

STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

PUBLIC SERVICE COMMISSION

GARRY A. BROWN

Chairman

PATRICIA L. ACAMPORA

MAUREEN F. HARRIS

ROBERT E. CURRY JR.

JAMES L. LAROCCA

Commissioners



PETER McGOWAN

General Counsel

JACLYN A. BRILLING

Secretary

August 17, 2009

SENT VIA ELECTRONIC FILING

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Room 1-A209
Washington, D.C. 20426

Re: Docket No. RM08-13-000 - Transmission Relay
Loadability Reliability Standard

Dear Secretary Bose:

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,

A handwritten signature in cursive script that reads 'David G. Drexler'.

David G. Drexler
Assistant Counsel

Attachment

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Transmission Relay Loadability) Docket No. RM08-13-000
Reliability Standard)

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

NOTICE OF INTERVENTION

On May 21, 2009, the Federal Energy Regulatory Commission (FERC or Commission) issued a Notice of Proposed Rulemaking (NOPR) proposing to approve a Transmission Relay Loadability Reliability Standard. The New York State Public Service Commission (NYPSC) hereby submits its Notice of Intervention and Comments in the above-captioned proceeding pursuant to the Notice of Extension of Time on the NOPR published in the Federal Register on July 21, 2009, and Rule 214 of the Commission's Rules of Practice and Procedure.

Copies of all correspondence and pleadings should be addressed to:

David G. Drexler
Assistant Counsel
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
david_drexler@dps.state.ny.us

Tammy A. Mitchell
Chief, Bulk Transmission System
New York State Department
of Public Service
Three Empire State Plaza
Albany, New York 12223-1350
tammy_mitchell@dps.state.ny.us

BACKGROUND

On July 30, 2008, the North American Electric Reliability Corporation (NERC), which has been certified by the Commission as the Electric Reliability Organization (ERO) responsible for developing and enforcing mandatory reliability standards,¹ filed a request to approve a Transmission Relay Loadability Reliability Standard (Reliability Standard). The Reliability Standard would require certain transmission owners, generator owners, and distribution providers to set protective relays according to specific criteria in order to ensure that the relays reliably detect and protect the electric network from all fault conditions, but do not limit transmission loadability or interfere with the system operators' ability to protect system reliability.

In its filing, NERC proposed that the Reliability Standard would apply to transmission lines or transformers with low-voltage terminals operated or connected at 200 kV and above. Furthermore, NERC proposed to require planning coordinators to identify facilities operated between 100 kV and 200 kV that are

¹ Docket No. RR06-1-000, North American Electric Reliability Corporation, Order Certifying North American Electric Reliability Corporation as the Electric Reliability Organization and Ordering Compliance Filing, 116 FERC ¶61,062, (issued July 20, 2006).

critical to the reliability of the bulk electric system, and therefore, would be subject to the Reliability Standard.

While the Commission proposes to approve the Reliability Standard, the NOPR also suggests that the ERO should be directed to pursue specific modifications to address the FERC's concerns. In particular, the Commission indicates that the ERO's proposed approach, whereby planning coordinators determine the facilities operated between 100 kV and 200 kV that are critical to the reliability of the bulk electric system, "may not result in a comprehensive study to identify applicable facilities and, at the outset, will effectively exempt a large percentage of bulk electric system facilities that should otherwise be subject to the Reliability Standard."²

Given the Commission's expectation that a "large percentage" of the bulk electric system falls into the 100 kV to 200 kV category and supports the reliability of the transmission system rated 200 kV and above, the Commission proposes to direct the ERO to modify the Reliability Standard such that it is applicable to all facilities operated at 100 kV or above. The Commission indicates that it would consider exceptions from this category on a case-by-case basis, in situations where a facility can demonstrate that it would "not result in cascading outages,

² NOPR at ¶40.

instability, uncontrolled separation, violation of facility ratings, or interruption of firm transmission service."³

DISCUSSION

The NYPSC agrees with the ERO and the Commission that the development of the Reliability Standard is a significant step toward improving the reliability of the bulk-power system in North America because it requires protective relay settings that protect against fault conditions that may contribute to cascading outages. Relay loadability issues were identified as a significant contributor to the cascading outages in Ohio and Michigan that contributed to the August 2003 Blackout.⁴

Although the implementation of the Reliability Standard will achieve a significant improvement in the reliability of the bulk-power system, the NYPSC disagrees with the FERC's proposal to make the Reliability Standard applicable to all facilities operated at 100 kV and above, unless an exception is granted for certain facilities operated between 100

³ NOPR at ¶43.

⁴ See U.S.-Canada Power System Outage Task Force, Final Report on the August 14, 2003 Blackout in the United States and Canada: Causes and Recommendations, April 2004 ("Final Task Force Report"), available at <http://www.ferc.gov/industries/electric/industry/blackout.asp>; see also, NERC Final Blackout Recommendations, p.6, July 13, 2004, available at <http://www.nerc.com/docs/docs/blackout/section5.pdf>.

kV to 200 kV. We share the ERO's concerns that the Reliability Standard should not apply to all facilities operated at 100 kV or above because there would be little reliability benefit to doing so, and it could significantly increase implementation costs.⁵ According to the ERO's technical expertise and judgment, which should be accorded deference by the Commission, applying the proposed Reliability Standard to facilities below 200 kV would provide minimal reliability benefits.⁶ Consumers should not, therefore, be burdened with the costs associated with compliance.

The Commission's rationale for adopting the Reliability Standard was based, in part, on the need to avoid the type of outage that occurred in August 2003. However, the analyses conducted by NERC and by the U.S.-Canada Task Force after the August 2003 Blackout revealed that the 345 kV lines tripped first, and the 138 kV lines in the vicinity of the 345 kV lines only tripped after the 345 kV lines. In other words,

⁵ Docket No. RM08-13-000, Transmission Relay Loadability Reliability Standard, Petition of NERC, filed July 30, 2008, p. 19.

⁶ It is important to recognize that all ERO reliability standards are not required to be applied to all bulk-system facilities. It may be appropriate to apply certain standards, such as the Reliability Standard, to a subset of the bulk system, as technical requirements indicate.

the cascading outage of the 138 kV system would not have occurred if the 345 kV lines did not trip, because the 138 kV lines were tripped as a direct result of the 345 kV lines. If the Reliability Standard proposed by the ERO had been in place at the time of the August 2003 Blackout to prevent the tripping of the 345 kV lines, transmission lines operating at a level between 100 kV and 200 kV would not have tripped.

The ERO's proposal calls for the development of a comprehensive study that will thoroughly evaluate all facilities operating between 100 kV and 200 kV to determine which of those facilities are truly "critical" to the operation of the bulk-power system. This approach should satisfy the Commission's stated concerns, and we encourage the FERC to work closely with the ERO to ensure those concerns are adequately addressed.

CONCLUSION

For the reasons noted above, the NYPSC respectfully requests that the Commission reject a bright-line test that would apply the Reliability Standard to facilities operated at 100 kV and above. Accordingly, we urge the Commission to give due weight to the ERO's technical expertise, as required under the Federal Power Act,⁷ and defer to the technical judgments

⁷ 16 U.S.C. §824o(d)(2).

embodied in the ERO's proposal to limit the applicability of the Reliability Standard to those lines that operate at 200 kV and above, and to those between 100 kV and 200 kV that are determined to be critical to the reliability of the bulk-power system. This approach will ensure reliability, while keeping costs just and reasonable for consumers.

Respectfully submitted,



Peter McGowan
General Counsel
Public Service Commission
of the State of New York

By: David G. Drexler
Assistant Counsel
3 Empire State Plaza
Albany, NY 12223-1305
(518) 473-8178

Dated: August 17, 2009
Albany, New York

CERTIFICATE OF SERVICE

I, David G. Drexler, do hereby certify that I will serve on August 17, 2009, the foregoing Notice of Intervention and Comments of the New York State Public Service Commission upon each of the parties of record indicated on the official service list compiled by the Secretary in this proceeding.

Dated: August 17, 2009
Albany, New York


David G. Drexler

