

**Reliability Technical Conference
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**Comments of:
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I want to thank the Commission for the opportunity to be here today to discuss the important issues that are before us. Reliability is at the core of what we do at the NYISO. We welcome the opportunity to discuss what Emerging Issues we see that FERC, NERC, the regional reliability organizations, the ISOs and RTOs, asset owners, and other stakeholders – can work on collectively to identify and address. This is an exciting time in our industry. How we address the many emerging issues before us – while maintaining our top reliability priorities, will require a commitment by all of us to continue to communicate well and learn from each other.

We appreciate the comments provided from the first panel today. We support NERC's efforts to establish a prioritization process.

Integration of intermittent resources, such as wind, is very important for the NYISO. The NYISO currently has 1,333 MWs of wind online, with another 7,000 MWs of wind generation in our interconnection queue. The NYISO's competitive market structures are designed to encourage innovation. We've seen this in the robustness of our Demand Response programs and in the development of new technologies such energy storage. We have two such projects online now. Reliably integrating these and other new technologies, such as Electric Vehicles, while meeting our requirements to balance area control performance, will challenge us in the years to come. In particular, we are concerned with the ability of balancing areas to integrate wind and other new technologies while maintaining existing or improved control performance and frequency responsiveness.

We also see challenges from potential unit retirements and an aging infrastructure. In NY, we are closely monitoring the issue of nuclear re-licensing and emerging environmental regulations, and how those impact both system operation and reliability planning. We are also working with our transmission owners on a twenty year study to look how to replace our aging transmission system. By the end of this study period, we will have facilities that are nearly ninety years old operating on our system. The study will help us understand how to wisely upgrade our current facilities.

Current Critical Infrastructure Protection (CIP) standards form a good basis for a cyber protection program, but all by themselves are not adequate to protect us from sophisticated and fast moving threats. Protection will depend as much on the processes for coordinated information exchange and coordinated action as it will on standards.

How Smart Grid applications impact residential and commercial consumer behavior will have to be closely analyzed as these technologies evolve. We need to develop better tools to understand and accurately forecast these behaviors as we modify our reliability planning and operations processes.

We support the work NERC, FERC, and the industry has done in all of the areas we have discussed today. While we don't see any emerging concerns that are not being addressed, we do encourage all of the parties involved to continue to work together to coordinate efforts to identify threats to reliability and promote best practices. The Events Analysis Working Group and the North American Transmission Forum are providing a much needed service here.

NPCC has an effective operating procedure designed to minimize the impact of geomagnetic disturbances. The NERC prioritization process can assist in identifying those issues which can be addressed. For other issues, the industry and public may be better served by coordinating with governmental agencies that are focused on identifying and responding to physical threats.

The Standards Committee has endorsed a new process for identifying and prioritizing standards projects with the NERC Board of Trustees. When implemented, this process should help NERC set priorities for new standards to address emerging issues. The NYISO strongly supports NERC's efforts in implementing this prioritization process.

This concludes my opening remarks.