

STATE OF NEW YORK DEPARTMENT OF PUBLIC  
SERVICE

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*Secretary*

May 26, 2005

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

Re: Docket No. RM05-10-000, Imbalance Provisions for  
Intermittent Resources

Docket No. AD04-13-000, Assessing the State of Wind  
Energy in Wholesale Electricity Markets

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 proceedings. Should you have any  
questions, please feel free to contact me at (518) 474-6513.

Very truly yours,

Kimberly A. Harriman  
Assistant Counsel

Attachment

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

Imbalance Provisions for	)	Docket No. RM05-10-000
Intermittent Resources	)	
	)	
Assessing the State of	)	
Wind Energy in Wholesale	)	Docket No. AD04-13-000
Electricity Markets	)	

COMMENTS OF THE  
PUBLIC SERVICE COMMISSION OF THE STATE OF NEW YORK

INTRODUCTION

On April 14, 2005, the Federal Energy Regulatory Commission (FERC or Commission) issued a Notice Establishing Comment Date on its proposal to clarify and amend the imbalance tariff provisions applicable to intermittent resources. FERC proposes a new appendix to its pro forma open access transmission tariff (OATT) that would standardize the imbalance service applicable to intermittent resources and recognizes the ability of Regional Transmission Organizations and Independent System Operators to make modifications to the appendix under the "independent entity variation."

The New York State Public Service Commission (NYPSC) submits its Comments pursuant to the April 14, 2005 Notice. Copies of all correspondence and pleadings should be addressed to:

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**SUMMARY**

The NYPSC supports the application of the "independent entity variation" in situations, such as New York, where we are aggressively pursuing the development of renewable resources, such as wind powered electric generating facilities. FERC should encourage intermittent resources to develop and implement advanced weather forecasting or participate in centralized weather forecasting.

**COMMENTS**

FERC allows Regional Transmission Organizations and Independent System Operators greater flexibility in complying with the pro forma OATT provisions and may seek variations of the pricing and non-pricing provisions of the OATT pursuant to an "independent entity variation" provision authorized by Order No. 2003.

New York has a goal of obtaining 25% of New York energy needs from renewable resources by 2013. As a result of that goal, New York is encouraging the interconnection of intermittent resources with the New York Bulk Power System. Given this goal, the NYISO<sup>1</sup> may need to seek modification of the imbalance provisions proposed by FERC.<sup>2</sup>

FERC should encourage the development and implementation of advanced weather forecasting. Given the uncertainty of weather forecasting it is essential that intermittent resources utilize state of the art methodologies in trying to accurately predict their hourly energy delivery. Thus, participating in the development and use of advanced wind forecasting methodologies or centralized forecasting should be an important goal for intermittent resources, FERC and transmission providers.

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<sup>1</sup> The NYISO currently exempts up to 500 MW of intermittent resources from imbalance penalties. (See, Services Tariff, Sec. 4.5, sheet 101 and Schedule 3, Sec. 3.0, sheet 281). We support application of the "independent entity variation" for the continuation of the 500 MW exemption.

<sup>2</sup> FERC's proposal allows (1) intermittent resources to deviate in hourly energy delivery within a bandwidth of +/-10% (with a minimum of 2 MW); settles net hourly intermittent generator imbalances within the bandwidth at the transmission provider's system incremental costs; (3) for those outside the bandwidth settles at the transmission provider's system incremental cost +/-10%; and (4) permits intermittent resources to change their schedules up to 20 minutes before the delivery hour.

**CONCLUSION**

For all the reasons above, the Commission should allow the NYISO to modify the proposed imbalance bandwidth pursuant to the independent entity variation. Intermittent resources should be encouraged to develop and implement advanced weather forecasting methodologies or participate in centralized forecasting.

Respectfully submitted,

Dawn Jablonski Ryman  
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Dated: May 26, 2005  
Albany, New York

