

143 FERC ¶ 61,185
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

May 30, 2013

In Reply Refer To:
PJM Interconnection, L.L.C. and
New York Independent System
Operator, Inc.
Docket No. ER12-718-004

Mr. James M. Burlew
PJM Interconnection, L.L.C.
955 Jefferson Avenue
Norristown, PA 19403

Mr. Alex M. Schnell
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Dear Messrs. Burlew and Schnell:

1. In a joint petition submitted April 23, 2013, PJM Interconnection, L.L.C. (PJM) and the New York Independent System Operator, Inc. (NYISO) (collectively, Petitioners) request an extension of a temporary, limited tariff waiver previously granted in this proceeding.¹ Specifically, Petitioners request an extension of the waiver from June 30, 2013 through August 15, 2013. For the reasons discussed below, we grant the requested extension.

2. As noted in Petitioners' initial request for limited waiver, submitted December 24, 2012, Petitioners were required to implement the Market-to-Market Coordination Process to address certain inter-regional transactions in, and around, the Lake Erie region, pursuant to Schedule D, sections 7 and 10 of the Joint Operating Agreement among and

¹ See *PJM Interconnection, L.L.C. and New York Ind. Sys. Op., Inc.*, 142 FERC ¶ 61,026 (2013) (January 14 Order).

between NYISO and PJM (JOA).² Petitioners had stated, however, that because an additional system requirement—the authority to suspend implementation in the event of data system failures—may not be an authorized function under the existing provisions of Schedule D, clarifying tariff revisions would be necessary and were being prepared. In the interim, Petitioners had requested, and the January 14 Order had granted, a limited tariff waiver for an interim period (from January 15, 2013 through June 30, 2013), authorizing Petitioners to temporarily suspend the Market-to-Market Coordination Process and settlement under two specified scenarios.³

3. In the instant petition, Petitioners request that the previously-granted waiver be extended through August 15, 2013, due to the need for additional Petitioner and stakeholder deliberation and approval of the aforementioned required tariff changes.

4. Notice of the requested extension was issued by the Commission with protests and interventions due on or before April 30, 2013. No responsive pleadings were filed.

5. The Commission has previously granted one-time waivers of tariffs when, among other things: (i) an underlying error has been made in good faith; (ii) the waiver is of limited scope; (iii) a concrete problem needs to be remedied; and (iv) the waiver will not have undesirable consequences, such as harming third parties.⁴

6. We find that Petitioners' requested extension satisfies the aforementioned factors and that good cause therefore exists to grant the limited waiver extension, as requested. First, we find that Petitioners have acted in good faith in considering and developing the revisions that will be required to their Market-to-Market Coordination protocols. We

² *Id.* P 2; *see also New York Ind. Sys. Op., Inc.*, 138 FERC ¶ 61,192 (2012) (accepting, subject to conditions, PJM and NYISO joint market-to-market coordination process proposal); *New York Indep. Sys. Op., Inc.*, 140 FERC ¶ 61,205 (2012).

³ Specifically, the previously-granted limited tariff waiver permitted Petitioners to temporarily suspend Market-to-Market Coordination and settlement if: (i) the data link between Petitioners were to fail, precluding the exchange of data necessary to implement the Market-to-Market Coordination Process; or (ii) either Petitioner's energy management system or real-time security constrained economic dispatch were to fail, rendering impossible the creation of data necessary for Market-to-Market Coordination. January 14 Order, 142 FERC ¶ 61,026 at P 5.

⁴ *See, e.g., Air Energy TCI, Inc.*, 142 FERC ¶ 61,005 (2012); *PJM Interconnection, LLC*, 137 FERC ¶ 61,184 (2011); *ISO New England, Inc.*, 134 FERC ¶ 61,182 (2011); *Hudson Transmission Partners*, 131 FERC ¶ 61,157 (2010); *Stony Creek Energy LLC*, 131 FERC ¶ 61,059 (2010); *Central Vermont Pub. Serv. Corp.*, 121 FERC ¶ 61,225 (2007).

also find that the requested waiver extension is of limited scope and duration as it will extend the previously-granted waiver for only a limited period - from June 30, 2013 until August 15, 2013. In addition, we find that the waiver extension is required to remedy a concrete problem, i.e., the need for clear authority to suspend Market-to-Market coordination under the circumstances of the above-described data system failures. Finally, we find that granting the waiver extension will have no undesirable consequences, and will not harm third parties, given that the suspension of Market-to-Market Coordination will only apply when Petitioners are physically incapable of performing Market-to-Market Coordination.

By direction of the Commission.

Kimberly D. Bose,
Secretary.