectfully submitted,



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cc. Active Party List in Cases 94-E-0952, 00-E-0165, 02-M-0514

**State of New York
Public Service Commission**

CASE 94-E-0952 -

In the Matter of Competitive Opportunities
Regarding Electric Service.

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Investigate Competitive Metering for Gas
Service.

CASE 02-M-0514 -

**Comments of the New York Independent System Operator, Inc.
Concerning the Features and Functions of AMI Systems**

The New York Independent System Operator, Inc. (NYISO) respectfully submits the following comments concerning the features and functions of Advanced Metering Infrastructure (AMI) systems that the Commission should adopt. Staff presented a list of AMI features and functions for potential inclusion in an AMI standard, requesting comments regarding:

- *Whether the list is sufficiently comprehensive, or whether additional features or functions should be specified;*
- *Whether the list includes items that should not become part of a Commission standard;*
- *Whether the items included on the list are accurately and/or sufficiently defined; and if not, how to improve the definition; and*
- *Any other matters related to such an AMI standard not otherwise addressed by the above questions.*

The NYISO concurs with Staff's recommendations for the features and functions that should comprise the standard for AMI systems. The NYISO further suggests that such standards be established with sufficient specificity to ensure that all New York utilities pursue AMI systems that operate under open standards and protocols that comply with nationally recognized non-proprietary standards such as ANSI C12.22. The Commission should also establish standards that

provide a minimum of state-level integration to enable consistent policy implementation and management of data, communications, and security across independently deployed systems for themselves, consumers, regulators, and the NYISO.

Market signals (i.e., prices) can provide powerful incentives for producing sought-after market behavior if communicated to end users. Emerging technological innovations in metering and consumer communications can bring these market signals to end users thus spurring new demand response and energy efficiency. Such end-user response can assist in achieving New York's goal of achieving a 15% reduction in energy consumption by 2015. Carefully structured regulatory, business, and technical approaches guiding these technological innovations can produce significant new energy-delivery infrastructure and new service capabilities. The United States Energy Policy Act of 2005 (EPACT) has alerted electric utilities, consumers, and industry regulators nationwide to this fact:

"It is the policy of the United States that time-based pricing and other forms of demand response, whereby electricity customers are provided with electricity price signals and the ability to benefit by responding to them, shall be encouraged, the deployment of such technology and devices that enable electricity customers to participate in such pricing and demand response systems shall be facilitated, and unnecessary barriers to demand response participation in energy, capacity and ancillary service markets shall be eliminated." [EPACT 2005]

AMI technology enables both traditional automated meter reading (AMR) and customer equipment to respond automatically to price and control signals. State-level integration of AMI systems can enable the communication of price and control signals to all market stakeholders. Idiosyncratic, utility by utility implementation may hinder statewide price signal communication

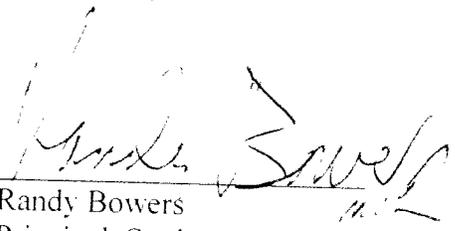
by requiring investment in a patchwork of proprietary and single-purpose systems. Such one-of-a-kind, expensive systems can act as barriers to broad communication of market signals and hinder New York in reaching its energy efficiency goals.

A statewide approach, on the other hand, can produce a set of AMI systems that would automatically communicate with each other (“interoperability”) and avoid these barriers. While some of the New York utilities have developed business cases for AMI and have launched implementation programs they are still in the early stages. It is not too late for New York to initiate a set of state-wide standards and the NYISO encourages the Commission to do so.

In order to ensure a minimum level of interoperability, the functional criteria established through the Commission’s standards should be clarified, integrated, and defined systematically across customer, utility, and NYISO domains such that they translate well into meaningful engineering requirements. This includes providing functional requirements for different types, configurations, and levels of AMI deployment; clearly identifying the interoperable interfaces; and defining all performance, security, management, maintenance, upgrade, and life cycle requirements.

The NYISO looks forward to working with the Commission on these issues.

Respectfully submitted,


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