

October 18, 2018

By Electronic Delivery

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

**Re: *New York Independent System Operator, Inc.*, Docket No. ER19-____-000;
Proposed Revisions to the Requirements for Reporting Historic Congestion
Data**

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), the New York Independent System Operator, Inc. (“NYISO”) submits proposed revisions to Appendix A of Attachment Y to its Open Access Transmission Tariff (“OATT”) that modify the requirements for reporting historic congestion data.²

The NYISO Management Committee approved the proposed revisions, without opposition, on July 25, 2018. The NYISO respectfully requests that the proposed revisions become effective on December 18, 2018 (*i.e.*, the day following the end of the statutory 60-day notice period).

I. Documents Submitted

The NYISO respectfully submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the OATT (“Attachment I”); and
2. A blacklined version of the proposed revisions to the OATT (“Attachment II”).

II. Background

In connection with its Comprehensive System Planning Process, Appendix A of Attachment Y to the OATT requires the NYISO to report certain information regarding historic

¹ 16 U.S.C. § 824d.

² Capitalized terms not otherwise defined herein shall have the meaning specified in the OATT.

congestion in the New York Control Area (“NYCA”).³ This reporting requirement predates the NYISO’s economic planning process implemented in response to Order No. 890.⁴

While certain information required to be reported derives from actual Day-Ahead Market outcomes, the current requirements also obligate the NYISO to develop and report information related to a hypothetical system condition that is completely devoid of transmission constraints (often referred to as a “copper sheet”). The NYISO proposes to modify the current reporting requirements to: (1) retain and enhance the reporting of information from actual Day-Ahead Market outcomes; and (2) eliminate the production and reporting of information based on a hypothetical unconstrained system.

III. Description of the Proposed Tariff Revisions

Reporting of historic congestion data provides meaningful information to the marketplace regarding actual system conditions, including patterns and trends of persistently constrained locations. However, the extremely low likelihood of achieving a completely unconstrained system in New York calls into question the value to the marketplace of reporting information related to such a hypothetical system condition. Further, data related to a hypothetical unconstrained system does not provide information that would meaningfully inform the evaluation of any transmission project proposal submitted as part of the NYISO’s economic planning process.

Production of data and information related to a hypothetical unconstrained transmission system requires a commitment of significant time and resources by the NYISO. The current tool utilized to produce this data is a user-developed application built in 2005. This tool is not automated, thereby requiring a significant level of manual user actions to produce the required data and information, including data collection, data compilation, and data entry. The tool is also not supported or otherwise maintained as part of the NYISO’s overall corporate information technology infrastructure. As a result, the NYISO’s continued ability to accurately, reliably, and timely produce such hypothetical system data and information requires the development of a fully supported and maintained automated software solution.

In light of the relatively limited value provided to the marketplace by the currently required data and information related to a hypothetical unconstrained system, instead of undertaking the development of an automated software solution, the NYISO proposes to modify the current historic congestion reporting requirements to focus solely on providing data and

³ See, e.g., Docket No. ER04-1144-000, *New York Independent System Operator, Inc.*, Filing of Comprehensive Reliability Planning Process and Related Agreement (August 20, 2004); and *New York Independent System Operator, Inc.*, 109 FERC ¶ 61,372 (2004).

⁴ See, e.g., Docket No. OA08-52-000, *New York Independent System Operator, Inc.*, Order No. 890 Transmission Planning Compliance Filing (December 7, 2007); *New York Independent System Operator, Inc.*, 125 FERC ¶ 61,068 (2008); *New York Independent System Operator, Inc.*, 129 FERC ¶ 61,044 (2009); *New York Independent System Operator, Inc.*, 132 FERC 61,028 (2010); and *New York Independent System Operator, Inc.*, 132 FERC ¶ 61,188 (2010).

information resulting from actual market conditions. This would allow the NYISO to prudently avoid the unnecessary costs and resource commitments that would otherwise be incurred to continue producing data related to a hypothetical unconstrained system. In doing so, the NYISO also proposes to enhance the historic congestion information provided to the market by expanding the congestion metrics reported. The expanded reporting will provide additional information regarding the congestion cost to consumers of the actual binding transmission constraints that arise in the Day-Ahead Market.

Enhanced reporting of actual historic congestion data in combination with the forward-looking projections of system congestion produced as part of the NYISO's economic planning process should yield a meaningful and informative dataset that provides greater value to the market. This information should continue to help market participants identify trends and patterns of system congestion. This dataset should also continue to assist project developers in evaluating potential system upgrades that could address such congestion and identifying the appropriate locations where such upgrades may provide the greatest benefit in reducing congestion costs and/or improving system operability.

The NYISO proposes to revise Sections 2.0 and 5.0 of Appendix A of Attachment Y to the OATT to more clearly identify the data and information related to actual Day-Ahead Market congestion that will be reported on a going forward basis. The information to be provided includes: (1) Locational Based Marginal Price ("LBMP") costs to Load by Load Zone, disaggregated into the three components of LBMPs (*i.e.*, the marginal energy component, Congestion Component, and Marginal Losses Component); (2) LBMP payments to suppliers by Load Zone, disaggregated into the three components of LBMPs; (3) total congestion cost of each binding transmission constraint; and (4) the congestion costs to Load for each binding transmission constraint. The proposed revisions also eliminate the requirement to develop data and information related to a hypothetical unconstrained system.

The NYISO proposes to begin utilizing the revised reporting requirements for 2018 data. The historic congestion data and information for 2018 will be developed and posted to the NYISO's website in early 2019.

IV. Effective Date

The NYISO respectfully requests that the proposed tariff revisions become effective on December 18, 2018 (*i.e.*, the day following the end of statutory 60-day notice period).

V. Requisite Stakeholder Approval

The proposed tariff amendments were approved, without opposition, by the NYISO Management Committee on July 25, 2018. The NYISO's Board of Directors approved the proposed revisions on October 16, 2018.

VI. Communications and Correspondence

Please direct all communications and service in this proceeding to:

Karen Georgenson Gach, Acting General Counsel
Raymond Stalter, Director, Regulatory Affairs
*Garrett E. Bissell, Senior Attorney
10 Krey Boulevard
Rensselaer, New York 12144
Telephone: 518-356-6107
Email: gbissell@nyiso.com

*Person designated for receipt of service.

VII. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, each participant on its stakeholder committees, the New York State Public Service Commission, and the New Jersey Board of Public Utilities. The NYISO will also post the complete filing on its website at www.nyiso.com.

VIII. Conclusion

The NYISO respectfully requests that the Commission accept the proposed revisions to the OATT attached hereto with an effective date of December 18, 2018.

Respectfully submitted,

/s/ Garrett E. Bissell

Garrett E. Bissell

Senior Attorney

New York Independent System Operator, Inc.

cc: Nicole Buell
Anna Cochrane
James Danly
Jignasa Gadani
Jette Gebhart
Kurt Longo
David Morenoff
Daniel Nowak
Larry Parkinson
Douglas Roe
Kathleen Schnorf
Gary Will