

June 21, 2016

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Docket No. ER16-425-000, *New York Independent System Operator, Inc.*
– Notice of Delay of the Effective Date for Tariff Revisions Accepted by
March 1, 2016 Order**

Dear Secretary Bose:

On November 30, 2015, the New York Independent System Operator, Inc. (“NYISO”) filed proposed tariff revisions to improve its scarcity pricing design (“Comprehensive Scarcity Pricing”).¹ On March 1, 2016, the Federal Energy Regulatory Commission (“Commission”) accepted the proposed revisions (“March 1 Order”).² The Commission directed the NYISO to “submit a further compliance filing with no less than two weeks’ notice of the proposed effective date” for the Commission-accepted revisions.³

On June 7, 2016, the NYISO submitted the required compliance filing to establish the effective date for the tariff revisions accepted by the March 1 Order (“June 7 Compliance Filing”).⁴ The June 7 Compliance Filing indicated that the NYISO anticipated implementing such tariff revisions for the June 21, 2016 market day, subject to the potential for circumstances to arise that may necessitate a delay in implementing the software for Comprehensive Scarcity Pricing.⁵ The NYISO submits this filing to provide notice of a delay in the effective date for the tariff revisions accepted by the March 1 Order.

¹ Docket No. ER16-425-000, *New York Independent System Operator, Inc.*, Proposed Revisions to Services Tariff and OATT to Implement Improved Scarcity Pricing (November 30, 2015). Capitalized terms not otherwise defined herein shall have the meaning specified in Section 2 of the NYISO Market Administration and Control Area Services Tariff (“Services Tariff”) and Section 1 of the NYISO Open Access Transmission Tariff (“OATT”).

² *New York Independent System Operator, Inc.*, 154 FERC ¶ 61,152 (2016).

³ *Id.* at P 25.

⁴ Docket No. ER16-425-000, *supra*, Notice of Effective Date for Tariff Revisions Accepted by March 1, 2016 Order (June 7, 2016).

⁵ *Id.* at 2.

The March 1 Order also directed the NYISO to submit a compliance filing to clarify “its proposed Services Tariff and OATT provisions to clearly identify and state where they apply to shortage events versus scarcity events.”⁶ On March 29, 2016, the NYISO submitted the required filing (“March 29 Compliance Filing”).⁷ On June 10, 2016, the Commission issued an order accepting the March 29 Compliance Filing, subject to a requirement that the NYISO submit “a compliance filing with no less than two weeks’ notice of the proposed effective date” for the supplemental revisions to Rate Schedule 4 of the Services Tariff (“June 10 Order”).⁸

On June 16, 2016, the NYISO submitted the required additional compliance filing to establish a June 30, 2016 effective date for the supplemental revisions to Rate Schedule 4 of the Services Tariff accepted by the June 10 Order (“June 16 Compliance Filing”).⁹ This filing does not seek any modification to the effective date for the supplemental revisions to Rate Schedule 4 of the Services Tariff set forth in the June 16 Compliance Filing.

I. Documents Submitted

1. This filing letter;
2. A clean version of the revisions to the Services Tariff accepted by the March 1 Order removing the June 21, 2016 effective date submitted as part of the June 7 Compliance Filing (“Attachment I”); and
3. A clean version of the revisions to the OATT accepted by the March 1 Order removing the June 21, 2016 effective date submitted as part of the June 7 Compliance Filing (“Attachment II”).¹⁰

II. Notice of Delay of Effective Date

The June 7 Compliance Filing indicated that implementation of the tariff revisions accepted by the March 1 Order for the June 21, 2016 market day was contingent on various factors. Accordingly, the NYISO committed to provide additional notice in the event that circumstances arose that required a delay in the implementation of Comprehensive Scarcity Pricing.¹¹ In the course of proceeding with the implementation of the software that includes

⁶ *Id.* at P 24.

⁷ Docket No. ER16-425-001, *New York Independent System Operator, Inc.*, Compliance Filing (March 29, 2016).

⁸ Docket No. ER16-425-001, *supra*, Letter Order (June 10, 2016).

⁹ Docket No. ER16-425-001, *supra*, Notice of Effective Date for Tariff Revisions Accepted by June 10, 2016 Order (June 16, 2016).

¹⁰ For eTariff purposes, the affected tariff sections are being filed with an indeterminate effective date (*i.e.*, 12/31/9998).

¹¹ June 7 Compliance Filing at 2.

Comprehensive Scarcity Pricing an unanticipated issue with the software was encountered. As a result, the NYISO is unable to proceed with implementing Comprehensive Scarcity Pricing for the June 21, 2016 market day.

The NYISO is expeditiously working to resolve the issue that was encountered, but is not in a position at this time to provide an updated effective date for the tariff revisions accepted by the March 1 Order. Once a revised implementation plan has been finalized, the NYISO will submit a supplemental filing to provide a revised effective date for such tariff revisions. As indicated in the June 7 Compliance Filing, the NYISO remains committed to implementing Comprehensive Scarcity Pricing on or before the June 30, 2016 market day.¹²

III. Service

The NYISO will send an electronic link to this filing to the official representative of each party to this proceeding, the official representative of each of its customers, each participant on its stakeholder committees, the New York Public Service Commission, and the New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

IV. Conclusion

The New York Independent System Operator, Inc. respectfully requests that the Commission accept this notice.

Respectfully submitted,

/s/ Garrett E. Bissell

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¹² *Id.*