

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

New York Independent System Operator, Inc.) Docket No. ER13-102-007

**MOTION FOR EXTENSION OF COMPLIANCE FILING DEADLINE AND
FOR EXPEDITED ACTION OF THE
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

In accordance with Rules 212 and 2008 of the Commission’s Rules of Practice and Procedure,¹ the New York Independent System Operator, Inc. (“NYISO”) respectfully requests that the Commission grant a 60 day extension of the compliance filing deadline in this proceeding. The filing is currently due on January 22, 2016. It would be filed not later than March 22, 2016 if the requested extension is granted.

The Commission’s December 23, 2015 order in this proceeding (“December Order”) directed the NYISO to develop and submit in a further compliance filing significant tariff revisions and several new standard agreements within a limited thirty-day period.² This includes the development of a new *pro forma* development agreement for the NYISO’s Public Policy Transmission Planning Process, an operating agreement for non-incumbent transmission Developers, and revisions to the NYISO’s Open Access Transmission Tariff (“OATT”) to establish tariff revisions to apply the same interconnection process to all competitive

¹ 18 C.F.R. §§ 385.212 and 2008 (2015).

² *New York Independent System Operator, Inc.*, Order Conditionally Accepting Tariff Revisions and Requiring Further Compliance, 153 FERC ¶ 61,341 (2015) (“December Order”).

transmission projects proposed in the NYISO's transmission planning process by incumbent Transmission Owners and non-incumbent Developers.³

There is good cause for granting the requested extension. As discussed below, it is a substantial undertaking for the NYISO to develop a number of new, significant agreements and to develop comprehensive revisions to its established interconnection requirements for competitive transmission projects, which revisions must be effectively integrated with numerous other NYISO interconnection and related cost allocation requirements. The NYISO is acting diligently to address these directives. However, it is not practical to develop and refine the framework for a revised interconnection process, to finalize the related tariff revisions, and to develop the two standard agreements by January 22. Granting the requested extension will provide the NYISO with the time it requires to fully develop the required tariff revisions and agreements, to review them with its stakeholders, and to address and incorporate stakeholder input. This extension will not harm Developers or other stakeholders, and a broad cross-section of stakeholders either affirmatively support, or do not object to, a 60 day extension.

The NYISO respectfully requests that the standard five-day period for answering motions for extension of time established under Rule 213(d)(1)(i) apply to this filing.⁴ It also asks that the Commission act expeditiously to grant the requested extension no later than January 15, 2016, so that it will know with certainty when its compliance filing is due.

I. Communications

Communications and correspondence regarding this filing should be directed to:

Robert E. Fernandez, General Counsel

*Ted J. Murphy

³ Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in Attachment Y of the NYISO OATT, and if not defined therein, in the NYISO OATT and the NYISO Market Administration and Control Area Services Tariff.

⁴ 18 C.F.R. § 385.213(d)(1)(i) (2015).

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II. Background

In response to the Order No. 1000 regional transmission planning and cost allocation directives, the NYISO has submitted compliance filings to revise its tariff requirements for its Comprehensive System Planning Process, which include the NYISO's reliability, economic, and public policy planning processes.⁶ In its May 18, 2015, compliance filing, the NYISO submitted minor tariff revisions and a *pro forma* development agreement for its reliability planning process in response to the Commission's directives in an April 16, 2015, order in this proceeding.⁷

In its December Order, the Commission determined that the NYISO had partially complied with its previous directives in this proceeding, and directed the NYISO to submit a compliance filing within thirty days to address further directives. Specifically, the December

⁵ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2015) to permit service on counsel for the NYISO in both Washington, D.C. and Richmond, VA.

⁶ See *New York Independent System Operator, Inc. and New York Transmission Owners*, Compliance Filing, Docket No. ER13-102-007 (May 18, 2015); *New York Independent System Operator, Inc. and New York Transmission Owners*, Compliance Filing, Docket No. ER13-102-006 (September 15, 2014); *New York Independent System Operator, Inc. and New York Transmission Owners*, Compliance Filing, Docket No. ER13-102-002 (October 15, 2013); *New York Independent System Operator, Inc. and New York Transmission Owners*, Compliance Filing, Docket No. ER13-102-000 (October 11, 2012).

⁷ See *New York Independent System Operator, Inc.*, Order on Rehearing and Compliance, 151 FERC ¶ 61,040 (2015).

Order directed the NYISO to submit two new, standard agreements – a *pro forma* development agreement for the NYISO’s Public Policy Transmission Planning Process, and an operating agreement for non-incumbent transmission Developers that is comparable to the existing agreement between the NYISO and the incumbent New York Transmission Owners.⁸ In addition, the December Order directed the NYISO to establish tariff revisions to apply the same interconnection process to all competitive transmission projects proposed in the NYISO’s transmission planning process, whether proposed by incumbent Transmission Owners or non-incumbent Developers.⁹ Finally, the December Order directed the NYISO to make certain revisions to its previously filed *pro forma* development agreement for its reliability planning process and the related tariff provisions in Attachment Y of the OATT.¹⁰

III. Request for Extension of Compliance Filing Deadline

Rule 2008 authorizes the Commission to extend any deadline, including one imposed by a Commission compliance directive, before it expires if a requesting party demonstrates that there is “good cause” to do so. For the reasons set forth below, the NYISO respectfully submits that there is good cause to grant the 60 day extension of time that it has requested.

The revisions to the NYISO’s interconnection and transmission expansion rules required by the December Order likely will result in significant changes to the NYISO’s long-established processes. The existing processes do not exist in a vacuum. They are intertwined with complex procedures for the identification and cost allocation of upgrades on the New York State Transmission System that have been carefully refined for over a decade. The NYISO’s proposed revisions will have significant implications for how the NYISO studies and allocates the costs of

⁸ See December Order at PP 19-20, 79.

⁹ See *id.* at PP 67-76.

¹⁰ See *id.* at PP 48, 51-52, 57, 90-91, 94, 98, 100-101, 103-105, 117-120.

system upgrades for both transmission and generation projects in New York. The December Order identified a few of the many issues that will have to be addressed in establishing a new interconnection process specific to competitive transmission projects that can interact with the other generation and transmission projects participating in the NYISO's interconnection queue.¹¹

The NYISO is already administering its Public Policy Transmission Planning Process in connection with two separate Public Policy Transmission Needs identified by the New York State Public Service Commission.¹² Several incumbent and non-incumbent Developers have already submitted proposed transmission projects into the NYISO's interconnection and transmission expansion processes, and the NYISO will need to determine how to transition these projects into a new process without adversely impacting the development of these projects.

Identifying and addressing the implications of these tariff revisions will require significant time and resources. As with any significant process change, there is a risk of unintended adverse consequences or implementation problems if the development of the revised interconnection rules is rushed. It is also important to allow adequate time for stakeholder review of the NYISO's proposed interconnection framework and tariff revisions. Stakeholder review is likely both to improve the proposed process and to help reduce the number of disputed issues that are brought before the Commission. Transmission project Developers will benefit

¹¹ See *id.* at P 73 (raising concerns of the impact of placing competitive transmission projects into the NYISO's existing interconnection queue).

¹² See NYPSC Case 12-T-0502, *et al.*, Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades, *et al.*, Order Finding Transmission Needs Driven by Public Policy Requirements (December 17, 2015) (adopting the need for new 345 kV transmission facilities to provide additional transmission capacity to move power from upstate to downstate New York as a Public Policy Transmission Need); see also NYPSC Case No. 14-E-0454 – In the Matter of New York Independent System Operator, Inc.'s Proposed Public Policy Transmission Needs for Consideration, *Order Addressing Public Policy Requirements for Transmission Planning Process* (July 20, 2015) (adopting the relief of transmission congestion in Western New York as a Public Policy Transmission Need).

from the certainty that comes from rules that have been carefully vetted by stakeholders and are less likely to result in implementation errors and disputes at the Commission.

Similarly, the required *pro forma* development agreement for the NYISO's Public Policy Transmission Planning Process and the operating agreement for non-incumbent transmission Developers are both significant agreements. The development agreement will establish the terms and conditions pursuant to which a selected Public Policy Transmission Project will be constructed and placed in-service to satisfy an identified Public Policy Transmission Need. The operating agreement will establish the terms and conditions by which the NYISO will exercise operational control over the transmission facilities constructed and owned by a non-incumbent transmission Developer.

The two agreements have significant implications for the reliability of the electric system in New York and will need to be carefully harmonized with relevant provisions of the NYISO's tariffs and existing agreements. They will require careful development by the NYISO, and will greatly benefit from the review and input of the NYISO's stakeholders.

In developing the *pro forma* development agreement for the reliability planning process, the NYISO was able to hold extensive discussions with its stakeholders.¹³ Although these discussions did not resolve every issue, the NYISO and its stakeholders were able to eliminate or find compromise on many of the key issues before the agreement was filed with the Commission.¹⁴ The NYISO will not have the benefit of similar input from stakeholders regarding the required agreements within a thirty-day period.

¹³ The NYISO discussed the draft development agreement and related tariff revisions with stakeholders at the January 6, 2015, February 3, 2015, March 3, 2015, May 4, 2015, and May 12, 2015 Electric System Planning Working Group meetings and solicited and received additional written comments from stakeholders.

¹⁴ Stakeholders noted the benefits of the stakeholder process for addressing stakeholder concerns with the draft development agreement and resolving or narrowing differences among the parties. *See*

The extended period will not harm Developers or other stakeholders. Rather, as described above, Developers and stakeholders will benefit from the opportunity to review and provide input regarding the proposed tariff revisions and agreements, and Developers will benefit from the certainty that clear, well-vetted tariff requirements provide. The requested extension is supported by a broad cross-section of stakeholders. The NYISO has been authorized to represent that Multiple Intervenors and the New York Transmission Owners support the request for an extension of time and that the Independent Power Producers of New York and NextEra Energy Resources, LLC do not object to the requested extension.

Finally, the NYISO requests that the Commission apply the standard five day answer period for motions for extensions of time and act expeditiously to grant the requested extension by January 15, 2016. Commission action by that date will provide certainty regarding the NYISO's compliance timetable.

Protest of LS Power Transmission, LLC and LSP Transmission Holding, LLC, Docket No. ER13-102-007 (June 8, 2015) (“[N]otwithstanding the fact that LSP Transmission protests certain aspects of the NYISO Development Agreement and related Tariff revisions, LSP Transmission appreciates the manner in which the NYISO has handled its stakeholder process. As NYISO notes, not all issues were able to be resolved in the stakeholder process, but that should not take away from the fact that the NYISO resolved the majority of concerns through open dialogue that actually valued the exchange of ideas, rather than the a perfunctory process, for process sake, that occurred in some regions that oppose Order No. 1000 at the regional planner level. NYISO conducted an excellent stakeholder process related to the Order No. 1000 compliance, and has listened to concerns with the intent to understand the issue and incorporate the thoughts to the extent possible.”).

IV. Conclusion

WHEREFORE, for the foregoing reasons, the NYISO respectfully requests that the Commission grant a 60 day extension to the compliance filing deadline in the above-captioned proceeding so that the NYISO may submit its compliance tariff revisions and agreements no later than March 22, 2016. The NYISO also respectfully requests that the Commission issue an order granting the requested extension by no later than January 15, 2016.

Respectfully submitted,

/s/ Carl F. Patka

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Date: January 7, 2016

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. § 385.2010.

Dated at Rensselaer, NY this 7th day of January, 2016.

By: /s/ John C. Cutting

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