



STATE OF NEW YORK
EXECUTIVE CHAMBER
633 THIRD AVENUE
NEW YORK, NY 10017

Brad Jones
President and Chief Executive Officer
New York Independent System Operator
10 Krey Blvd
Rensselaer, NY 12144

Dear President and CEO Jones:

As a society we must combat the harmful effects of climate change and under the direction of Governor Andrew Cuomo, New York has an ambitious and smartly devised program to expand renewable energy resources. We understand that conversion to non-fossil fuel units will take time and require changes in how the power grid is developed and operated—but simply put change must happen. Our team has worked with the New York Independent System Operator (NYISO) in pursuit of transmission upgrades through the Governor’s Energy Highway initiative, and we are pleased that those efforts are already reducing historic bottlenecks on the transmission grid. We also know, however, that technology changes, increases in distributed energy and simply smarter markets and operations allow the system to easily accommodate renewable resources.

We are dismayed, however, that your recent filing to the Public Service Commission (PSC) and recent press reports on the Clean Energy Standard (CES) are misleading, incomplete, and grossly inaccurate. The filing reveals an alarming lack of developed analysis and understanding into the imperative to address climate change by transitioning to a clean electric system, and how a modern grid can be developed and operated. The NYISO’s paradigm of analysis is outdated -- a world where large power plants produce electricity based upon a fixed demand and where electrons flow in one direction. Thus, NYISO has not adequately taken into account the way new technology can balance electricity load in response to intermittency, to renewable resources or to dynamic price signals, nor has NYISO considered how market-based approaches to stimulate energy efficiency will change the amount of renewable energy needed to achieve the Governor’s 50 percent renewables goal by 2030.

The NYISO’s call for delay is nothing more than a path prolonging the outdated status quo of relying on sources of power that send millions of tons of dirty emissions into the air we breathe. In addition, NYISO’s analysis means that the current carbon-free sources of power, such as the FitzPatrick plant, will shut down and for no reason — at a time when even the NYISO’s own analysis said more generation is needed in the future in that area. Replacing these plants would either mean restarting mothballed coal plants or building new fossil fuel plants and will cost customers more money to pay for generation and pipeline infrastructure: either choice would be bad for New Yorkers.

Contrary to what you have said, we have been discussing these issues with the NYISO for more than two years and the PSC's regulatory review process has held two technical conferences, 24 public statement hearings and received more than 6,000 public comments to date, with a significant number expressing strong support for the State's action.

It is apparent from the filing and subsequent information, that the NYISO is held captive by your stakeholders, the majority of whom represent the status quo interests that are threatened by the renewable future that New Yorkers want and deserve. Indeed your critique only makes sense in this context. It is, therefore, hardly surprising that in recent press reports, the Independent Power Producers, an industry advocacy group that represents the interests of fossil fuel producers, has been so quick to endorse the views of the NYISO when it appears that its interests are so well served.

The Public Service Commission has vast expertise in system planning and operations. They will no doubt work with all of the stakeholders to identify the challenges associated with the energy future we are designing. As necessary, we will find ways to address those challenges in a manner that is independent of the economic interest of incumbent fossil generators that you seem to be protecting. Again, I am dismayed by your filing and public comments. We want and expect better from our local grid operator.

Sincerely,



Richard L. Kauffman
Chairman of Energy and Finance for New York
Office of the Governor

CC Audrey Zibelman, Chair of Public Service Commission
Norman Bay, Chair of Federal Energy Regulatory Commission