

183 FERC ¶ 61,036  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Willie L. Phillips, Acting Chairman;  
James P. Danly, Allison Clements,  
and Mark C. Christie.

New York Independent System Operator, Inc.

Docket No. ER22-2350-000

ORDER ON COMPLIANCE FILING

(Issued April 20, 2023)

1. On July 12, 2022, New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to its Open Access Transmission Tariff (OATT) in compliance with the requirements of Order No. 881,<sup>1</sup> a final rule that revised both the *pro forma* OATT and the Commission's regulations under section 206 of the Federal Power Act (FPA)<sup>2</sup> to improve the accuracy and transparency of electric transmission line ratings.<sup>3</sup> In this order, we accept in part and reject in part NYISO's compliance filing,

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<sup>1</sup> *Managing Transmission Line Ratings*, Order No. 881, 177 FERC ¶ 61,179 (2021), *order addressing arguments raised on reh'g*, Order No. 881-A, 179 FERC ¶ 61,125 (2022).

<sup>2</sup> 16 U.S.C. § 824e.

<sup>3</sup> A transmission line rating is the

[m]aximum transfer capability of a transmission line, computed in accordance with a written Transmission Line Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not limited to, circuit breakers, line traps, and transformers.

*Pro forma* OATT, attach. M, Definitions; *see also* Order No. 881, 177 FERC ¶ 61,179 at PP 1, 44.

subject to NYISO notifying the Commission of the effective date for its OATT revisions at least two weeks prior to that date,<sup>4</sup> and subject to further compliance.

## **I. Background**

2. In Order No. 881, the Commission found that, because of the relationship between transmission line ratings and wholesale rates, inaccurate transmission line ratings cause the rates for the transmission of electric energy in interstate commerce and the sale of electric energy at wholesale in interstate commerce to be unjust and unreasonable.<sup>5</sup> To ensure just and reasonable wholesale rates that more accurately reflect the cost of the wholesale service being provided (i.e., energy, capacity, ancillary services, or transmission service), the Commission adopted reforms that impose certain obligations on transmission providers<sup>6</sup> and public utility transmission owners with respect to transmission line ratings.<sup>7</sup>

3. In Order No. 881, the Commission required: (1) transmission providers to implement ambient-adjusted ratings (AAR)<sup>8</sup> for near-term transmission service requests

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<sup>4</sup> When notifying the Commission, NYISO should use the eTariff Type of Filing Code 150 – Data Response/Supplement the Record.

<sup>5</sup> Order No. 881, 177 FERC ¶ 61,179 at PP 3, 29-30.

<sup>6</sup> In this order, we use transmission provider to mean any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce. 18 C.F.R. § 37.3 (2022). Therefore, unless otherwise noted, “transmission provider” refers only to public utility transmission providers. Furthermore, the term “public utility” as found in section 201(e) of the FPA means “any person who owns or operates facilities subject to the jurisdiction of the Commission under this subchapter . . . .” 16 U.S.C. § 824(e).

<sup>7</sup> Order No. 881, 177 FERC ¶ 61,179 at P 29.

<sup>8</sup> An AAR is a:

Transmission Line Rating that: (a) [a]pplies to a time period of not greater than one hour[;] (b) [r]eflects an up-to-date forecast of ambient air temperature across the time period to which the rating applies[;] (c) [r]eflects the absence of solar heating during nighttime periods, where the local sunrise/sunset times used to determine daytime and nighttime periods are updated at least monthly, if not more frequently[; and] (d) [i]s calculated at least each hour, if not more frequently.

on the transmission lines over which they provide transmission service; (2) transmission providers to implement seasonal line ratings<sup>9</sup> for longer-term transmission service requests on the transmission lines over which they provide transmission service; (3) regional transmission organizations and independent system operators (RTO/ISO) to establish and implement the systems and procedures necessary to allow transmission owners to electronically update transmission line ratings at least hourly;<sup>10</sup> (4) transmission providers to use uniquely determined<sup>11</sup> emergency ratings;<sup>12</sup> (5) public utility transmission owners to share their transmission line ratings and transmission line rating methodologies with their respective transmission provider(s) and with market monitors in RTOs/ISOs; (6) transmission providers to share their transmission owners'

*Pro forma* OATT, attach. M, Definitions; *see also* Order No. 881, 177 FERC ¶ 61,179 at P 4.

<sup>9</sup> A seasonal line rating is a:

Transmission Line Rating that: (a) [a]pplies to a specified season, where seasons are defined by the Transmission Provider to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent[;] (b) [r]eflects an up-to-date forecast of ambient air temperature across the relevant season over which the rating applies[; and] (c) [i]s calculated annually, if not more frequently, for each season in the future for which Transmission Service can be requested.

*Pro forma* OATT, attach. M, Definitions; *see also* Order No. 881, 177 FERC ¶ 61,179 at P 204.

<sup>10</sup> Order No. 881, 177 FERC ¶ 61,179 at P 255.

<sup>11</sup> “Uniquely determined” means that the transmission line ratings are determined based on assumptions that reflect the specific, finite duration of emergency ratings, as opposed to using assumptions used to calculate normal ratings. The Commission explained that, by requiring emergency ratings be uniquely determined, they would be based on assumptions that reflect the finite duration of the emergency ratings, as distinct from the assumptions of normal ratings that can be maintained indefinitely. *Id.* PP 294-295.

<sup>12</sup> An emergency rating is “a Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.” *Pro forma* OATT, attach. M, Definitions; *see also* Order No. 881, 177 FERC ¶ 61,179 at P 293.

transmission line ratings and transmission line rating methodologies with any transmission provider(s) upon request; (7) transmission providers to maintain a database of their transmission owners' transmission line ratings and transmission line rating methodologies on the transmission provider's Open Access Same-Time Information System (OASIS) site or another password-protected website; and (8) transmission providers to post on OASIS or another password-protected website any uses of exceptions or temporary alternate ratings.<sup>13</sup> In addition, the Commission required transmission providers to explain their timelines for calculating or submitting AARs as part of their compliance filings.<sup>14</sup>

## II. Compliance Filing

4. NYISO's compliance filing proposes to add a new Attachment GG to its OATT.<sup>15</sup> NYISO states that this new Attachment GG is largely consistent with the *pro forma* OATT Attachment M, but with several variations based on the specifics of the NYISO-administered markets and NYISO's financial transmission service model. NYISO also states that it proposes a limited set of "complementary" revisions to Attachments M and N of its OATT and certain rate schedules to properly implement the directives of Order No. 881.<sup>16</sup>

5. NYISO requests a "flexible effective date" for the proposed OATT revisions.<sup>17</sup> NYISO states that, consistent with the requirements of Order No. 881, it plans to implement the proposed revisions by July 12, 2025. NYISO states that it is currently targeting to implement the proposed revisions on or before July 9, 2025. However, NYISO maintains that it currently cannot propose a precise effective date for the OATT revisions due to the time required for software development, testing, and deployment that must be scheduled and completed prior to selecting a specific date. As such, NYISO

<sup>13</sup> Order No. 881, 177 FERC ¶ 61,179 at PP 4-11.

<sup>14</sup> *Id.* P 143.

<sup>15</sup> Filing, Transmittal Letter at 7.

<sup>16</sup> NYISO states that specified rate schedules include: Rate Schedules 10, 12, 13, 15, 16, and 17. NYISO also states that at the time of this filing, two additional rate schedules remain pending before the Commission (proposed Rate Schedules 18 and 19), which are substantially similar to the other rate schedules NYISO proposes to modify. If the Commission accepts these pending rate schedules and the OATT revisions proposed herein, NYISO requests that the Commission direct NYISO to submit a subsequent compliance filing in this proceeding to include conforming revisions within such additional rate schedules. *Id.* at 7 n.14.

<sup>17</sup> *Id.* at 18.

requests a 12/31/9998 effective date and proposes to submit a compliance filing informing the Commission of the actual date on which the revisions will take effect at least two weeks prior to its proposed effective date.

### **III. Notice of Filing and Responsive Pleadings**

6. Notice of the filing was published in the *Federal Register*, 87 Fed. Reg. 42,717 (July 18, 2022), with interventions and protests due on or before August 2, 2022. The New York Transmission Owners (NYTOs)<sup>18</sup> filed a timely motion to intervene and comments.

### **IV. Discussion**

#### **A. Procedural Matters**

7. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2022), the NYTOs' timely, unopposed motion to intervene serves to make them parties to this proceeding.

#### **B. Substantive Matters**

8. As discussed below, we find that NYISO's proposal partially complies with the requirements of Order No. 881. Accordingly, we accept NYISO's compliance filing, subject to NYISO notifying the Commission of the effective date for its OATT revisions at least two weeks prior to that date, and subject to further compliance, as discussed below. In addition, NYISO's proposed revisions to Attachment M, Attachment N, and certain rate schedules are rejected as out of scope of this compliance proceeding. We direct NYISO to submit two compliance filings, one within 60 days of the date of this order and one no later than November 12, 2024, as discussed below.<sup>19</sup>

9. As an initial matter, we find that NYISO's proposed tariff language, when effective, will comply with the following requirements of Order No. 881: (1) public utility transmission owners must share their transmission line ratings and transmission line rating methodologies with their respective transmission provider(s) and with market monitors in RTOs/ISOs; (2) transmission providers must maintain a database of their

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<sup>18</sup> The NYTOs are: Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; Niagara Mohawk Power Corporation d/b/a National Grid; New York Power Authority; New York State Electric & Gas Corporation; Orange and Rockland Utilities, Inc.; Long Island Power Authority; and Rochester Gas and Electric Corporation.

<sup>19</sup> NYISO should submit its compliance filing in an eTariff submittal using Type of Filing Code 80 – Compliance Filing in the above referenced docket.

transmission owners' transmission line ratings and transmission line rating methodologies on the transmission provider's OASIS site or another password-protected website; and (3) transmission providers must post on OASIS or another password-protected website any uses of exceptions or temporary alternate ratings.<sup>20</sup> We address NYISO's compliance with each of the remaining requirements below.

## 1. Transmission Line Ratings Definition

10. In Order No. 881, the Commission adopted in the *pro forma* OATT Attachment M the definition of transmission line ratings noted above.<sup>21</sup> The Commission further clarified that the definition of transmission line rating for electric system equipment and the calculation of AARs should not be limited to overhead conductors.<sup>22</sup> Rather, the Commission explained that the definition of transmission line rating reflects the fact that transmission line ratings must incorporate a set of electrical equipment ratings that collectively operate as a single bulk electric system element (e.g., transformers, relay protective devices, terminal equipment, and series and shunt compensation devices) and that the most limiting component from that set determines the transmission line rating.<sup>23</sup>

### a. Filing

11. NYISO requests an independent entity variation to replace the term "Transmission Line Rating" used in Attachment M of the *pro forma* OATT with the term "Transmission Facility Rating."<sup>24</sup> NYISO explains that its OATT consistently refers to "transmission facilities" rather than "transmission lines" to describe the equipment comprising the New

<sup>20</sup> NYISO/NYISO Tariffs, NYISO OATT, § 39 OATT Attach. GG Transmission Facility Ratings (0.0.0) (Proposed NYISO OATT, Attach. GG).

<sup>21</sup> See *supra* n.3

<sup>22</sup> Order No. 881, 177 FERC ¶ 61,179 at P 45.

<sup>23</sup> *Id.* PP 40, 44-45.

<sup>24</sup> Filing, Transmittal Letter at 11. NYISO proposes to define a Transmission Facility Rating as "the quantity of Energy (as measured in MW) that can be transmitted over a transmission facility, computed by the Transmission Owner in accordance with a written Transmission Facility Rating methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits). Relevant transmission equipment may include, but is not limited to, transmission lines, phase angle regulators, transformers, series reactors, and circuit breakers. Transmission Facility Ratings shall consist of Normal Ratings, Long-Term Emergency Ratings, and Short-Term Emergency Ratings." Proposed NYISO OATT, Attach. GG, § 39.1.2 (Definitions).

York State transmission system, and in order to maintain consistency between the proposed Attachment GG and the rest of the OATT, NYISO proposes to use the term Transmission Facility Rating in place of the term Transmission Line Rating used in the *pro forma* OATT Attachment M.<sup>25</sup> NYISO states that this definition of Transmission Facility Rating is consistent with the definition of Transmission Line Rating in the *pro forma* OATT Attachment M. NYISO states that it has proposed, and the Commission has accepted, variations in the terminology used in the NYISO's OATT in a number of circumstances.<sup>26</sup>

**b. Commission Determination**

12. We find that NYISO's proposed definition of Transmission Facility Rating complies with Order No. 881. Specifically, we find that NYISO's proposed definition is consistent with or superior to<sup>27</sup> the *pro forma* OATT Attachment M Transmission Line Rating definition because it defines a Transmission Facility Rating as the maximum transfer capability of a transmission facility, considering the technical limitations,<sup>28</sup> and reflects the fact that transmission line ratings must incorporate a set of electrical equipment ratings that collectively operate as a single bulk electric system element.<sup>29</sup> NYISO's proposed definition conforms the *pro forma* OATT Attachment M term to NYISO's existing terminology, which uses "transmission facility" instead of

<sup>25</sup> Filing, Transmittal Letter at 11. Similarly, NYISO also proposes to use the term "Seasonal Facility Rating" instead of "Seasonal Line Rating." See Proposed NYISO OATT, Attach. GG, § 39.1.2 (Definitions).

<sup>26</sup> Filing, Transmittal Letter at 11 (citing *N. Y. Indep. Sys. Operator, Inc.*, 108 FERC ¶ 61,159, at P 19 (2004), *order on reh'g*, 111 FERC ¶ 61,347 (2005)).

<sup>27</sup> The Commission in Order No. 881 noted that some public utility transmission providers may have provisions in their existing *pro forma* OATTs or other documents subject to the Commission's jurisdiction that the Commission has deemed to be consistent with or superior to the *pro forma* OATT. The Commission stated that, where these provisions would be modified by the final rule, transmission providers must either comply with the requirements adopted in the final rule or demonstrate that these previously approved variations continue to be consistent with or superior to the *pro forma* OATT, as modified by the final rule. Order No. 881, 177 FERC ¶ 61,179 at P 363. Therefore, while NYISO requested an independent entity variation for several of its proposed OATT changes, the relevant standard is the "consistent with or superior to" standard.

<sup>28</sup> *Pro forma* OATT, attach. M, Definitions; *see also* Order No. 881, 177 FERC ¶ 61,179 at P 204.

<sup>29</sup> Order No. 881, 177 FERC ¶ 61,179 at P 44.

“transmission line.” We also note that, because we are accepting NYISO’s proposed terminology, where we use the terms “transmission facility” or “Transmission Facility Rating,” they have the same meaning as the terms “transmission line” or “Transmission Line Rating” that the Commission used in Order No. 881 for purposes of this order.

## **2. Ambient-Adjusted Ratings**

### **a. Use of AARs on All Transmission Lines**

13. In Order No. 881, the Commission required transmission providers to apply the AAR requirements set forth in *pro forma* OATT Attachment M to all transmission lines, subject to the exceptions set forth in the final rule.<sup>30</sup> The Commission stated that AAR requirements will ensure that transmission line ratings are more accurate, and that, in turn, more accurate transmission line ratings will ensure that wholesale rates more accurately reflect the cost of the wholesale service being provided. The Commission noted that, despite differences across transmission systems, accounting for ambient air temperatures in transmission line ratings can reliably increase power transfer capability, resulting in significant reliability, operational, and economic benefits.<sup>31</sup>

#### **i. Filing**

14. NYISO proposes to use two existing definitions from its OATT to identify the applicable transmission facilities subject to the AAR requirements: (1) Transmission Facilities Under ISO Operational Control; and (2) Transmission Facilities Requiring ISO Notification.<sup>32</sup> NYISO states that, together, these terms describe all of the facilities over which NYISO provides transmission service and, thus, will be subject to the requirements of proposed Attachment GG to the OATT. NYISO also states that, while its proposal is designed to apply the AAR requirements to all transmission facilities that are secured by NYISO in its market models, there are certain facilities included in the network topology represented in NYISO’s market models that it does not secure (e.g., certain underlying 34.5 kV facilities), which will not be subject to the AAR requirements.<sup>33</sup>

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<sup>30</sup> *Id.* P 83.

<sup>31</sup> *Id.* P 85.

<sup>32</sup> Filing, Transmittal Letter at 8. Pursuant to the NYISO OATT, Transmission Facilities Under ISO Operational Control are the transmission facilities of the transmission owners that are subject to the operational control of NYISO. Transmission Facilities Requiring ISO Notification are the transmission facilities of the transmission owners whose status of operation must be provided to NYISO by the transmission owners prior to the transmission owners making operational changes to the state of these facilities. NYISO/NYISO Tariffs, NYISO OATT, §1.20 OATT Definitions – T (9.0.0).



**ii. Commission Determination**

15. We find that NYISO's proposal complies with the requirement in Order No. 881 to apply AARs on all transmission lines. As NYISO explains, AARs will be applied to all transmission facilities over which NYISO provides transmission service. Although NYISO notes that certain facilities represented in the network topology of NYISO's market models will not be subject to AAR requirements, we find that NYISO's proposal is nevertheless compliant because such facilities are not considered facilities over which NYISO provides transmission service.

**b. Use of AARs For Near-term Transmission Service**

16. In Order No. 881, the Commission required transmission providers to use AARs when evaluating the availability of and requests for near-term transmission service<sup>34</sup> (under sections 15, 17, 18, and 29 of the *pro forma* OATT). Specifically, the Commission required transmission providers to use AARs as the relevant transmission line ratings when: (1) evaluating requests for near-term transmission service, defined as transmission service ending within 10 days of the date of the request; (2) responding to requests for information on the availability of potential near-term transmission service (including requests for available transfer capability (ATC) or other information related to potential service); and (3) posting ATC or other information related to near-term transmission service to their OASIS site.<sup>35</sup>

17. Further, the Commission required transmission providers to use AARs as the relevant transmission line rating when determining whether to curtail or interrupt near-term point-to-point transmission service (under sections 13.6 and/or 14.7 of the *pro forma* OATT) if such curtailment or interruption is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination.<sup>36</sup> Similarly, the Commission required transmission providers to use AARs as the relevant transmission line ratings when determining whether to curtail network or secondary service (under section 33 of the *pro forma* OATT) or redispatch network or secondary service (under sections 30.5 and/or 33 of the

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<sup>33</sup> Filing, Transmittal Letter at 8 n.8.

<sup>34</sup> The Commission defined "requests for near-term transmission service" to include not only requests for near-term point-to-point transmission service, but also network resource designations and secondary service where the start and end date of the designation/request is within the next 10 days. Order No. 881, 177 FERC ¶ 61,179 at P 86.

<sup>35</sup> *Id.* P 86.

<sup>36</sup> *Id.* P 87.

*pro forma* OATT), if such curtailment or redispatch is both necessary because of issues related to flow limits on transmission lines and anticipated to occur (start and end) within 10 days of such determination.<sup>37</sup> The Commission further clarified that AARs must be used as the relevant transmission line rating when determining whether to initiate Transmission Loading Relief (TLR) procedures anticipated to occur (start and end) within the next 10 days.<sup>38</sup>

18. The Commission recognized that RTOs/ISOs have Commission-approved variations from the *pro forma* OATT to manage congestion and initiate curtailments and/or redispatch of transmission service within their borders, although generally not at their borders. Thus, the Commission stated that it would allow RTOs/ISOs to comply with these AAR requirements by revising their OATTs to require implementation of AARs within their security constrained economic dispatch and security constrained unit commitment models (and in any relevant related models) in both the day-ahead and real-time markets and reliability unit commitment processes,<sup>39</sup> and any other intra-day reliability unit commitment processes.<sup>40</sup> The Commission stated that, to the extent an RTO/ISO believes that AARs should not be used as part of any market process associated with the day-ahead and real-time markets (or that updated AARs should not be required for any market process), it should propose and justify such deviations on compliance.<sup>41</sup> However, the Commission further noted that RTOs/ISOs generally use the *pro forma* OATT transmission service model for movement of electricity into/out of their service territories.<sup>42</sup> Thus, the Commission required that, for transmission service at their seams, RTOs/ISOs must use AARs as the basis for evaluation of transmission service requests that will end within 10 days of the request, and as the basis for the determination of the necessity of curtailment, interruption, or redispatch of transmission service anticipated to occur within those 10 days.<sup>43</sup>

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<sup>37</sup> *Id.* P 88.

<sup>38</sup> *Id.* P 177.

<sup>39</sup> *Id.* P 89.

<sup>40</sup> *See id.* P 89 n.213 (explaining the meaning of reliability unit commitment for purposes of the Final Rule).

<sup>41</sup> *Id.* P 153.

<sup>42</sup> *Id.* P 134.

<sup>43</sup> *Id.* PP 4, 89.

**i. Filing**

19. NYISO states that, consistent with Order No. 881 and the *pro forma* OATT Attachment M, NYISO will use AARs as the relevant Transmission Facility Rating when employing security constrained economic dispatch, real-time commitment, and real-time dispatch to run the energy market, including evaluations and awards of transmission service.<sup>44</sup> NYISO also states that it will also use AARs when responding to requests for firm point-to-point transmission service or when determining whether to curtail firm point-to-point transmission service.

20. NYISO states that it does not propose to require AARs for periods beyond the day-ahead market horizon.<sup>45</sup> NYISO explains that it has a financial reservation transmission model and does not facilitate scheduling transmission service outside of its day-ahead and real-time markets.<sup>46</sup> Therefore, NYISO states that it is unable to use AARs for the following transmission service concepts discussed in Order No. 881: (1) responding to requests for information on the availability of potential near-term service (including requests for ATC or other information related to potential service); or (2) posting ATC or other information related to near-term transmission service. NYISO states that its markets do not rely on any express physical reservations of ATC and/or ramp but rather grants transmission reservations based on NYISO's economic evaluation of competing resource and transaction bids. NYISO states that, by including AARs in the day-ahead and real-time markets, AARs will be accommodated in all transmission service offered by NYISO.<sup>47</sup>

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<sup>44</sup> Filing, Transmittal Letter at 8; Proposed NYISO OATT, Attach. GG, § 39.2.

<sup>45</sup> Filing, Transmittal Letter at 12.

<sup>46</sup> NYISO explains that its “financial reservation” transmission model differs substantially from the “physical reservation” transmission model contemplated by the Order Nos. 888 and 890 *pro forma* OATT. Under its financial reservation transmission service model, firm transmission service within the New York Control Area (NYCA) is scheduled “implicitly” when customers receive energy schedules from NYISO. NYISO states that it does not accept or facilitate express reservations of physical transmission service within the NYCA. NYISO also states that its ability to schedule transactions is, with certain exceptions, not limited by a pre-defined amount of ATC as it would be under the *pro forma* OATT. Stated differently, NYISO contends that ATC is used only as an instantaneous indication of the existence of uncongested transmission paths, and not as a determinant of whether additional requests for transmission service can be satisfied. *Id.* at 4-6.

<sup>47</sup> *Id.* at 13.

21. NYISO also explains that, in its economic evaluation, external transactions (i.e., imports, exports, and wheels-through) compete with both internal New York resources and with other external transactions, including external transactions offered at different interfaces, to be economically awarded a schedule.<sup>48</sup> NYISO states that it has begun discussions with ISO New England, Inc. and PJM Interconnection, L.L.C. about how Transmission Facility Ratings for the equipment that makes up the interfaces will be coordinated under Order No. 881, and that NYISO expects to develop coordination protocols based on the OATT revisions proposed herein without further OATT modifications.<sup>49</sup>

22. NYISO states that its economic resource selection process incorporates expected transmission congestion impacts and permits NYISO to meet its demand obligations at the lowest production cost, noting that the Commission has previously stated that revisions to the *pro forma* OATT are not intended to upset the market designs used by existing ISOs and RTOs, and that ISOs and RTOs tend to have transmission planning processes that are significantly more open and transparent than the processes used by non-independent transmission providers.<sup>50</sup> Accordingly, NYISO requests that the Commission accept the variations in compliance with the Commission's Order No. 881 directives, as either independent entity variations or as variations "consistent with or superior to" the *pro forma* OATT Attachment M.<sup>51</sup>

## ii. Commission Determination

23. We find that NYISO's proposal complies with the requirement in Order No. 881 for use of AARs in near-term transmission service. Specifically, we find that NYISO's proposed OATT provisions are consistent with or superior to the *pro forma* OATT Attachment M because, as NYISO explains, NYISO uses a financial reservation transmission service model and does not schedule transmission service outside of the day-ahead and real-time markets, nor does it rely on any express physical reservations of ATC.<sup>52</sup> Therefore, NYISO complies because it will use AARs for all transmission service it offers that falls within the scope of "near-term transmission service." We understand that, under NYISO's proposal, AARs will be accommodated in all

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 13 n.31.

<sup>50</sup> *Id.* at 13 (referencing, e.g., *N. Y. Indep. Sys. Operator, Inc.*, 123 FERC ¶ 61,134 (2008)).

<sup>51</sup> *Id.* at 12 (referencing, e.g., *N. Y. Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,020, at P 12 (2014)).

<sup>52</sup> *Id.* at 12-13. *See also N. Y. Indep. Sys. Operator, Inc.*, 123 FERC ¶ 61,134.

transmission service offered by NYISO because NYISO will use AARs: (1) when employing security constrained economic dispatch, real-time commitment, and real-time dispatch to run the energy market; and (2) when responding to requests for firm point-to-point transmission service or determining whether to curtail firm point-to-point transmission service.

### **3. AAR Timelines**

24. In discussing how new forecast data should be incorporated into AAR calculations, the Commission required transmission providers to explain their timelines for calculating or submitting AARs as part of their compliance filings.<sup>53</sup> The Commission noted that transmission providers already manage similar timing issues with respect to load forecasts, forecasts for renewable generation, and generation bid deadlines, and that it may be that the deadlines for AAR calculation and submission are not significantly different from existing deadlines for submission of updates to generation supply offers and load.

#### **a. Filing**

25. NYISO explains that it and transmission owners are still developing technical procedures describing the mechanics of AAR submissions.<sup>54</sup> Subject to further review and refining, NYISO states that it expects transmission owners to calculate AARs on a rolling 48-hour basis with submissions by transmission owners provided to NYISO on at least an hourly basis. NYISO also states that the market software will use the latest set of available ratings at the time the market software begins processing.

#### **b. Commission Determination**

26. We find that NYISO did not comply with the directive to explain the timeline by which AARs will be calculated or submitted to the transmission provider as part of its compliance filing.<sup>55</sup> While NYISO states that it expects transmission owners to calculate AARs on a rolling 48-hour basis with submissions by transmission owners provided to NYISO on at least an hourly basis, NYISO explains that it and transmission owners are still developing technical procedures describing the mechanics of AAR submissions. We recognize that the timelines by which AARs will be calculated or submitted may not be determined until closer to AAR implementation and therefore that additional time may be necessary to comply with this requirement. Therefore, we direct NYISO to file, no later than November 12, 2024, a further compliance filing that provides this explanation.<sup>56</sup>

<sup>53</sup> Order No. 881, 177 FERC ¶ 61,179 at P 143.

<sup>54</sup> Filing, Transmittal Letter at 9 n.17.

<sup>55</sup> See Order No. 881, 177 FERC ¶ 61,179 at P 143.

**4. Role of the Transmission Owner and Transmission Provider in AAR Implementation**

27. In Order No. 881, the Commission clarified that transmission owners, not transmission providers, are responsible for calculating transmission line ratings.<sup>57</sup> The Commission noted that, because a distinction is made between transmission owners and transmission providers in RTO/ISO regions, RTOs/ISOs will need to rely on their member transmission owners to calculate transmission line ratings and provide them to the RTO/ISO in order to comply with Order No. 881.<sup>58</sup>

28. In instances where the transmission provider is not the transmission owner, such as in RTO/ISO regions, the Commission required that the transmission provider explain, in its compliance filing, the mechanism (e.g., a tariff or membership agreement) through which transmission owners will be obligated to make and communicate to the transmission provider the timely calculations and determinations related to transmission line ratings (including the exercise of any discretion in calculations or application of exceptions).<sup>59</sup> Further, the Commission required RTOs/ISOs on compliance to propose and justify a methodology for AAR implementation, delineating the expected roles between transmission owners and transmission provider.<sup>60</sup> In addition, the Commission required that electronic transmission line rating data be submitted by transmission owners directly into an RTO's/ISO's energy management system (EMS) through Supervisory Control and Data Acquisition (SCADA) or similar communications systems, such as Inter-Control Center Communication Protocol.<sup>61</sup>

**a. Filing**

29. Section 39.4 of NYISO's proposed Attachment GG describes the obligations of transmission owners to calculate and provide Transmission Facility Ratings to NYISO.<sup>62</sup> NYISO requests an independent entity variation with respect to the term "Transmission

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<sup>56</sup> NYISO should submit its compliance filing in an eTariff submittal using Type of Filing Code 80 – Compliance Filing in the above referenced docket.

<sup>57</sup> Order No. 881, 177 FERC ¶ 61,179 at P 140.

<sup>58</sup> *Id.* PP 140, 300.

<sup>59</sup> *Id.* P 141.

<sup>60</sup> *Id.* P 142.

<sup>61</sup> *Id.* P 179.

<sup>62</sup> Filing, Transmittal Letter at 9; Proposed NYISO OATT, Attach. GG, § 39.4.

Provider” in the *pro forma* OATT Attachment M.<sup>63</sup> NYISO states that both NYISO and the transmission owners have obligations under Order No. 881 that are assigned to the “Transmission Provider” in the Commission’s *pro forma* OATT Attachment M. NYISO explains that the Commission has previously accepted deviations from the *pro forma* term transmission provider in the NYISO OATT that divide the transmission provider’s responsibilities between NYISO and transmission owners to reflect their respective roles in New York.<sup>64</sup> NYISO states that, consistent with the existing respective responsibilities of NYISO and the transmission owners, it proposes to replace the term “Transmission Provider” as used in the Commission’s revisions in Order No. 881 with “ISO” or “Transmission Owner,” as applicable.<sup>65</sup> To further accommodate this distinction, NYISO proposes to divide the transmission provider obligations into two distinct sections.

30. Section 39.2 provides the obligations of NYISO to: (1) use and post Transmission Facility Ratings; (2) use AARs for near-term transmission service, as described above; and (3) post records of Transmission Facility Ratings and Transmission Facility Rating methodologies.<sup>66</sup>

31. Section 39.4 of proposed Attachment GG describes the obligations of the transmission owners to: (1) calculate and provide Transmission Facility Ratings; (2) share Transmission Facility Ratings and Transmission Facility Rating methodologies; and (3) determine that the Transmission Facility Rating of a transmission facility is not affected by ambient air temperature or solar heating, and to provide alternate ratings to NYISO.<sup>67</sup>

#### **b. Commission Determination**

32. We find that NYISO’s proposed implementation complies with the requirements in Order No. 881 related to the roles of transmission owner and transmission provider in implementing AARs.<sup>68</sup> As the Commission explained in Order No. 881, in the RTO/ISO

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<sup>63</sup> Filing, Transmittal Letter at 11.

<sup>64</sup> *Id.* at 11 (citing *N. Y. Indep. Sys. Operator, Inc.*, 108 FERC ¶ 61,159 at P 19; *N. Y. Indep. Sys. Operator, Inc.*, 119 FERC ¶ 61,333, at P 34 (2007) (accepting compliance revisions filed by NYISO in the Order No. 2006 proceeding, including the split of responsibilities between NYISO and Transmission Owners in the Small Generator Interconnection Procedures and Small Generator Interconnection Agreement)).

<sup>65</sup> *Id.* at 11-12.

<sup>66</sup> Proposed NYISO OATT, Attach. GG, § 39.2 (Obligations of the ISO).

<sup>67</sup> *Id.* § 39.4 (Obligations of the Transmission Owners).

regions, there is a distinction between transmission owners and transmission providers and RTOs/ISOs will need to rely on their member transmission owners to calculate transmission line ratings and provide them to the RTO/ISO.<sup>69</sup> We agree that it is appropriate for NYISO to divide certain Order No. 881 requirements between itself and transmission owners to reflect the respective roles of NYISO and the transmission owners in the NYISO footprint. Specifically, NYISO's proposal provides that (1) transmission owners are responsible for calculating Transmission Facility Ratings, providing Transmission Facility Ratings to NYISO, and determining exceptions and alternate ratings and (2) NYISO is required to post Transmission Facility Ratings and methodologies. Therefore, we find NYISO's proposal complies with Order No. 881.

33. We discuss NYISO's proposal to require transmission owners to share ratings methodologies below.

### **5. Seasonal Line Ratings**

34. In Order No. 881, the Commission required transmission providers to use seasonal line ratings when: (1) evaluating requests for transmission service—including point-to-point, network, and secondary service—ending more than 10 days from the date of the request; (2) responding to requests for information on the availability of such transmission service (including requests for ATC or other information related to potential transmission service); and (3) posting transmission availability (including ATC for point-to-point transmission service requests) or other information related to transmission service to their OASIS site.<sup>70</sup> The Commission further required transmission providers to use seasonal line ratings when determining whether to curtail or interrupt firm and non-firm point-to-point transmission service (under sections 13.6 and 14.7 of the *pro forma* OATT) in situations other than those in which such curtailment or interruption is necessary because of issues related to flow limits on transmission lines anticipated to occur (start and end) within the next 10 days.<sup>71</sup> Additionally, the Commission required transmission providers to use seasonal line ratings for determining the necessity of curtailment (under section 33 of the *pro forma* OATT) or redispatch (under sections 30.5 and/or 33 of the *pro forma* OATT) of network or secondary service in situations other than those in which such curtailment or redispatch is necessary because of issues related to flow limits on transmission lines anticipated to occur within the next 10 days.<sup>72</sup>

<sup>68</sup> Order No. 881, 177 FERC ¶ 61,179 at PP 140-142.

<sup>69</sup> *Id.*

<sup>70</sup> *Id.* P 198.

<sup>71</sup> *Id.* P 199.

<sup>72</sup> *Id.* P 200.



35. The Commission also required transmission providers to define seasons to include not fewer than four seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.<sup>73</sup> The Commission clarified that transmission providers may define seasons shorter than three months and/or have more than four seasons for their seasonal line rating program.<sup>74</sup> Finally, the Commission required that seasonal line ratings be calculated annually, if not more frequently.<sup>75</sup>

**a. Filing**

36. Section 39.1.2 (Definitions) of NYISO's proposed Attachment GG provides that a Seasonal Facility Rating (1) applies to a specified season, as described in ISO Procedures;<sup>76</sup> (2) reflects forecasted or historical temperatures across the relevant season over which the rating applies; and (3) is calculated at least annually if not more frequently.<sup>77</sup>

**b. Commission Determination**

37. We find that NYISO's proposal partially complies with the seasonal line ratings requirements in Order No. 881. Specifically, although NYISO's proposal provides for seasonal line ratings, NYISO does not define seasons to include no fewer than four seasons in each year. In Order No. 881, the Commission required that transmission providers define seasons to include no fewer than four seasons, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.<sup>78</sup> Accordingly, we direct NYISO to file, within 60 days of the date of this order, a further compliance filing that revises section 39.1.2 of Attachment GG to specify that seasons for Seasonal Facility Rating purposes will be defined as to include no fewer than four seasons and to reasonably reflect portions of the year where expected high temperatures are relatively consistent in each year or explain why it should not be required to do so.

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<sup>73</sup> *Id.* P 211.

<sup>74</sup> *Id.* P 212.

<sup>75</sup> *Id.* P 215.

<sup>76</sup> ISO Procedures are defined as “[t]he procedures adopted by the ISO in order to fulfill its responsibilities under the ISO OATT, the ISO Services Tariff and the ISO Related Agreements.” NYISO/NYISO Tariffs, NYISO OATT, § 1.9 OATT Definitions – I (19.0.0).

<sup>77</sup> Proposed NYISO OATT, Attach. GG, § 39.1.2 (Definitions).

<sup>78</sup> Order No. 881, 177 FERC ¶ 61,179 at P 211.

## **6. Dynamic Line Ratings**

38. In Order No. 881, the Commission required RTOs/ISOs to establish and maintain systems and procedures necessary to allow transmission owners to electronically update transmission line ratings (for each period for which transmission line ratings are calculated) at least hourly, with such data submitted by transmission owners directly into the RTO's/ISO's EMS through SCADA or related systems. The Commission noted that, without these capabilities, RTO/ISO software could serve as a barrier that prevents transmission owners in RTOs/ISOs from implementing dynamic line ratings (DLRs).<sup>79</sup>

### **a. Filing**

39. NYISO states that it already has DLR functionality for transmission owners to modify transmission line ratings in real-time, when appropriate, and that it will continue to allow DLR adjustments consistent with Order No. 881.<sup>80</sup> NYISO explains that asset owners may increase or decrease real-time line ratings for any reason they deem appropriate consistent with good utility practice using the DLR functionality. NYISO states that, consistent with Order No. 881, it will accommodate the systems and procedures necessary to allow transmission owners to electronically update Transmission Facility Ratings, at least hourly, by submitting such data to NYISO.<sup>81</sup>

### **b. Commission Determination**

40. We find that NYISO's proposal complies with the DLR requirements of Order No. 881. As NYISO explains, it currently has DLR functionality in place, and it will allow for transmission owners to electronically update Transmission Facility Ratings, at least hourly, by submitting such data to NYISO. Therefore, NYISO meets the requirement that RTOs/ISOs establish and maintain systems and procedures necessary to allow transmission owners to electronically update transmission line ratings at least hourly.

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<sup>79</sup> *Id.* P 255. A DLR is “a transmission line rating that applies to a time period of not greater than one hour and reflects up-to-date forecasts of inputs such as (but not limited to) ambient air temperature, wind, solar heating intensity, transmission line tension, or transmission line sag.” 18 C.F.R. § 35.28(b)(14) (2022); *see also* Order No. 881, 177 FERC ¶ 61,179 at PP 235, 238.

<sup>80</sup> Filing, Transmittal Letter at 5.

<sup>81</sup> As noted above, NYISO explains that it and transmission owners are still developing technical procedures describing the mechanics of AAR submissions. *Id.* at 9 n. 17.

## 7. Emergency Ratings

41. In Order No. 881, the Commission required transmission providers to use uniquely determined emergency ratings for contingency analysis in the operations horizon and in post-contingency simulations of constraints.<sup>82</sup> Emergency ratings, like all transmission line ratings, must incorporate a set of electrical equipment ratings that collectively operate as a single electric system element (e.g., transformers, relay protective devices, terminal equipment, and series and shunt compensation devices), and the most limiting component from that set will determine the transmission line rating. Consistent with the Commission's determinations with respect to the implementation of AARs on all transmission lines, the Commission required transmission providers to use uniquely determined emergency ratings on all conductors and all relevant transmission equipment, in order to ensure that transmission line ratings are accurate.<sup>83</sup> The Commission further required that emergency ratings incorporate an adjustment for ambient air temperature and for daytime/nighttime solar heating, consistent with the AAR requirements for normal ratings.<sup>84</sup>

### a. Filing

42. NYISO requests an independent entity variation with respect to the terms related to emergency ratings.<sup>85</sup> NYISO proposes to define and use the terms "Long-Term Emergency Rating" and "Short-Term Emergency Rating" in place of the *pro forma* defined term "Emergency Rating."<sup>86</sup> NYISO explains that it already uses both Long-Term and Short-Term Emergency Ratings submitted by transmission owners and plans to continue to do so.<sup>87</sup> NYISO states that it will require transmission owners to

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<sup>82</sup> Order No. 881, 177 FERC ¶ 61,179 at PP 293-294.

<sup>83</sup> *Id.* P 305.

<sup>84</sup> *Id.* P 297.

<sup>85</sup> Filing, Transmittal Letter at 12.

<sup>86</sup> A Long-Term Emergency Rating is defined as a Transmission Facility Rating that reflects operation for infrequent, non-consecutive periods of up to four hours, rather than reflecting continuous operation. A Short-Term Emergency Rating is defined as a Transmission Facility Rating that reflects operation for infrequent, non-consecutive periods of fifteen minutes or less, rather than reflecting continuous operation. Both Short-Term and Long-Term Emergency Ratings may assume an acceptable loss of transmission equipment life or other physical or safety limitations for the transmission facilities involved. Proposed NYISO OATT, Attach. GG, § 39.1.2 (Definitions).

<sup>87</sup> Filing, Transmittal Letter at 12 (citing NYISO, *Transmission and Dispatch*

submit Short-Term Emergency Ratings and Long-Term Emergency Rating for both AARs and seasonal ratings, consistent with the requirements of Order No. 881.

**b. Commission Determination**

43. We find that NYISO's proposal complies with the emergency ratings requirements of Order No. 881. NYISO's proposed Short-Term and Long-Term Emergency Ratings terms are consistent with the *pro forma* definition of Emergency Rating and accommodate NYISO's existing practice of using both Short-Term and Long-Term Emergency Ratings in its operations. We therefore accept NYISO's proposal as consistent with or superior to the *pro forma* OATT Attachment M.

**8. Transparency**

**a. Transmission Providers Sharing Transmission Line Ratings and Methodologies with Any Transmission Providers Upon Request**

44. In Order No. 881, the Commission required transmission providers to share transmission line ratings and transmission line rating methodologies with any transmission provider(s) upon request and in a timely manner.<sup>88</sup> While the Commission did not require a specific information sharing method, the Commission clarified that any such information sharing method should be sufficient to accommodate the reasonable business needs of the other transmission provider(s) (e.g., to allow the other transmission provider(s) to process transmission service requests in a timely manner).<sup>89</sup>

**i. Filing**

45. Section 39.41 of NYISO's proposed Attachment GG requires each transmission owner to share Transmission Facility Ratings and Transmission Facility Ratings methodologies in a timely manner, upon request by another transmission owner, NYISO, or a transmission provider other than NYISO.<sup>90</sup> NYISO states that this approach follows the *pro forma* OATT Attachment M closely.<sup>91</sup>

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*Operations Manual* § 2.3 (Feb. 2023),  
[https://www.nyiso.com/documents/20142/2923301/trans\\_disp.pdf](https://www.nyiso.com/documents/20142/2923301/trans_disp.pdf).

<sup>88</sup> Order No. 881, 177 FERC ¶ 61,179 at PP 330, 335.

<sup>89</sup> *Id.* P 335.

<sup>90</sup> Proposed NYISO OATT, Attach. GG, § 39.4.2 (Sharing Transmission Facility Ratings).

## ii. Commission Determination

46. We find that NYISO's proposal partially complies with the information sharing requirements of Order No. 881. Although NYISO proposes an approach to share Transmission Facility Ratings and Transmission Facility Ratings methodologies, NYISO assigns responsibility for responding to requests for ratings information to the transmission owners rather than itself. In Order No. 881, the Commission required transmission providers to provide this information to other transmission providers upon request and determined that any information sharing method should be sufficient to accommodate the reasonable business needs of other transmission providers.<sup>92</sup> NYISO has not demonstrated that its proposal is consistent with or superior to the *pro forma* OATT Attachment M, because it has not shown that assigning responsibility for answering requests to transmission owners is sufficient to accommodate the business needs of other transmission providers (e.g., to allow the other transmission providers to process transmission service requests in a timely manner).

47. Accordingly, we direct NYISO to file, within 60 days of the date of this order, a further compliance filing that revises Attachment GG of its OATT to provide that NYISO itself, not the transmission owners, is responsible for responding to all requests for line ratings information or explain why it should not be required to do so.

## 9. Miscellaneous Issues

### a. Filing

48. NYISO proposes a limited set of complementary revisions to Attachments M and N of its OATT and certain rate schedules to quantify the impacts resulting from circumstances when the rating limits employed in the day-ahead market differ from the rating limits assumed in Transmission Congestion Contract (TCC) auctions.<sup>93</sup> NYISO proposes that any quantified impacts resulting from such rating differences will be assigned to the entity or entities responsible for the relevant transmission facility.

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<sup>91</sup> Filing, Transmittal Letter at 10.

<sup>92</sup> Order No. 881, 177 FERC ¶ 61,179 at P 335.

<sup>93</sup> Filing, Transmittal Letter at 15. Transmission Congestion Contracts are the right to collect or obligation to pay congestion rents in the day-ahead market for energy associated with a single MW of transmission between a specified point of interconnection and point of withdrawal. TCCs are financial instruments that enable Energy buyers and sellers to hedge fluctuations in the price of transmission. NYISO/NYISO Tariffs, NYISO OATT, § 1.20 OATT Definitions – T (9.0.0).

49. Specifically, NYISO proposes to modify the definition of “Actual Qualifying [Day-Ahead Market] Derating” and “Actual Qualifying [Day-Ahead Market] Uprating” to include a new qualifying event category specific to the Transmission Facility Rating limit requirements of Order No. 881.<sup>94</sup> NYISO proposes to apply this new qualifying event category in cases where: (1) the monitored transmission facility of a binding constraint in the day-ahead market is modeled as secured and in-service in both the day-ahead market and the relevant TCC auction; and (2) the rating limit used for such transmission facility in the day-ahead market differs from the rating limit that was assumed for such facility in the relevant TCC auction.<sup>95</sup> NYISO explains that, if the rating limit in the day-ahead market is higher than the rating limit assumed in the relevant TCC auction, such conditions would constitute a qualifying uprate event.<sup>96</sup> NYISO explains that a qualifying derate event would occur when the rating limit used in the day-ahead market is lower than the rating limit that was assumed in the relevant TCC auction, subject to impact quantification procedures.

50. NYISO proposes that the MW quantity of the impact for the qualifying uprate or derate events resulting from the implementation of the requirements of Order No. 881 be

<sup>94</sup> Filing, Transmittal Letter at 15.

<sup>95</sup> *Id.* at 15-16.

<sup>96</sup> *Id.* at 16.

<sup>97</sup> *Id.*

<sup>98</sup> NYISO proposes to modify the descriptions for the “UprateDerate<sub>a,h</sub>” variable in Formula N-5 (contained in § 20.2.4.1) and the “RatingChange<sub>a,h,r</sub>” variable in Formula N-11 (contained in § 20.2.4.3) to specify this calculation. *Id.*

<sup>99</sup> *Id.* at 17. Incremental TCCs are a set of point-to-point TCCs that is awarded pursuant to § 19.2.2 of Attachment M of the OATT. NYISO/NYISO Tariffs, NYISO OATT, § 1.9 OATT Definitions – I (19.0.0). Primary Holder is the transmission customer that is the recognized holder of a TCC, as described in Attachment M of the OATT. NYISO/NYISO Tariffs, NYISO OATT, § 1.16 OATT Definitions – P (7.0.0).

<sup>100</sup> See NYISO/NYISO Tariffs, NYISO OATT, § 19.2 OATT, (Attach. M) (Award of TCCs Other Than Through TCC Auction) (11.0.0), § 19.2.4.10.

<sup>101</sup> NYISO states that these clarifying revisions are included within variables for the following formulas: (1) Formula N-1 (contained in § 20.2.1); (2) Formula N-12 (contained in § 20.2.4.3.2); and (3) Formula N-14 (contained in § 20.2.4.5.1). Filing, Transmittal Letter at 17.

measured by subtracting the rating limit assumed for the affected transmission facility in the relevant TCC auction from the rating limited used for such facility in the day-ahead market.<sup>97</sup> NYISO proposes revisions to certain variables to specify this calculation.<sup>98</sup>

51. NYISO also proposes to apply the new congestion settlements to Primary Holders of Incremental TCCs.<sup>99</sup> Accordingly, NYISO proposes revisions to Attachment M of its OATT to identify the new category of settlements for the transmission facilities composing a project that is awarded Incremental TCCs.<sup>100</sup> To carry out this change, NYISO also proposes clarifying revisions to the description of certain variables in the formulas to account for the inclusion of Primary Holders of Incremental TCCs for purposes of identifying payments and charges for the new category of qualifying uprate and derate events related to the Transmission Facility Rating limit requirements of Order No. 881.<sup>101</sup>

52. NYISO states that applying the new congestion settlements related to the Transmission Facility Rating limit requirements of Order No. 881 to Primary Holders of Incremental TCCs also requires revisions to certain Commission-approved rate schedules addressing regulated transmission cost recovery for projects awarded Incremental TCCs.<sup>102</sup> NYISO states that it proposes substantially similar revisions within each rate schedule to: (1) broaden language describing payments and charges for operational status impacts of the transmission facilities that compose the project awarded Incremental TCCs to account for the new category of congestion settlements; and (2) revise the description of the relevant variable addressing operational status settlements within the formula for calculating the relevant transmission charges pursuant to each rate schedule to account for this new category of congestion settlements.

### **b. Comments**

53. NYTOs state that the Commission should approve NYISO's Order No. 881 compliance filing as consistent with the Commission's clear directives, with appropriate <sup>102</sup> *Id.* NYISO states that the affected rate schedules include: (1) Rate Schedule 10; (2) Rate Schedule 12; (3) Rate Schedule 13; (4) Rate Schedule 15; (5) Rate Schedule 16; and (6) Rate Schedule 17.

<sup>103</sup> NYTOs Comments at 3.

<sup>104</sup> See, e.g., *Sea Robin Pipeline Co.*, 138 FERC ¶ 61,131, at P 32 (2012) ("A compliance filing may not include new proposed tariff provisions not addressed in the Commission's order, and the Commission will reject a compliance filing that goes beyond the scope of the directives in the Commission's order."); *Entergy Servs., Inc.*, 130 FERC ¶ 61,264, at P 54 (2010) ("The Commission has stated repeatedly that compliance filings are to address only the specific matters ordered by the Commission.").

regional variations.<sup>103</sup> NYTOs state that NYISO's Order No. 881 compliance filing effectively implements the requirements of Order No. 881 in a manner appropriate for New York and addresses specific and material impacts to NYISO's congestion settlement procedures caused by the implementation of AARs. NYTOs state that, absent the day-ahead market congestion rent settlement revisions, implementing Order No. 881 would result in socialization of the costs and payments for day-ahead market residuals caused by AAR-related uprates and derates among all of the NYTOs, which would be inequitable and inefficient because not all transmission owners bear responsibility for such an uprate or derate.

**c. Commission Determination**

54. We reject as beyond the scope of this proceeding NYISO's proposed revisions to its day-ahead market congestion settlement procedures.<sup>104</sup> While the Commission in Order No. 881 acknowledged a connection between the transmission line rating requirements and financial transmission rights markets,<sup>105</sup> the Commission declined to direct any changes to financial transmission rights markets and therefore these revisions fall beyond the scope of this compliance proceeding. We note that our rejection here is made without prejudice to NYISO making a future FPA section 205 filing to revise its day-ahead market congestion settlement procedures to account for any impacts resulting from the implementation of AARs.

The Commission orders:

(A) NYISO's compliance filing is hereby accepted in part and rejected in part, subject to NYISO notifying the Commission of the effective date for its OATT revisions at least two weeks prior to that date, and subject to further compliance, as discussed in the body of this order.

(B) NYISO is hereby directed to submit a compliance filing within 60 days of the date of issuance of this order, as discussed in the body of this order.

(C) NYISO is hereby directed to submit a further compliance filing no later than November 12, 2024, explaining its AAR timelines, as discussed in the body of this order.

By the Commission.

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<sup>105</sup> See Order No. 881, 177 FERC ¶ 61,179 at P 192 ("We decline to provide explicit liability protections related to AAR implementation, as requested by commenters . . . [w]e note that transmission providers could submit filings pursuant to FPA section 205 to . . . propose revised liability protections . . .").



( S E A L )

Kimberly D. Bose,  
Secretary.

**Appendix**

**Tariff Records Accepted  
New York Independent System Operator, Inc.  
NYISO Tariffs**

NYISO OATT, 39 OATT Att GG Transmission Facility Ratings (0.0.0).

**Tariff Records Rejected  
New York Independent System Operator, Inc.  
NYISO Tariffs**

NYISO OATT, 6.10 OATT Schedule 10 - Rate Mechanism For Recovery Of RTFC (18.0.0)

NYISO OATT, 6.12-6.12.4 OATT Schedule 12 - Rate Mechanism For Recovery (3.0.0)

NYISO OATT, 6.13 OATT Schedule 13 Rate Mechanism for the Recovery (3.0.0)

NYISO OATT, 6.15 OATT Schedule 15 Rate Mechanism Recovery NYPA MSSCF (1.0.0)

NYISO OATT, 6.16 OATT Schedule 16 Rate Mechanism for the R (2.0.0)

NYISO OATT, 6.17 OATT Schedule 17 Rate Mechanism for Recovery of (2.0.0)

NYISO OATT, 19.2 OATT Att M Award of TCCs Other Than Through TCC Auction (11.0.0)

NYISO OATT, 20.1 OATT Att N Overview and Definitions (9.0.0)

NYISO OATT, 20.2 OATT Att N Congestion Settlements Related to the Day-Ah (7.0.0)