

October 30, 2015

Raj Addepalli
Managing Director, Utility Rates and Service
State of New York Department of Public Service
Three Empire State Plaza
Albany, New York 12223

Subject: Retirement of NRG Energy, Inc./Huntley Power LLC Generation:
Case No. 15-E-0505 – Huntley Power, LLC, Petition to Retire Generating Units 67 and 68
Case No. 12-E-0136 – Petition of Dunkirk Power LLC and NRG Energy, Inc. for Waiver of Generator Retirement Requirements
Case No. 12-E-0577 – Proceeding on Motion of the Commission to Examine Repowering Alternatives to Utility Transmission Reinforcements

Dear Mr. Addepalli:

In your August 28, 2015 letter, you requested that the New York Independent System Operator, Inc. (NYISO) determine whether the proposed retirement of NRG Energy Inc.'s Huntley generating units ("Huntley"), effective March 1, 2016, and the mothballing of NRG Energy Inc.'s Dunkirk generating units ("Dunkirk"), effective January 1, 2016, would have an adverse impact on the reliability of the New York State transmission system. The NYISO and National Grid responded on September 24, 2015 that further analysis was necessary and a follow-up response would be filed by October 30, 2015.

A coordinated analysis by National Grid and the NYISO has been performed to determine impacts to reliability on both the local transmission system and the Bulk Power System. Based upon the expectation of the timely completion of the National Grid upgrades (noted below) and that no other changes occur to the current and planned status of the New York electric system, reliability will be maintained through at least the year 2020 if Dunkirk is mothballed January 1, 2016 and Huntley is retired March 1, 2016.

National Grid informed the NYISO of an update to its local transmission plan to install capacitor banks at the Huntley 230 kV station by June 1, 2016. National Grid also informed the NYISO of possible system configuration changes and relay adjustments associated with the 23 kV load station. With various possible combinations of capacitor banks, system configurations, and relay settings, there would be no reliability violations. Prior to the update of National Grid's local transmission plan, National Grid and the NYISO identified post-contingency low voltage issues associated with a 23 kV load connected to the 230 kV system adjacent to the Huntley station. These voltage issues would be observed on the existing system under high load conditions if Huntley were retired; the status of the Dunkirk generating units 2, 3, and 4 does not materially affect the observed voltage issues.

National Grid has proposed adding series reactors to the most constraining 230 kV lines north of Huntley, with a planned in-service date of June 1, 2016, to improve the total Niagara Power Project and Ontario import energy deliverability. An important operational consideration related to the proposed retirement of Huntley and mothballing of Dunkirk is the impact to the Niagara Power Project and Ontario import energy deliverability under normal day-to-day transfer criteria. NYISO studies indicate that the total Niagara Power Project and Ontario import energy deliverability would be reduced to approximately 2,000 MW under forecast peak load conditions, a reduction of over 800 MW compared to the existing system. These constraints would be much greater under transmission outage (N-1-1) conditions.

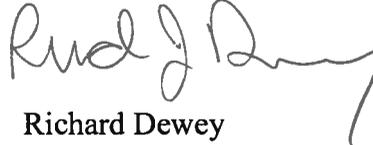
The series reactors would improve the total Niagara Power Project and Ontario import energy deliverability, but there would still be a reduction compared to the levels of energy deliverability that exist today with Dunkirk Unit 2 and both Huntley units available. This reduction in energy deliverability will persist until permanent solutions are in place, to be addressed in response to the Western New York Public Policy Transmission Need. In the interim, the NYISO and National Grid are considering a temporary operating procedure to allow the constraining National Grid 230 kV lines to be secured to the higher short-term emergency ratings, similar to the existing NYPA Niagara run-back procedure, thus improving Niagara Power Project and Ontario import energy deliverability.

The NYISO also assessed the resource adequacy of the overall system with Huntley retired and Dunkirk mothballed. Based on the NYISO 2014 Comprehensive Reliability Plan and accounting for the National Grid upgrades, it is expected that the one-day-in-ten-years Loss of Load Expectation (LOLE) criterion, which measures the probability of disconnecting firm load due to a resource deficiency, will not be exceeded through at least the year 2020.

National Grid's installation of the capacitor banks and modifications associated with the 23 kV load station are necessary to maintain reliability in the near-term. The NYISO has requested National Grid to provide bi-weekly status updates regarding the progress of that work until it is complete, and will continue to assess whether a Reliability Need will arise on the Bulk Power System or local transmission system. In order to minimize potential reductions in Niagara Power Project and Ontario import energy deliverability, the NYISO also recommends that National Grid advance the completion of the proposed series reactors provided this work does not affect the in-service date for the capacitor banks.

If desired, the NYISO would be willing to meet with you and your staff to further discuss these matters.

Very truly yours,



Richard Dewey
Executive Vice President

Filed with: Hon. Kathleen H. Burgess
Secretary of the Commission
New York State Public Service Commission

cc: Mr. Kenneth Daly – National Grid
Mr. John Gavin – National Grid
Mr. Peter Altenburger – National Grid
Mr. Bart Franey – National Grid
Mr. Michael Worden – DPS
Mr. Leka Gjonaj – DPS
Mr. Jerry Ancona – DPS

Mr. Rick Gonzales – NYISO
Mr. Wes Yeomans – NYISO
Mr. Rana Mukerji – NYISO
Mr. Henry Chao – NYISO
Mr. Zach Smith – NYISO

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rensselaer, NY this 30th day of October, 2015.

/s/ Mohsana Akter

Mohsana Akter
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