

159 FERC ¶ 62,262  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

New York Independent System  
Operator, Inc.  
Docket No. ER17-1501-000

Issued: 6/12/17

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

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

Reference: Tariff Revisions Regarding Start-Up Bids in the Real-Time Market and  
Request for Waiver

Dear Mr. Sweeney:

On April 28, 2017, pursuant to section 205 of the Federal Power Act,<sup>1</sup> New York Independent System Operator, Inc. (NYISO) proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff) regarding the treatment of start-up bids in the real-time market.<sup>2</sup> NYISO indicates that its proposal will allow generators scheduled in the day-ahead market to increase the start-up bids provided in their real-time market offers and that this will allow certain generators to reflect costs that arose following commitment in the day-ahead market, such as fuel cost increases.<sup>3</sup> NYISO also proposes revisions to the eligibility criteria for Day-Ahead Margin Assurance Payments for generators who have increased their start-up bids in the real-time market. NYISO states that these revisions are intended to avoid making such payments when they are not warranted because of a generator's own actions—i.e., a generator increasing its start-up bids in the real-time market, leading to reduced real-time dispatch

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> New York Independent System Operator, Inc., NYISO Tariffs, [NYISO MST, 4.4 MST Real-Time Markets and Schedules, 30.0.0](#) and [NYISO MST, 25 MST Attachment J - Determination Of Day-Ahead Margin Assu, 10.0.0](#).

<sup>3</sup> NYISO Transmittal at 1.

and thus reduced day-ahead margin.<sup>4</sup>

NYISO also requests waiver of certain tariff provisions (related to the treatment of start-up bids in the real-time market), between March 12, 2011 and July 1, 2017, to cover the period preceding the requested effective date of NYISO's proposed tariff revisions. Specifically, NYISO requests waiver of Services Tariff section 4.4.1.2.1, which prohibits generators with a day-ahead energy and/or regulation service schedule from increasing their start-up bids in the real-time market. NYISO also requests waiver of the tariff provisions that allow generators with only a day-ahead operating reserves schedule to increase their start-up bids in the real-time market.<sup>5</sup> NYISO states that, during the period covered by the requested waiver, its real-time market software inappropriately allowed for increases in start-up bids in real-time while also prohibiting increases in start-up bids in instances where it should have been allowed; but that its market software will be corrected by July 1, 2017.<sup>6</sup>

NYISO's filing was noticed on April 28, 2017, with comments, protests, or interventions due on or before May 19, 2017. Notices of intervention and unopposed timely filed motions to intervene are granted pursuant to the operation of Rule 214 of the Commission's Rules of Practice and Procedure.<sup>7</sup> Any opposed or untimely filed motion to intervene is governed by the provisions of Rule 214. As no protests or adverse comments were filed, NYISO's revisions to the Services Tariff and request for waiver are therefore uncontested.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation – East, Office of Energy Market Regulation, under 18 C.F.R. § 375.307 (2016), NYISO's revised Services Tariff is accepted for filing, effective July 1, 2017, as requested. In addition, 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,<sup>8</sup> NYISO's uncontested request for waiver is granted. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the

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<sup>4</sup> NYISO Transmittal at 4-5.

<sup>5</sup> NYISO Transmittal at 5. The tariff provisions at issue were submitted to the Commission in Docket No. ER11-2459-000 on December 21, 2010 and accepted for filing in a delegated letter order issued on February 10, 2011 (unpublished letter order).

<sup>6</sup> NYISO Transmittal at 3.

<sup>7</sup> 18 C.F.R. § 385.214 (2016).

<sup>8</sup> *Agency Operations in the Absence of a Quorum*, 158 FERC ¶ 61,135 (2017).

waiver does not have undesirable consequences, such as harming third parties.<sup>9</sup> Those criteria are satisfied here.

This acceptance for filing of the revised Services Tariff and the grant of waiver herein 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.

Consistent with Rule 1902 of the Commission's Rules of Practice and Procedure,<sup>10</sup> requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order.<sup>11</sup>

Sincerely,

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

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<sup>9</sup> See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,059, at P 14 (2016); *Calpine Energy Serv., Inc.*, 154 FERC ¶ 61,082, at P 12 (2016); *New York Power Auth.*, 152 FERC ¶ 61,058, at P 22 (2015).

<sup>10</sup> 18 C.F.R. § 385.1902 (2016).

<sup>11</sup> 18 C.F.R. § 385.713 (2016).