

158 FERC ¶ 62,270
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

New York Independent System Operator, Inc.
and PJM Interconnection, L.L.C.
Docket No. ER17-905-000

Issued: March 31, 2017

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

PJM Interconnection, L.L.C.
2750 Monroe Blvd.
Audubon, PA 19403

Attention: James H. Sweeney, Esq.
Attorney for New York Independent System Operator, Inc.

Jacquelynn Hugee, Esq.
Associate General Counsel for PJM Interconnection, L.L.C.

Reference: Order Accepting and Suspending Filing, Subject to Refund, and
Further Commission Order

Dear Mr. Sweeney and Ms. Hugee:

On January 31, 2017, pursuant to section 205 of the Federal Power Act,¹ the New York Independent System Operator, Inc. (NYISO) and PJM Interconnection, L.L.C. (PJM) (together, the RTOs) submitted proposed revisions to the Joint Operating Agreement (JOA) between NYISO and PJM that is set forth in Attachment CC to NYISO's Open Access Transmission Tariff (OATT).² In addition, NYISO submitted

¹ 16 U.S.C. § 824d (2012).

² New York Independent System Operator, Inc., NYISO Tariffs, [NYISO OATT, 35.2 OATT Att CC Abbreviations, Acronyms, Definitions and Ru, 8.0.0](#); [NYISO OATT, 35.6 OATT Att CC Emergency Assistance, 3.0.0](#); [NYISO OATT, 35.12 OATT Att CC](#)

proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff).³ The RTOs state that the proposed revisions address interchange scheduling and the implementation of Market-to-Market (M2M) coordination at the ABC Interface and JK Interface on the border of Southeastern New York and Northern New Jersey. The RTOs state that the proposal is intended to govern the operation of the facilities at these interfaces upon termination of the firm transmission service agreements that implemented a wheeling arrangement that included specific operating protocols for these facilities. The RTOs seek an effective date for the proposed tariff revisions of May 1, 2017.

The RTOs' filing was noticed on January 31, 2017, with interventions and protests due on or before February 21, 2017. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,⁴ any notices of intervention and timely filed, unopposed motions to intervene serve to make the filer a party to this proceeding.⁵

Several commenters support the filing for largely the same reasons articulated by the RTOs. Protestors challenge the filing on various grounds, disputing, among other things, the implementation of an Operational Base Flow (OBF), interface pricing based on a single proxy bus, and the proposal to exempt the OBF from cost allocation. They assert that the proposed tariff revisions will result in certain entities receiving preferential treatment.

Preliminary analysis indicates that the RTOs' proposed revisions have not been shown to be just and reasonable and may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. Therefore, pursuant to the authority delegated to the Director, Division of Electric Power Regulation – East, Office of Energy Market Regulation, in the Commission's February 3, 2017 Order Delegating Further Authority to Staff in Absence of Quorum,⁶ the RTOs' proposed tariff revisions are accepted for filing, suspended for a nominal period, to become effective May 1, 2017, as requested, subject

[M2M Coordination Process, 4.0.0](#); [NYISO OATT, 35.20 OATT Att CC Additional Provisions, 3.0.0](#); [NYISO OATT, 35.21 OATT Att CC Schedules A & B, 9.0.0](#); [NYISO OATT, 35.22 OATT Att CC Schedule C and Appendices, 5.0.0](#); and [NYISO OATT, 35.23 OATT Att CC Schedule D - M2M Coordination, 6.0.0](#).

³ New York Independent System Operator, Inc., NYISO Tariffs, [NYISO MST, 17.1 MST Att B LBMP Calculation, 20.0.0](#).

⁴ 18 C.F.R. § 385.214 (2016).

⁵ Any late and opposed motions to intervene will be addressed in a further Commission order as appropriate.

⁶ *Agency Operations in the Absence of a Quorum*, 158 FERC ¶ 61,135 (2017).

to refund and further Commission order. Protests and comments will be addressed in a further Commission order as appropriate.

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 the RTOs.

Consistent with Rule 1902 of the Commission's Rules of Practice and Procedure,⁷ requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order.⁸

Sincerely,

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

⁷ 18 C.F.R. § 385.1902 (2016).

⁸ 18 C.F.R. § 385.713 (2016).