

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket Nos. ER10-1866-000
ER10-1866-001
ER10-1866-002

Issued: 11/3/10

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

Reference: Guarantee and Margin Assurance Payments, and Rules for Implementation
of Improved Reference Levels for Generators Unable to Complete their
Minimum Run Time within the Dispatch Day

Dear Mr. Schnell:

On July 21, 2010, the New York Independent System Operator, Inc. (NYISO) submitted revisions to its Market Administration and Control Area Services Tariff (Services Tariff) and Open Access Transmission Tariff (OATT) concerning Bid Production Cost Guarantee (BPCG) payments, Day-Ahead Margin Assurance Payments (DAMAP), the calculation of reference levels and application of mitigation to generators that are not able to complete their minimum run-time within the dispatch day in which the generator is committed (the Late Day Start Rules), and various other ministerial changes. On August 10, 2010, NYISO submitted an errata filing to correct minor typographical and administrative errors, and to preclude Limited Energy Storage Resources from receiving a BPCG payment during Supplemental Event Intervals¹

¹ In its July 21, 2010 filing, NYISO proposes to define a Supplemental Event Interval in section 2.19 of the Services Tariff and section 1.19 of the OATT as follows:

Any [Real-Time Dispatch] interval in which there is a
maximum generation pickup or a large event reserve pickup
or which is one of the three [Real-Time Dispatch] intervals
following the termination of the maximum generation pickup

occurring as a result of an ISO emergency.² On September 28, 2010, NYISO submitted another errata filing to correct minor typographical and administrative errors, to provide explanations of how resources will be compensated for DAMAP and BPCG payments, and to compare how such payments are calculated for different resources.³

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation - East, under 18 C.F.R. § 375.307, your submittal in the above-referenced dockets is accepted, effective September 30, 2010, except for the Late Day Start rules, which are accepted with an effective date of November 2, 2010, as stated in the concurrent order accepting NYISO's filing in Docket No. ER11-92-000.

Notice of NYISO's July 21, 2010 filing was published in the *Federal Register*, with interventions and comments due on or before August 11, 2010. Notice of NYISO's August 10, 2010 filing was published in the *Federal Register*, with interventions and comments due on or before August 17, 2010. Notice of NYISO's September 28, 2010 filing was published in the *Federal Register*, with interventions and comments due on or before October 19, 2010. On August 11, 2010, an intervention was filed by TC Ravenswood, LLC, and interventions and comments in support of the filing were filed by Dynegy⁴ and the New York Transmission Owners.⁵ No protests or adverse comments

or the large event reserve pickup.

² See section 18.5.1.3 of the Services Tariff.

³ Also on September 28, 2010, NYISO submitted a filing under Docket No. ER10-1866-000 entitled "Prospective Requests for Temporary Waiver to Permit Delayed Implementation of Proposed Tariff Rules, and Request for Expedited Commission Action." NYISO stated that it will not be ready to implement the Late Day Start rules by the proposed September 30, 2010 effective date, but expects to implement the proposed rules in the first week of November 2010. Subsequently, on October 12, 2010, in Docket No. ER11-92-000, NYISO filed a request to, among other things, implement the Late Day Start rules by November 2, 2010. The October 12, 2010 filing incorporates all of the changes proposed in the instant filings and thereby renders the September 28, 2010 waiver request filing moot. NYISO's filing in Docket No. ER11-92-000 has been accepted in an unpublished letter order that is being issued concurrently with this order, and which sets an effective date of November 2, 2010 for the Late Day Start rules.

⁴ Dynegy consists of: Dynegy Power Marketing, Inc., Dynegy Northeast Generation, Inc., and Sithe/Independence Power Partners, L.P.

⁵ The New York Transmission Owners include: Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; Long Island Power Authority; New York Power Authority; New York State Electric & Gas Corporation;

were filed. Notices of interventions and unopposed timely filed motions to intervene are granted pursuant to Rule 214 of the Commission's Rule of Practice and Procedure (18 C.F.R. § 385.214).

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, contract, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such action 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.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713 (2010).

Sincerely,

Jignasa Gadani, Director
Division of Electric Power Regulation - East