

November 15, 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., Amended Compliance Filing  
and Request for Extension of Time; Docket No. ER18-2400-\_\_\_**

Dear Secretary Bose:

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits an amendment to its Order No. 844<sup>1</sup> compliance filing in the above-captioned docket. As described below, in its initial Order No. 844 compliance filing,<sup>2</sup> the NYISO did not propose to report uplift paid to Suppliers at its external Proxy Generator Buses.<sup>3</sup> In this amended compliance filing, the NYISO proposes to make certain additional revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) to include reporting of uplift paid to Suppliers<sup>4</sup> that schedule Import transactions at any of the NYISO’s Proxy Generator Buses as part of the Zonal Uplift Report.

For the reasons described below, it will take longer to implement the proposed reporting requirements, as revised by this Amended Compliance Filing, than is allowed under the standard deadline established by Order No. 844. The NYISO therefore requests that the Commission grant an extension of time so that the incremental compliance tariff revisions proposed in this Amended Compliance Filing to implement the Zonal Uplift Report and the Resource-Specific

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<sup>1</sup> *Uplift Allocation and Transparency in Market Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 844, 83 Fed. Reg. 18134 (April 25, 2018), 163 FERC ¶ 61,041 (2018) (“Final Rule”).

<sup>2</sup> New York Independent System Operator, Inc., Compliance Filing; Docket Nos. RM17-2-000; ER18-2400-000, filed September 7, 2018 (the “Initial Compliance Filing”).

<sup>3</sup> A “Proxy Generator Bus” is a proxy bus located outside the New York Control Area that is selected by the NYISO to represent a typical bus in an adjacent Control Area and at which LBMP prices are calculated. See Market Administration and Control Area Services Tariff Section 2.16.

<sup>4</sup> Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in Section 2 of the Services Tariff or in the Initial Compliance Filing.

Uplift Report may become effective on March 15, 2019. In addition, the NYISO requests an extension of time so that it may adopt a flexible effective date between June 1, 2019 and June 20, 2019 for its compliance tariff revisions concerning the Operator-Initiated Commitment Report.

## **I. Documents Submitted**

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

1. A clean version of the revisions to the Services Tariff that the NYISO proposes to make effective on March 15, 2019 (Attachment I);
2. A blacklined version of the revisions to the Services Tariff that the NYISO proposes to make effective on March 15, 2019 (Attachment II);
3. A clean version of the revisions to the Services Tariff that the NYISO proposes to make effective on a flexible effective date between June 1, 2019 and June 20, 2019 (Attachment III);
4. A blacklined version of the revisions to the Services Tariff that the NYISO proposes to make effective on a flexible effective date between June 1, 2019 and June 20, 2019 (Attachment IV); and
5. A blacklined exhibit of the additional revisions to the Services Tariff proposed in this Amended Compliance Filing (Attachment V).

## **II. Communications and Correspondence**

All communications and service in this proceeding should be directed to:

Karen Georgenson Gach, Acting General Counsel  
Raymond Stalter, Director, Regulatory Affairs  
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### **III. Amended Compliance Filing**

#### **A. Background**

In the Initial Compliance Filing, the NYISO proposed a series of uplift reporting requirements that it developed to comply with the Commission's directives. The NYISO requested a flexible effective date to permit its proposed tariff revisions to become effective between December 1, 2018 and January 7, 2019.

The NYISO's Initial Compliance Filing did not propose to report uplift paid to Suppliers scheduling Imports at its Proxy Generator Buses. After the NYISO submitted its Initial Compliance Filing it reviewed the Order No. 844 compliance filings submitted by other ISOs and RTOs. In this Amended Compliance Filing, the NYISO proposes to modify its Initial Compliance Filing to include reporting of uplift paid to Suppliers that schedule Import transactions at any of its external Proxy Generator Buses as part of the Zonal Uplift Report. The NYISO does not pay uplift to entities that schedule Export transactions. The proposed change will better align the NYISO's uplift reporting with uplift reporting by other ISOs and RTOs. However, because the NYISO does not pay uplift to specific external resources (uplift is, instead, paid to the entity that schedules an Import transaction), the NYISO is not proposing to include uplift payments made to Import transactions in its Resource-Specific Uplift Report.

In addition, the NYISO proposes to post an updated Zonal Uplift Report when it first posts the Resource-Specific Uplift Report. The proposed additional posting of the Zonal Uplift Report will ensure that the two reports are posted using consistent data sets.<sup>5</sup>

The Initial Compliance Filing stated that the NYISO planned to enhance its existing Operational Announcements report to produce the newly required Operator-Initiated Commitment Report.<sup>6</sup> Following the submission of its Initial Compliance Filing, while the NYISO was developing the specifications for the necessary software enhancements, the NYISO determined that its initial plan to use the existing Operational Announcements to report operator-initiated commitments, although technically feasible, would produce a report that is not easy to use for automated data gathering and is not appropriately formatted for reading. Therefore, the NYISO has determined that it cannot simply enhance the existing Operational Announcements report to satisfy its Order No. 844 compliance obligation. Instead, the NYISO proposes to develop an entirely new report to achieve compliance. As explained below, the NYISO requires and is requesting additional time to develop and implement this new report. In the meantime, the NYISO will continue to post its existing Operational Announcements report which contains

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<sup>5</sup> As proposed in the Initial Compliance Filing, the NYISO will also update both the Zonal Uplift Report and the Resource-Specific Uplift Report after it issues the four-month settlement true-up for that month.

<sup>6</sup> See Initial Compliance Filing, transmittal letter at 8 and n. 35.

much, but not all, of the information that the Operator-Initiated Commitment Report will provide.<sup>7</sup>

The NYISO discussed its proposed revisions to the Zonal Uplift Report and its proposed schedule for implementing the new reporting requirements with its stakeholders at a joint meeting of the Market Issues Working Group and the Installed Capacity Working Group on November 14, 2018. Stakeholders did not indicate any opposition to the proposals set forth herein at the meeting.

## **B. Proposed Additional Compliance Tariff Revisions**

All of the new proposed tariff revisions included in this Amended Compliance Filing represent incremental changes to the provisions that the NYISO submitted in its Initial Compliance Filing.

The NYISO proposes to change the Zonal Uplift Report provision<sup>8</sup> to include an obligation to report uplift paid to Suppliers that schedule Imports at any of the NYISO's external Proxy Generator Buses (including Scheduled Lines). There are two forms of uplift that are ordinarily paid at the Proxy Generator Buses. Bid Production Cost Guarantees are available to Suppliers that schedule Imports in the Day-Ahead Market. Import Curtailment Guarantees are paid to Imports that are curtailed to protect the reliable operation of the New York Control Area in the Real-Time Market.

The NYISO also proposes to amend the posting requirements for the Zonal Uplift Report to require the report to be re-posted using updated information at the same time the Resource-Specific Uplift Report is initially posted for the relevant month. This will ensure that the reports are developed using the same data set.

## **IV. Request for Extension of Time and Proposed Effective Date**

The NYISO requests an extension of time to permit the Services Tariff revisions proposed in this filing related to the Zonal Uplift Report and Resource-Specific Uplift Report to become effective on March 15, 2019, which is approximately two months after the deadline established by Order No. 844. Additional time is requested for two reasons. First, because additional requirements were identified when the NYISO determined that it should expand its reporting to include uplift paid to Imports scheduled at its external Proxy Generator Buses. Second, because resources that are needed to develop and test the software to implement the Order No. 844 reporting requirements are engaged in other projects that also have near-term implementation dates. The NYISO proposes to make the Services Tariff language addressing these two reports effective on March 15, 2019. At the same time, the NYISO commits to back-

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<sup>7</sup> In particular, the Operational Announcements report is less complete than the Operator-Initiated Commitment Report will be because the Operational Announcements report does not include real-time block-loaded resource commitments that would qualify as reportable operator-initiated commitments.

<sup>8</sup> Proposed Services Tariff Section 4.1.3.2.

fill the Zonal Uplift Report data and the Resource-Specific Uplift Report data to January 1, 2019 so that a complete data set will be available for 2019.

The NYISO is required to post its Zonal Uplift Report no more than 20 days after the conclusion of a calendar month and its Resource-Specific Uplift Report no more than 90 days after the conclusion of a calendar month. Practically speaking, the requested extension means that the Zonal Uplift Report for January 2019 will be posted one month late. The Zonal Uplift Report for February 2019 and for subsequent months will be timely posted. Because the Resource-Specific Uplift Report is not posted until 90 days after the conclusion of a calendar month, the report for January 2019 will not be posted late.

In addition, the NYISO requests an extension of time to permit the tariff revisions associated with its Operator-Initiated Commitment Report that were included in the Initial Compliance Filing (*i.e.*, proposed Sections 4.1.3.4 and 4.2.3.1 of the Services Tariff) to become effective on a flexible effective date between June 1, 2019 and June 20, 2019. The NYISO proposes to submit a third compliance filing at least two weeks in advance of its intended effective date to specify a date, between June 1, 2019 and June 20, 2019, on which these proposed revisions will take effect. Consistent with Commission precedent,<sup>9</sup> the NYISO's submission of an additional compliance filing will provide adequate notice to the Commission and Market Participants of the NYISO's implementation date for those tariff revisions. The requested flexible effective date is appropriate because the Operator-Initiated Commitment Report is posted on a daily basis, granting a flexible effective date will permit the NYISO to implement this report as early as possible following deployment of the necessary software enhancements. It is not possible for the NYISO to programmatically backfill the Operator-Initiated Commitment Report, but much of the same information is posted in the NYISO's existing Operational Announcements, which the NYISO will continue to post until it implements the new report.<sup>10</sup>

As explained in Section III.A above, the NYISO requires additional time to complete and implement its Operator-Initiated Commitment Report because its initial plan to enhance the existing Operational Announcements to report operator-initiated commitments, although technically feasible, would produce a report that is not easy to use for automated data gathering and is not appropriately formatted for reading. Therefore, the NYISO has determined that it cannot simply enhance the existing Operational Announcements to satisfy its Order No. 844

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<sup>9</sup> See, *e.g.*, *New York System Operator, Inc.*, 161 FERC ¶ 61,151 at PP 1, 12 and Ordering Paragraph (C) (2017); *New York System Operator, Inc.*, 106 FERC ¶ 61,111 at PP 5, 10 (2004) ("We will allow NYISO to implement parts of the filing prior to September 2004, as such parts become ready for implementation, provided that NYISO adheres to the three steps identified above in Paragraph 5 of this order."); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2544-000 (Feb. 10, 2011).

<sup>10</sup> As explained in Section III.A above, the Operational Announcements report is less complete than the Operator-Initiated Commitment Report will be because the Operational Announcements report does not include real-time block-loaded resource commitments that would qualify as reportable operator-initiated commitments.

compliance obligation, but must instead develop an entirely new report. The NYISO's original implementation timeline did not include this requirement.

Commission Rule 2008 states that "the time by which any person is required or allowed to act under any statute, rule, or order may be extended by the decisional authority for good cause, upon a motion made before the expiration of the period prescribed . . . ."<sup>11</sup> There is good cause for granting the NYISO's requested extensions because it will not be possible for the NYISO to fully satisfy Order No. 844's deadlines with respect to the posting of Zonal Uplift Reports and Operator-Initiated Commitment Reports. As discussed above, the impact of the requested extensions will be limited, given their relatively brief duration. The NYISO's commitment to back-fill the Zonal Uplift Report data and the Resource-Specific Uplift Report data will mitigate any harm that might be caused by the requested delay. Similarly, the fact that the NYISO is already posting much of the information to be included in Operator-Initiated Commitment Report mitigates concerns regarding the NYISO's requested extension.<sup>12</sup>

## **V. Service**

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

## **VI. Conclusion**

The NYISO respectfully requests that the Commission accept the proposed tariff revisions in its Initial Compliance Filing, as amended by this Amended Compliance Filing, without further modification. The NYISO requests that the Commission permit the modifications necessary to implement the Zonal Uplift Report and the Resource-Specific Uplift Report to take effect on March 15, 2019, while permitting proposed Sections 4.1.3.4 and 4.2.3.1 (implementing the Operator-Initiated Commitment Report) to take effect on a flexible effective date between June 1, 2019 and June 20, 2019.

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<sup>11</sup> 18 C.F.R. §385.2008(a).

<sup>12</sup> The Commission has already granted an extension of time to comply with certain of Order No. 844's compliance directives to PJM. *See* Notice of Extension of Time, Docket No. RM17-2-000 (August 10, 2018).

Respectfully submitted,

/s/ Alex M. Schnell

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## **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 15th day of November, 2018.

/s/ *Mohsana Akter*

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