

stakeholders to develop compliance filing language addressing both the renewable and self-supply exemptions.⁴

The NYISO has made substantial progress on its compliance proposal, including in the time since it submitted its previous request for an extension of time. The NYISO is mindful of the Commission's desire that compliance filings be submitted in a timely manner. At the same time the NYISO recognizes the October Order's clear expectation that it fully engage with stakeholders on the issues addressed by this particular filing. The NYISO has concluded that taking an additional thirty days for final stakeholder review and discussion would likely further improve the current draft of the compliance proposal and reduce the number of disputed issues without materially delaying the implementation of new renewable and self-supply exemptions. As noted below, the NYISO is not aware of any opposition to this request for an additional extension. There is thus "good cause" for granting the requested 30-day extension.

The NYISO respectfully requests that the Commission adopt the standard five day notice period for extension requests.⁵ It also requests that the Commission act expeditiously by issuing an order granting the extension coincident with the end of the notice period, *i.e.*, at the Commission's close-of-business on March 14. Expedited action is necessary so that the NYISO and stakeholders will know with certainty that an extension has been granted before questions arise concerning compliance with the *Notice of Extension of Time's* compliance deadline.

I. The Development of the NYISO's BSM Compliance Proposal to Date

The October Order directed the NYISO to file "a compliance filing, within 90 days of the date of this order, to revise its buyer-side market power mitigation rules to exempt a narrowly defined set of renewable and self-supply resources that have limited or no incentive and ability to

⁴ See, e.g., October Order at PP 10, 50, 65.

⁵ 18 C.F.R. § 385.213(d)(1)(i).

exercise buyer-side market power to artificially suppress ICAP market prices.”⁶ Specifically, the NYISO was directed to revise the BSM rules to exempt renewable resources that “that are both purely intermittent and that have relatively low capacity factors and high development costs because these resources have limited or no incentive and ability to artificially suppress capacity prices,”⁷ and self-supply resources “whose ICAP portfolios are consistent with reasonably anticipated levels of their future ICAP obligations.”⁸ The Commission also stated that it “expect[s] NYISO to work with its stakeholders in developing this compliance filing.”⁹

The NYISO commenced work on a compliance proposal promptly after the issuance of the October Order. When it became apparent that additional time was needed the NYISO timely sought and obtained a 45 day extension. Subsequently, the NYISO obtained a further 21 day extension.

In the time since the October Order the NYISO has worked diligently to craft renewable and self-supply exemptions that would satisfy the Commission’s requirements and to incorporate stakeholder input. The NYISO has held seven stakeholder meetings to discuss the NYISO’s proposal, obtain stakeholder input as it has evolved, and to review draft tariff language, including an Installed Capacity Working Group Meeting held on the date of this filing (*i.e.*, on March 8, 2016).

The NYISO previously believed that it would be possible to make the compliance filing promptly after the March 8 meeting. It has become apparent that there are issues and design

⁶ October Order P 10.

⁷ October Order P 51.

⁸ October Order P 62.

⁹ October Order at P 10.

concepts that could benefit from having additional time to be addressed before complete and final compliance tariff language is submitted.

II. Request for Extension of Compliance Filing Deadline

The NYISO understands the importance that the Commission places on timely compliance with its orders. The requested additional extension is not excessive (30 days) and is warranted given the potential impacts of the compliance filing. The renewable and self-supply exemptions must be carefully crafted to avoid both under- and over-mitigation while accommodating state policy initiatives to the extent practicable. Taking a little more time to finalize the filing will allow stakeholders the opportunity to continue to provide input on and review further revised draft tariff language provided by the NYISO, and give the NYISO an opportunity to consider any necessary revisions in response to their input. As noted above, taking additional time for stakeholder discussion appears to be consistent with the October Order. Allowing an opportunity for additional pre-filing review is also likely to improve the compliance proposal and to reduce the number of disputed issues before the Commission. Finally, granting the additional extension would not significantly delay the implementation of renewable and self-supply exemptions in the NYISO-administered capacity markets.

The NYISO has reached out directly to several other parties in this proceeding regarding the requested extension. It also discussed this filing with stakeholders participating in its March 8 ICAP Working Group meeting. The NYISO believes that there is no opposition to this requested extension.

Rule 2008 authorizes the Commission to extend any deadline, including one imposed by a compliance directive, before it expires if a requesting party demonstrates that there is “good

cause” to do so. For the reasons set forth above, the NYISO respectfully submits that there is good cause to grant the additional 30 day extension of time that it has requested.

III. Request for Expedited Action

The NYISO’s need for additional time to finalize its compliance filing in this proceeding became as it was making final preparations for the March 8 Installed Capacity Working Group Meeting and preparing the filing letter. Today is the first day that the NYISO could practicably have filed this extension request. But the current deadline for submitting the compliance filing is the same date as the expiration of the standard five day notice period, *i.e.*, March 14 given that March 13 is a Sunday.

The NYISO recognizes that the Commission has held that the standard five day notice period for extension requests reasonably balances the need to give parties sufficient time to be heard and the need to act promptly on timing-related requests that are not complex or controversial. The NYISO also understands that although requests for shortened notice periods are permissible, the Commission seeks to avoid granting them because of the noticing burdens that could be imposed on the Office of the Secretary.¹⁰

Accordingly, the NYISO is not asking that the Commission shorten the standard five day notice period. The NYISO does respectfully request, however, that the Commission act expeditiously by granting the requested extension concurrent with the end of the standard notice period, *i.e.*, at the close of Commission business on March 14. This relief is justified given the circumstances, including the fact that the fifth day of the notice period falls on a weekend. If the Commission does not issue the extension on March 14 there would be uncertainty for the NYISO

¹⁰ See *Filing of Privileged Materials and Answers to Motions*, Order No. 769, 141 FERC ¶ 61,049 at PP 85-86 (2012)

and its stakeholders concerning compliance with the filing deadline established by the February 18 *Notice of Extension of Time*.

Alternatively, the NYISO requests that the Commission act expeditiously and issue an order granting the extension as soon as practicable after March 14 in order to clearly and promptly establish that the NYISO is not out of compliance with the *Notice Extension of Time*.

IV. Conclusion

WHEREFORE, for the foregoing reasons, the NYISO respectfully requests that the Commission grant an additional 30 day extension to the compliance filing deadline in the above-captioned proceeding so that the NYISO may submit its compliance tariff revisions no later than April 13, 2016. The NYISO also respectfully requests that the Commission act expeditiously to issue an order granting the requested extension on March 14, 2016 so that there will be certainty concerning the filing deadline.

Respectfully submitted,

/s/ Ted J. Murphy

Ted J. Murphy
Counsel for the New York Independent System
Operator, Inc.

March 8, 2016

cc: Michael Bardee
Anna Cochrane
Kurt Longo
Max Minzner
Daniel Nowak
Larry Parkinson
J. Arnold Quinn
Douglas Roe
Kathleen Schnorf
Jamie Simler
Gary Will

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document to be served 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 Commission's Rules of Practice and Procedure.

Dated at Washington, DC, this 8th day of March, 2016.

/s/ Catherine Karimi

Catherine Karimi
Sr. Professional Assistant
Hunton & Williams LLP
2200 Pennsylvania Ave., NW
Washington, DC 20037
Tel: (202) 955-1500
Fax: (202) 778-2201