

185 FERC ¶ 61,067
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. ER23-1783-001

ORDER ON COMPLIANCE AND REQUEST FOR WAIVERS

(Issued October 26, 2023)

1. On May 1, 2023, as amended on September 1, 2023, New York Independent System Operator, Inc. (NYISO) filed revised tariff records¹ to its Open Access Transmission Tariff (OATT) and Market Administration and Control Area Services Tariff (Services Tariff), and a request for waivers of certain standards to comply with the requirements of Order No. 676-J.² In Order No. 676-J, the Commission revised its regulations to incorporate by reference Version 003.3 of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. The Commission established two implementation dates depending on the subject matter of the standard, and required public utilities and other utilities required to comply with section 38.1 of the Commission regulations³ to make two separate compliance filings to include these standards in their tariffs.⁴ This filing represents NYISO's second compliance filing. In this order, we accept NYISO's revised tariff records for the remainder of the revisions in

¹ New York Independent System Operator, Inc., NYISO Tariffs, [NYISO OATT, 2.17 OATT Incorporation of Certain Business Practice Standard \(13.0.0\)](#), [NYISO MST, 5.1 MST Control Area Services \(16.0.0\)](#).

² *Standards for Bus. Pracs. & Commc'n Protocols for Pub. Utils.*, Order No. 676-J, 175 FERC ¶ 61,139 (2021).

³ 18 C.F.R. § 38.1 (2022).

⁴ Order No. 676-J, 175 FERC ¶ 61,139 at PP 48, 50. In Order No. 676-J, the Commission required utilities to make an earlier compliance filing for the cybersecurity and Parallel Flow Visualization (PFV) standards included in Version 003.3. *Id.* PP 49-50. On February 23, 2023, the Commission accepted the compliance filings for the cybersecurity and PFV standards included in Version 003.3.

Version 003.3, to become effective February 1, 2024, subject to an additional compliance filing submitted within 30 days of the date of this order, as described below, and grant NYISO's request for waivers.

I. Background

2. On May 20, 2021, the Commission issued Order No. 676-J, which amended the Commission's regulations under the Federal Power Act (FPA)⁵ to incorporate by reference the WEQ Version 003.3 of the Business Practice Standards adopted by NAESB.⁶ The NAESB Business Practice Standards are intended to standardize and streamline the transactional processes of the natural gas and electric industries, as well as the communication protocols and related standards designed to improve the efficiency of communication within each industry.⁷

3. The WEQ Version 003.3 Business Practice Standards include, in their entirety, the WEQ-023 Modeling Business Practice Standards contained in the WEQ Version 003.1 Standards that address the technical issues affecting ATC and Available Flowgate Capability calculation for wholesale electric transmission services.⁸ The WEQ Version 003.3 Business Practice Standards also include newly created standards as well as modifications to existing standards developed through the NAESB Business Practice Standards development or minor correction processes.⁹ In Order No. 676-J, the Commission directed utilities to make two separate compliance filings for Version 003.3.¹⁰ The first compliance filing concerned the cybersecurity and PFV standards included in Version 003.3. The Commission directed utilities make the second compliance filing reflecting the remainder of the revisions in Version 003.3 12 months after implementation of the WEQ Version 003.2 Standards, or no earlier than October 27, 2022, with an implementation date no earlier than three months following compliance filings submission (no earlier than January 27, 2023), resulting in a 15-month implementation period.¹¹

⁵ 16 U.S.C. § 791a, *et seq.*

⁶ Order No. 676-J, 175 FERC ¶ 61,139 at P 1. In Order No. 676-J, the Commission also revised its regulations to provide that transmission providers must avoid unduly discriminatory and preferential treatment in the calculation of Available Transfer Capability (ATC). *Id.* P 2.

⁷ *Id.* P 4.

⁸ *Id.* PP 16, 68.

⁹ *Id.* P 10.

¹⁰ *Id.* PP 49-50.

4. The Commission also stated that should any public utility that has previously been granted a waiver of the regulations believe that its circumstances warrant a continued waiver, the public utility may file a request for a waiver wherein the public utility can detail the circumstances that it believes warrant a waiver.¹² The Commission specified that in its request for continued waiver, the public utility must include the date, docket number of the order(s) previously granting the waiver(s), and an explanation for why the waiver(s) was initially granted by the Commission.

II. NYISO's Filing

A. Proposed Standards

5. NYISO proposes to incorporate the remainder of the revisions in Version 003.3 into its OATT and Services Tariff by reference,¹³ with the exception of certain standards for which NYISO requests waivers, as set forth below.¹⁴

B. Request for Waivers

6. NYISO requests continued waivers of various NAESB Business Practice Standards for which the Commission has already granted NYISO waiver, because NYISO's "financial reservation" transmission model makes numerous NAESB standards inapplicable to NYISO and its market participants.¹⁵ NYISO states that its "financial reservation" transmission model, approved by the Commission in 1999, differs substantially from the "physical reservation" model contemplated by the Order No. 890

¹¹ *Id.* PP 48, 50. The Commission noted that the implementation of the NAESB ATC-related standards contained in WEQ-023 will be coordinated with the retirement of the North American Electric Reliability Corporation MOD A Reliability Standards. *Id.* P 43 n.53. In a final rule issued concurrently with this order, the Commission is approving the proposed retirement of the MOD A Reliability Standards effective February 1, 2024. *Elec. Reliability Org. Proposal to Retire Requirements in Reliability Standards Under the NERC Standards Efficiency Rev.*, Order No. 902, 185 FERC ¶ 61,064, at PP 10, 25 (2023).

¹² Order No. 676-J, 175 FERC ¶ 61,139 at P 51.

¹³ Transmittal at 1-2.

¹⁴ *See* 18 C.F.R. § 38.1(b)(2) (2022) (enumerating all of the standards adopted in Version 003.3).

¹⁵ Transmittal at 2-3 (citing *N.Y. Indep. Sys. Operator, Inc.*, 178 FERC ¶ 61,165 (2022) (Order No. 676-I Compliance Order) (granting request for waivers for good case shown)).

pro forma OATT, which is the basis for the NAESB standards.¹⁶ Additionally, NYISO states that since 1999, the Commission has approved substantial revisions to the NYISO OATT to reflect fundamental differences between NYISO’s “financial reservation” transmission model and the “physical reservation” model, specifically to reflect the fact that NYISO effectively offers a single form of financial reservation-based transmission service within a framework of Locational Based Marginal Prices and continuous economic redispatching.¹⁷ NYISO states that for each NAESB standard for which it seeks continued waiver, the rationale that the Commission set forth to grant the previous waiver is unchanged today.¹⁸ NYISO’s request for continued waivers includes:

- WEQ-001, standards 001-2, 001-3, 001-4, 001-5, 001-6, 001-7, 001-8, 001-9, 001-10, 001-11, 001-12, 001-13.1.3(c), 001-14, 001-15, 001-16, 001-17, 001-20, 001-21, 001-22, 001-23, 001-24; 001-25; 001-101 through 001-107.3.1, 001- Appendix A and 001-Appendix B;
- WEQ-002 in its entirety;
- WEQ-003 in its entirety;
- WEQ-004, standards 004-3, 004-18, and 004 Appendix A and Appendix C;
- WEQ-013 in its entirety; and
- WEQ-023, standards 023-5, 023-6, and 023-A (Appendix A).¹⁹

7. NYISO requests new waivers of the new Business Practice Standards in WEQ-001-13.2, WEQ-001-26, WEQ-001-27, and WEQ-001-28.²⁰ NYISO states that WEQ-001-13.2 concerns provision of redispatch services. NYISO explains that the Commission has previously granted NYISO waivers for similar standards, because NYISO continuously redispatches the transmission system to meet load and support requests for firm transmission service using its bid-based, security-constrained economic

¹⁶ *Id.* at 3.

¹⁷ *Id.* at 4 (citing, e.g., *N.Y. Indep. Sys. Operator, Inc.*, 123 FERC ¶ 61,134, at P 13 (2008); *Cent. Hudson Gas & Elec. Corp.*, 86 FERC ¶ 61,062 (1999); *Cent. Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138 (1999)).

¹⁸ *Id.* at 4.

¹⁹ *Id.* at 4-8.

²⁰ *Id.* at 8.

dispatch/redispach process and does not offer the more limited redispach services found in the *pro forma* OATT. NYISO states that WEQ-001-026 and -001-027 pertain to management of requests for firm physical transmission service, which are not relevant under NYISO's financial reservation model. NYISO states that WEQ-001-028 establishes curtailment procedure posting requirements for scheduling firm physical transmission service, which is not relevant under NYISO's financial reservation model.

III. Notice and Responsive Pleadings

8. Notice of NYISO's May 1, 2023 compliance filing was published in the *Federal Register*, 88 Fed. Reg. 29,125 (May 5, 2023), with interventions and protests due on or before May 22, 2023. None was filed.

9. Notice of NYISO's September 1, 2023 compliance filing was published in the *Federal Register*, 88 Fed. Reg. 62,077 (Sept. 8, 2023) with interventions and protests due on or before September 22, 2023. None was filed.

IV. Discussion

10. We accept NYISO's Order No. 676-J revised tariff records for the remainder of the revisions in Version 003.3 to become effective February 1, 2024,²¹ grant the requested waivers, and direct NYISO to make an additional compliance filing. In particular, we accept NYISO's revised tariff records because they comply with the directives of Order No. 676-J, subject to the additional compliance filing discussed below.

11. Specifically, we grant NYISO's request for continued waivers of the NAESB Business Practice Standards in WEQ-001, standards 001-2, 001-3, 001-4, 001-5, 001-6, 001-7, 001-8, 001-9, 001-10, 001-11, 001-12, 001-13.1.3(c), 001-14, 001-15, 001-16, 001-17, 001-20, 001-21, 001-22, 001-23, 001-24; 001-25; 001-101 through 001-107.3.1, 001- Appendix A and 001-Appendix B; WEQ-002 in its entirety; WEQ-003 in its entirety; WEQ-004, standards 004-3, 004-18, and 004 Appendix A and Appendix C; WEQ-013 in its entirety; and WEQ-023, standards 023-5, 023-6, and 023-A (Appendix A). We find that NYISO has supported continued waiver of the foregoing standards for the reasons set forth in NYISO's filing, and because the rationale used when the Commission previously granted these waivers has not changed.²² Therefore, consistent with the Commission's

²¹ In Order No. 676-J, the Commission stated that it would set an implementation date for the remainder of the revisions in Version 003.3 no earlier than three months following compliance filings submission (no earlier than January 27, 2023), resulting in a 15-month implementation period. Order No. 676-J, 175 FERC ¶ 61,139 at PP 48, 50. We choose to set a common effective date of February 1, 2024 for the Order No. 676-J compliance filings that incorporate by reference the remainder of the revisions in Version 003.3.

previous determinations in the Order No. 676-I Compliance Order,²³ and for good cause shown, we grant the request for continued waivers. We also grant NYISO's request for new waivers of the new NAESB Business Practice Standards in WEQ-001-13.2, WEQ-001-26, WEQ-001-27, and WEQ-001-28 for good cause shown. We find that NYISO has supported waiver of the foregoing new standards for the reasons set forth in NYISO's filing.²⁴

12. Finally, NYISO's revised tariff records include placeholders for the citation of this order granting the waiver requests. Therefore, we require NYISO to make a compliance filing within 30 days of the date of issuance of this order to revise its tariff records to include the citation to this order granting the waiver requests.²⁵

The Commission orders:

(A) NYISO's revised tariff records for the remainder of the revisions in Version 003.3 are hereby accepted for filing, to become effective February 1, 2024, subject to an additional compliance filing, as discussed in the body of this order.

(B) NYISO's request for waivers is hereby granted, as discussed in the body of this order.

²² Transmittal at 4-8.

²³ Order No. 676-I Compliance Order, 178 FERC ¶ 61,165 at P 17.

²⁴ Transmittal at 8.

²⁵ See, e.g., *Versant Power*, 178 FERC ¶ 61,159, at P 15 (2022); *PJM Interconnection, L.L.C.*, 151 FERC ¶ 61,141, at P 20 (2015); *Golden Spread Elec. Coop., Inc.*, 151 FERC ¶ 61,141, at P 24 (2015). For this compliance filing, we remind NYISO to include a higher eTariff priority code for its revised tariff records effective February 1, 2024.

(C) NYISO is hereby directed to make a compliance filing within 30 days of the date of issuance of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.