

June 7, 2011

Submitted Electronically

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: New York Independent System Operator, Inc. Compliance Filing Specifying
June 23, 2011 Effective Date; Docket No. ER11-2544-____

Dear Ms. Bose:

On December 28, 2010, the New York Independent System Operator, Inc. (“NYISO”) submitted proposed tariff revisions to its Market Mitigation Measures (“MMM”)¹ (“December 28 Filing”). The December 28 Filing proposed tariff revisions based on a review of the NYISO’s MMM that identified opportunities to improve and clarify its provisions. The NYISO’s December 28 Filing requested a late June 2011 flexible effective date for four specifically identified tariff revisions because software modifications were necessary to implement the new rules. The proposed tariff revisions, including the NYISO’s request for a flexible effective date, were accepted in an Order issued pursuant to delegated authority on February 10, 2011 (“February 10 Order”). The February 10 Order states “[t]he tariff revisions with a requested late June 2011 flexible date are accepted subject to a compliance filing specifying the effective date.”²

The February 10 Order requires the NYISO to submit a compliance filing specifying the effective date for the tariff revisions that are to become effective in late June 2011. The NYISO submits this compliance filing to specify a June 23, 2011 effective date for the four tariff revisions described below.

¹ The NYISO’s Market Power Mitigation Measures are set forth in Section 23 of (Attachment H to) its Market Administration and Control Area Services Tariff.

² *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2544-000 (Feb. 10, 2011).

I. DISCUSSION

A. Introduction

The December 28 Filing included revisions to four sections of the NYISO's MMM to be implemented in late June 2011, following notice to the Commission and Market Participants. The sections of the MMM that were accepted with a flexible effective date are sections 23.3.1.4.1.2 (calculation of LBMP-based reference levels), 23.3.1.4.3 (Incremental Energy reference levels for New Capacity), 23.4.4.2.1 (load bid monitoring calculation) and 23.4.6.2.1 (virtual bid monitoring calculation).

The December 28 Filing proposed to establish a final effective date after the NYISO had sufficient time to finalize and test new software, ensure that systems properly integrated, perform testing, and make final pre-implementation adjustment. The NYISO's implementation effort is sufficiently complete that it is now able to request an effective date of June 23, 2011 for the new measures.

B. Description of Previously Accepted Tariff Revisions That the NYISO Proposes to Implement on June 23, 2011³

MMM section 23.3.1.4.1.2 (calculation of LBMP-based reference levels)—the NYISO proposed and the Commission accepted a substantive change to the data it uses to calculate LBMP based reference levels based on practical experience it has gained with implementing these reference levels over a period of years. The NYISO proposed and the Commission accepted modifying the calculation from using LBMPs at the Generator's location during the lowest priced 25 percent of hours to using LBMPs at the Generator's location during the lowest 50 percent of hours that the Generator was dispatched over the most recent 90 days.

Section 23.3.1.4.3 (Incremental Energy reference levels for New Capacity)—the NYISO's December 28 Filing proposed and the Commission's February 10 Order accepted making new unit reference levels available for a period of three years and six months following the date on which the Generator first produces energy while synchronously interconnected to the New York State Transmission System.

Section 23.4.4.2.1 (load bid monitoring calculation)—the Commission accepted the NYISO's proposal to improve a calculation it performs to monitor load bidding behavior because its years of experience in administering this measure indicate that the method that was originally included in the MMM is not an effective method of assessing load bids.

Section 23.4.6.2.1 (virtual bid monitoring calculation)—the Commission accepted the NYISO's proposal to improve the calculation it performs to monitor divergence between Day-Ahead and real-time LBMPs because its years of experience in administering this measure indicate that the method that was originally included in the MMM is not an effective method

³ As explained above, the tariff revisions described below were accepted by the Commission in its February 10 Order.

of assessing the extent of such divergence.

II. DOCUMENTS SUBMITTED

The NYISO submits the following documents:

1. This filing letter;
2. A blacklined version of the revisions to section 23 of the NYISO's Services Tariff for which the NYISO requested, and the Commission accepted, a late June 2011 flexible effective date ("Attachment I"); and
3. A clean version of the revisions to section 23 of the NYISO's Services Tariff for which the NYISO requested, and the Commission accepted, a late June 2011 flexible effective date ("Attachment II").

III. EFFECTIVE DATE

Consistent with the Commission's February 10 Order, the NYISO requests that the Commission accept June 23, 2011 as an effective date for the four tariff revisions described above. The NYISO intends to implement the proposed revisions commencing with the June 23, 2011 Day-Ahead and Real-Time Markets.

IV. SERVICE LIST

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, to all parties listed on the Commission's official service list in Docket No. ER11-2544-000 and to the electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

V. CONCLUSION

The NYISO respectfully submits this compliance filing, and consistent with Section III of this letter, requests an effective date of June 23, 2011 for the four tariff revisions that were granted a flexible effective date in the February 10 Order.

Respectfully submitted,

/s/ Alex M Schnell

Alex M. Schnell
James H. Sweeney
New York Independent System Operator, Inc.

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 7th day of June, 2011

/s/ John C. Cutting

John C. Cutting

Regulatory Affairs

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