

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

New York Independent System
Operator, Inc.
Docket No. ER17-549-000

Issued: 1/31/17

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: Gregory J. Campbell, Esq.
Attorney

Reference: Revised Fixed Block Unit Pricing Logic

Dear Mr. Campbell:

On December 14, 2016, the New York Independent System Operator, Inc. (NYISO) filed proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff) to improve the pricing logic used for Fixed Block Unit natural gas-fired turbine generators in NYISO's Real-Time Dispatch software.¹ NYISO states that the existing pricing logic has become outdated and it may produce economically inefficient prices under NYISO's current system configuration and commitment and dispatch rules. NYISO proposes to allow Fixed Block Units to be eligible to set price in all intervals in which they are dispatched. NYISO states that the proposed revisions will improve the current pricing logic and provide more economically efficient pricing outcomes for New York's wholesale energy and ancillary service markets.

NYISO requests a flexible effective date for its proposed tariff revisions no earlier than February 15, 2017. NYISO proposes to submit a compliance filing at least two

¹ New York Independent System Operator, Inc., NYISO Tariffs, [NYISO MST, 4.4 MST Real-Time Markets and Schedules, 27.0.0](#), [NYISO MST, 15.4 MST Rate Schedule 4 - Payments for Supplying Operating, 15.0.0](#), and [NYISO MST, 17.1 MST Att B LBMP Calculation, 19.0.0](#).

weeks prior to the proposed effective date, specifying the date on which the revisions to the Services Tariff will take effect.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation – East, under 18 C.F.R. § 375.307, your submittal is accepted for filing, effective as requested, subject to NYISO making a compliance filing with revised tariff records no later than 14 days prior to the proposed effective date of the Services Tariff revisions.

The filing was noticed on December 14, 2016, with comments, interventions, and protests due on or before January 4, 2017. Pursuant to Rule 214 (18 C.F.R. § 385.214 (2016)), to the extent that any timely filed motions to intervene and any motion to intervene out-of-time were filed before the issuance date of this order, such interventions are granted. Granting late interventions at this stage of the proceeding will not disrupt the proceeding or place additional burdens on existing parties.

This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rate or service contained in your filing; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against NYISO.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Kurt M. Longo, Director
Division of Electric Power
Regulation – East