

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

New York Independent System Operator, Inc. and)
PJM Interconnection, L.L.C.) Docket No. ER18-2442-000

**PJM INTERCONNECTION, L.L.C. AND NEW YORK INDEPENDENT SYSTEM
OPERATOR, INC., SECOND REPORT ON EFFORT TO DEVELOP JOINT
OPERATING AGREEMENT REVISIONS**

In accordance with paragraph 25 and ordering paragraph (C) of the Federal Energy Regulatory Commission’s (“Commission’s”) *Order Granting Request for Waiver*, (“Order”)¹ PJM Interconnection, L.L.C. (“PJM”) and the New York Independent System Operator, Inc. (“NYISO”) (collectively, the “RTOs”) respectfully submit their second quarterly report addressing the progress they have made toward developing revisions to their Joint Operating Agreement (“JOA”) to resolve the concern described in the September 17, 2018 waiver request (“Waiver Request”).

I. PROGRESS REPORT AND SCHEDULE FOR STAKEHOLDER DISCUSSIONS

Since the waiver was permitted to take effect on September 18, 2018, PJM has engaged in generation redispatch (of varying duration) with the NYISO to control flows on the East Towanda Hillside Tie Line on forty-three days.

Following the submission of their *First Report on Effort to Develop JOA Revisions* (“First Report”) on February 19, 2019, the RTOs reached agreement on a proposed set of jointly developed revisions to their JOA. The proposed changes address the concerns that prompted the

¹ *PJM Interconnection, L.L.C. and New York Independent System Operator, Inc., Order Granting Request for Waiver*, 165 FERC ¶ 61,149 (2018).

Waiver Request, propose other improvements to the M2M Coordination rules, and propose to clarify other provisions of the JOA.

To address the concerns raised in the Waiver Request, the proposed JOA revisions will permit the RTOs to initiate M2M redispatch coordination when the RTOs mutually agree to do so, even if the Non-Monitoring RTO's market flow on a Flowgate does not exceed its M2M Entitlement. In addition, the RTOs propose to develop a new type of Flowgate that is eligible for redispatch coordination, but is not subject to M2M redispatch settlement. M2M process improvements that the RTOs propose that are not directly tied to the Waiver Request include a proposal to simplify the calculation method of M2M Entitlements in the JOA and to enable regular updates to the M2M Entitlement values.

On April 10, 2019, NYISO made an initial presentation to a joint meeting of its Installed Capacity and Market Issues Working Groups explaining and describing the JOA revisions that PJM and NYISO developed.² On the same day, PJM made an initial presentation to its Market Implementation Committee ("PJM MIC") explaining and describing the proposed JOA revisions.³ On May 13, the NYISO's Business Issues Committee voted unanimously (with two abstentions) to recommend that the Management Committee support the filing of the JOA revisions.⁴ On May 15, 2019, PJM made another presentation to the PJM MIC providing an

² Link to presentation given to the NYISO's Installed Capacity and Market Issues Working Groups on April 10, 2019: <https://www.nyiso.com/documents/20142/5935285/NYISO-PJM%20JOA%20Changes%20-%20FINAL%20v1.pdf/2138bca8-d435-275f-37b2-2fce965bc080>

³ Link to presentation given to PJM's Market Implementation Committee on April 10, 2019: <https://www.pjm.com/-/media/committees-groups/committees/mic/20190410/20190410-item-09a-nyiso-pjm-joa-update.ashx>

⁴ Link to presentation given to the NYISO's Business Issues Committee on May 13, 2019: <https://www.nyiso.com/documents/20142/6426548/05%20NYISO-PJM%20JOA%20Changes%20-%20FINAL.pdf/a0d2bef7-fc7f-6c04-1265-8a6cc8c4ab70>

update and addition details on the proposed JOA revisions.⁵ On May 20, 2019, the NYISO's Management Committee voted unanimously (with no abstentions) to recommend that the NYISO's Board of Directors authorize the filing of the proposed JOA revisions for the Commission's consideration.

The RTOs anticipate filing their proposed JOA revisions for the Commission's consideration in late June of 2019, with a requested effective date on or before September 18, 2019. The RTOs' schedule should provide the Commission adequate time to consider and rule on the proposed JOA revisions.

II. SERVICE

The PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissioners in the PJM Region by posting this filing electronically. PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region⁶ alerting them this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the FERC's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp>.

⁵ Link to presentation given to PJM's Market Implementation Committee on May 15, 2019: <https://www.pjm.com/-/media/committees-groups/committees/mic/20190515/20190515-item-10a-pjm-nyiso-joa.ashx>

⁶ PJM already maintains updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

The NYISO will send an electronic link to this filing to the official representative of each party to this proceeding, the official representatives 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.

III. CONCLUSION

Consistent with the Commission's Order, the RTOs have submitted this quarterly report documenting their progress and the schedule they intend to follow in order to timely submit proposed JOA revisions to the Commission for its consideration.

Respectfully submitted,

/s/ Steven R. Pincus

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Dated: May 20, 2019

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 20th day of May 2019.

/s/ Joy A. Zimmerlin

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