

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426
November 16, 2015

In Reply Refer To:
New York Independent System Operator, Inc.
Docket No. EL13-62-002

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

Attention: Gloria Kavanah
Counsel for New York Independent System Operator, Inc.

Reference: Compliance Report

Dear Ms. Kavanah:

On June 17, 2015, you submitted on behalf of the New York Independent System Operator, Inc. (NYISO) a compliance report in response to the Commission's March 19, 2015 Order Denying Complaint in Docket No. EL13-62-000 (Compliance Report).¹ In the March 19, 2015 Order, the Commission required NYISO "to establish a stakeholder process to consider: (1) whether there are circumstances that warrant the adoption of buyer-side mitigation rules in the rest-of-state; and (2) whether resources under repowering agreements similar to Dunkirk's have the characteristics of new rather than existing resources, triggering a buyer-side market power evaluation because of their potential to suppress prices in the capacity market and what mitigation measures need to be in place to address such concerns."² The Commission also required "NYISO to submit a report to the Commission within 90 days of the date of the [March 19, 2015] order regarding NYISO's analysis of these issues and the outcome of such stakeholder discussion."

Based upon the information submitted in the Compliance Report, we request that you provide the following additional information:

¹ *Indep. Power Producers of N.Y., Inc. v. N.Y. Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,214, at P 71 (2015) (March 19, 2015 Order).

² *Id.*

1. With respect to the first issue the Commission directed NYISO to consider, NYISO's Market Monitoring Unit notes in its comments to the Compliance Report that NYISO has corrected several issues present in its original analysis.³ Thus, it appears that NYISO performed a second analysis related to the Rest of State, but did not file that analysis with the Commission. We direct NYISO to do so within 30 days of the date of this letter and include a summary of the stakeholder discussions that have occurred on this issue since June 17, 2015.
2. With respect to the second issue the Commission directed NYISO to consider, NYISO did not file any analysis and instead asked for an extension of time until January 19, 2016. In response, Independent Power Producers of New York, Inc. argues that repowering remains a significant concern in New York.⁴ We therefore direct NYISO to file its analysis and outcome of the stakeholder discussions regarding repowering pursuant to agreements not principally driven by reliability needs within 30 days of the date of this letter.
3. NYISO states that it believes the existing provisions of its Market Administration and Control Area Services Tariff "are already applicable to repowering projects that have certain characteristics that would make them more like new resources than 'existing facilities.'"⁵ Please identify and explain the existing tariff provisions to which NYISO is referring.
4. NYISO states that it reviewed new Rest of State entrants dating back to 2001, looking for any historic behavior that could be considered evidence of artificial price suppression. Did NYISO perform a forward-looking analysis that reflects the anticipated departure of several generating resources that announced their intention to retire or mothball? If so, please provide the analysis. If not, please explain why. How do these announcements affect whether a load-serving entity, for example, has the ability and/or incentive to exercise buyer-side market power?

This action is taken pursuant to 18 C.F.R. § 375.307(b)(3)(ii) (2015) and is interlocutory. This letter is not subject to rehearing pursuant to 18 C.F.R. § 385.713 (2015), and a response to this letter must be filed with the Commission within 30 days of the date of this letter. An additional electronic copy of the response should be emailed to Jorge Moncayo at Jorge.Moncayo@ferc.gov.

³ MMU July 17, 2015 Comments at 4-6.

⁴ IPPNY August 18, 2015 Answer at 6.

⁵ Compliance Report, Attach. II, at 3.

Sincerely,

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