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November ___, 2009

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: **New York State Reliability Council
Petition to Amend the New York State
Reliability Council Agreement
Docket No. _____**

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”) and Part 25 of the Commission’s Regulations, the New York State Reliability Council (“NYSRC”) hereby submits an amendment to the New York State Reliability Council Agreement (the “NYSRC Agreement” or the “Agreement”). The purpose of the amendment is to revise the restrictions imposed by the Agreement on members of the NYSRC Executive Committee with respect to their relationship with the New York Independent System Operator (the “NYISO”). The NYSRC submits for filing a revised, red-lined copy of the NYSRC Agreement as Appendix A of this filing and a

clean copy of the revised NYSRC Agreement as Appendix B, and requests that the Commission accept the revised Agreement.

I. Background

The NYSRC Agreement was approved by the Commission in its order of June 30, 1998 conditionally authorizing the establishment of the NYISO.¹ The NYSRC Agreement establishes the NYSRC and assigns to it specified responsibilities related to the maintenance of electric system reliability in the New York control area. These responsibilities include the promulgation of reliability rules that may be more specific or more stringent than the reliability standards and criteria adopted by the Northeast Power Coordinating Council or the North American Electric Reliability Council, in order to meet the special reliability requirements of the New York control area. The NYSRC's reliability rules establish standards that must be complied with by the NYISO in its operation of the New York State bulk power system, and by entities that participate in the NYISO's markets. The NYSRC also adopts the annual statewide installed reserve margin for the New York control area.

Section 9.02 of the NYSRC Agreement prohibits a member or alternate member of the NYSRC Executive Committee from serving on the NYISO Board of Directors or on any NYISO committee. The proposed amendment would extend the prohibition to include serving as an officer, employee or paid consultant of the NYISO, but would eliminate the prohibition against

¹ Central Hudson Gas & Electric Corp., et al., 83 FERC ¶ 61,352 (1998).

serving on a NYISO committee. The proposed amendment was approved by the NYSRC Executive Committee by a unanimous vote of its members at its meeting on June 12, 2009.²

II. Communications

The names, titles, mailing addresses, and telephone numbers of those persons to whom correspondence and communications concerning this filing should be addressed are as follows:

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III. Proposed Amendment

The NYSRC Executive Committee appreciates the importance of maintaining the separate and independent identities of the NYISO and the NYSRC. For that reason, it is proposing to continue the current prohibition against a member of the NYSRC Executive

² Section 19.01 of the NYSRC Agreement provides that the Agreement is not subject to change under Section 205 and 206 of the FPA absent the mutual written consent of the parties to the Agreement. The parties to the Agreement are represented on the NYSRC Executive Committee and each voted in favor of the proposed amendment, and each of the parties has consented to the proposed amendment in writing.

Committee from serving as a member of the NYISO Board and to extend the prohibition to include serving as an officer, employee or paid consultant of the NYISO. However, the NYSRC Executive Committee has concluded that the ban on its members from serving on NYISO committees is neither necessary nor appropriate. The NYISO Committees have very open and broad participation, and include a large number of participants from various industry sectors. Participation on a NYISO Committee in no way invests a participant with any meaningful control over the NYISO or its management. On the other hand, many knowledgeable people in the electricity industry have an interest in the NYISO's activities and participate in one or more of its committees. The NYSRC Executive Committee has determined that having among its members individuals who are knowledgeable with respect to the NYISO's operation of the New York State bulk power system and the administration of its competitive wholesale electricity markets is extremely valuable to the NYSRC in the exercise of its own responsibilities.

The NYSRC Executive Committee includes broad representation, including unaffiliated members as well as members who are affiliated with the various sectors of the electricity industry. The Executive Committee seeks to have among its members the most qualified and knowledgeable individuals from the various industry sectors. Most often, these individuals are interested in the NYISO's activities and participate in one or more of its committees.

In order to limit the negative impact of the current prohibition in Section 9.02, the NYSRC Executive Committee has restricted its application to the three permanent standing NYISO committees and to individuals who are actual voting members on those committees. Notwithstanding those restrictions, the NYSRC Executive Committee continues to view the

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current prohibition against serving on a NYISO committee to be an unnecessary impediment to having the best qualified persons serve as members of the NYSRC Executive Committee.

IV. Conclusion

The NYSRC respectfully submits that the proposed amendment to the NYSRC Agreement will clarify and strengthen the separation of the NYSRC and NYISO managements, while at the same time removing an unnecessary prohibition against a member of the NYSRC Executive Committee from participation on a NYISO committee, which is an impediment to having the most experienced and best qualified individuals serve as members of the NYSRC Executive Committee. The NYSRC, therefore, respectfully requests that the Commission accept the amended NYSRC Agreement, as set forth in Appendix A of this filing.

Respectfully submitted,

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