

Attachment II

Attachment II: Applicability of Part 37 OASIS Regulations to the MTF Provider

- **Section 37.1 (“Applicability”):** Establishes that the Commission’s OASIS regulations apply “to any public utility that owns, operates, or controls facilities used for the transmission of electric energy in interstate commerce and to transactions performed under the *pro forma* tariff . . .” This provision confirms the applicability of the OASIS regulations to the MTF.
- **Section 37.2 (“Purpose”):** As discussed in the transmittal letter of the Response, the NYISO’s proposed rules for the MTF Provider OASIS fulfill the core purpose of the OASIS regulations, i.e., “to ensure that potential customers of open access transmission service receive access to information that will enable them to obtain transmission service on a non-discriminatory basis from any Transmission Provider.”
- **Section 37.3 (“Definitions”):** This Section contains definitions and does not directly impose any requirements on the MTF Provider or the NYISO.
- **Section 37.4:** This section is reserved for future use and does not impose any requirements on the MTF Provider or the NYISO.
- **Section 37.5(a) (“Obligations of Transmission Providers and Responsible Parties”):** This subsection requires Transmission Providers to provide for the operation of an OASIS and expressly contemplates joint arrangements among multiple Transmission Providers.¹ The tasks managed by the NYISO are performed in accordance with its OATT and its implementation of Part 37.² The NYISO already performs OASIS functions on behalf of its traditional Transmission Owner members.³ In this instance, the NYISO is proposing a limited delegation of OASIS functions to the MTF Provider commensurate with the limited services and operating capabilities of a DC line with one Point of Delivery and one Point of Receipt. The MTF’s operation is much simpler than an integrated AC transmission network. The MTF Provider OASIS rules will, therefore, be consistent with or superior to the requirements of this subsection because they are appropriately tailored to the MTF and its characteristics.
- **Section 37.5(b) (re: providing standardized information):** Proposed NYISO OATT Section 41.1 describes the MTF Provider OASIS and broadly provides for "standardized information relevant to the availability of transmission capacity, prices, and other

¹ Section 37.5(a) states that, “[e]ach Transmission Provider is required to provide for the operation of an OASIS, either individually or jointly with other Transmission Providers, in accordance with the requirements of this Part. The Transmission Provider may delegate this responsibility to a Responsible Party such as another Transmission Provider, an Independent System Operator, a Regional Transmission Group, or a Regional Reliability Council.”

² See Response at 6, n.14 for a list of the NYISO’s waivers of Part 37’s requirements with respect to its own OASIS.

³ See 3.06 of the NYISO’s *pro forma* Operating Agreement for non-incumbent Transmission Owners set forth in Attachment Y of the NYISO OATT.

information.” The information that is required to be posted on OASIS to offer MTF Reservations for sale, and to document a transfer or resale, are specified in proposed NYISO OATT Sections 41.8 and 41.18. Accordingly, the MTF Provider OASIS will satisfy this requirement.

- **Section 37.5(c), (d), and (e) (re: other posting, upload/download, and format requirements):** Proposed NYISO OATT Section 41 does not expressly address these requirements, which largely involve user queries for information from the MTF Provider OASIS. However, the NYISO’s proposed definition of “MTF Provider OASIS” in OATT Section 41.1 states that “[t]he MTF Provider OASIS will satisfy all FERC requirements for the transmission path associated with the MTF. . . .” In addition, the MTF Provider OASIS will have the functionality to fully address Sections 37.5(c)-(e) with respect to queries relevant to the MTF services. The MTF Provider OASIS will therefore satisfy these requirements.
- **Section 37.5(f) (re: “read only” OASIS access for Commission staff and state regulator’s staff):** Proposed NYISO OATT Section 41 would provide the Commission staff and New York State Department of Public Service (“NYDPS”) staff with the “read only” access to the MTF Provider OASIS as this subsection requires. Proposed NYISO OATT Section 41.5.9 states that “MTF Provider may disclose Confidential or Protected Information to the Commission, the CFTC and their respective staffs in accordance with Section 12.4.2 of the ISO OATT. Finally, the MTF Provider may disclose Confidential Information to the extent that disclosure of such information is required by the ISO’s Tariffs, or by regulatory or judicial order, in a manner consistent with that required by Section 12.4 of the ISO’s OATT.”⁴ The currently effective version of NYISO OATT Section 12.4 gives the Commission (and the Commodity Futures Trading Commission (“CFTC”)) staff full access to all “Confidential Information” including “Transmission System Information” which expressly encompasses, but is not limited to NYISO’s OASIS-related calculations. Consistent with Section 12.4 and proposed Section 41.5.9 of the NYISO OATT, the New York Public Service Commission may also order the NYISO or the MTF Provider to provide information to the NYDPS staff, although the NYISO or the MTF Provider is first required to seek a protective order.⁵ The MTF Provider OASIS will therefore satisfy Section 37.5(f).
- **Section 37.6(a)(1) (“Information to be posted on the OASIS”):** This subsection requires that Transmission Customers be able to request transmission service, ancillary services and designations or terminations of Network Resources via OASIS. Proposed NYISO OATT Section 41.2.1 provides that the MTF Provider will post reservations held by it.⁶ As a practical matter, all MTF Reservations currently belong to the Initial MTF

⁴ In addition, proposed NYISO OATT Section 41.15 gives the NYISO read-only access to MTF Provider OASIS information.

⁵ See also Section 30.6.4 of the NYISO’s Market Administration and Control Area Services Tariff.

⁶ “To the extent that transfer capability over MTF is not fully reserved through the Commission-approved rights allocation process, such excess transfer capability shall be made available for acquisition by public posting on the MTF Provider OASIS by the MTF Provider, treating the MTF Provider as the MTF Reservation holder.”

Reservation Holder until the 40th anniversary of the initial commercial operation of the MTF, and thus there is no excess capability.⁷ There is no need for the MTF Provider OASIS to support requests for ancillary services because the MTF will only support Energy imports, not sales of ancillary services. Similarly, although the NYISO OATT includes Network Integration Transmission Service (“NITS”) provisions that are similar to the *pro forma* OATT’s in certain ways, the NYISO version of NITS is fundamentally different.⁸ For these reasons, the NYISO OATT’s NITS provisions have never been used and the NYISO has been granted waivers of NITS-related North American Energy Standards Board (“NAESB”) Wholesale Electric Quadrant (“WEQ”) standards.⁹ All transmission service in the New York Control Area (“NYCA”) (which will include the MTF) is firm¹⁰ Point-to-Point service, not NITS. For these reasons, the MTF Provider OASIS satisfies all applicable requirements of Section 37.5(f).

- **Section 37.6(a)(2) (re: viewing and downloading formats/protocols):** Proposed NYISO OATT Section 41 does not expressly address the formats and protocols for viewing and downloading transmission system information. However, the NYISO’s proposed definition of “MTF Provider OASIS” in OATT Section 41.1 states that “[t]he MTF Provider OASIS will satisfy all FERC requirements for the transmission path associated with the MTF and MTF Reservations will be offered to qualified Transmission Customers on the MTF Provider OASIS.” That definition also specifies that the MTF Provider will be “responsible for administering and maintaining the MTF Provider OASIS, administering MTF Reservations, and operating the MTF consistent with the Operating Agreement between the MTF provider and ISO, the ISO’s Tariffs and applicable reliability standards and rules.” Thus, the MTF Provider OASIS will enable customers to download information relevant to the MTF from the MTF Provider OASIS using standard formats and protocols. In addition, information regarding the NYISO’s transmission system, including the MTF, will be available on the NYISO’s OASIS just as it is for existing Scheduled Lines. The Total Transfer Capability (“TTC”) and Available Transfer Capability (“ATC”) of the MTF that the NYISO uses to schedule transactions will be posted on the NYISO’s OASIS. Locational Based Marginal Prices (“LBMPs”) paid to imports on the MTF will be posted on NYISO’s website/OASIS. Accordingly, the NYISO’s proposed tariff revisions fully satisfy the requirements of Section 37.6(a)(2).

⁷ See proposed NYISO OATT Section 41.1’s definition of “Initial MTF Reservation Holder (“The MTF Provider has allocated the full 1,250 MW of transfer capability associated with the MTF pursuant to an open solicitation and a Firm Electric Transmission Rights Purchase Agreement executed with H.Q. Energy Services (U.S.) (“HQUS”). See Letter Order Accepting CHPE LLC’s Post-Open Solicitation Compliance Filing, ER20-1214-001, 002 (February 8, 2022). The original MTF Reservation HQUS acquired from the MTF Provider expires on the fortieth (40th) anniversary of the initial commercial operation of the MTF.”).

⁸ For example, the NYISO OATT definition of “Network Resource” reflects that, under the NYISO’s market rules customers are not limited to calling upon Network Resources that they have “owned, purchased or leased” Instead, Network Customers can designate any Installed Capacity Supplier in the NYISO to be a Network Resource.

⁹ See *N.Y. Indep. Sys. Operator*, 151 FERC ¶ 61,157 at P 46 (2015).

¹⁰ As discussed in the transmittal letter and below in connection with Section 37.6(b)(3)(i)(B), the Commission has previously accepted the elimination of non-firm transmission service under the NYISO OATT.

- Section 37.6(a)(3) (re: information regarding available products and desired services):** The NYISO’s proposed definition of “MTF Provider OASIS” in OATT Section 41.1 provides for Transmission Customers to “[p]ost, view, upload and download information” regarding the “available products and desired services,” which are limited to MTF Reservations. The MTF Provider OASIS will therefore satisfy all applicable requirements of Section 37.6(a)(3).
- Section 37.6(a)(4) (re: denials or interruptions of transmission service requests and schedules):** Under proposed NYISO OATT Section 41, the MTF Provider OASIS would identify whether and the degree to which requested MTF Reservations are granted. This is consistent with the limited role and scope of duties that would be assigned to the MTF Provider. The posting requirements are set forth in proposed NYISO OATT Sections 41.3.1.1, 41.3.1.5, 41.8.1, 41.8.3, 41.18.4, and 41.18.6-41.18.8. The NYISO (not the MTF Provider) is responsible for denial or interruption of Import schedules and for granting transmission service. The NYISO will achieve this through its economic evaluation of Import Bids and its curtailment of schedules to address reliability concerns. This is explained in proposed NYISO OATT Sections 41.3.1.6 - 41.3.8. The NYISO will perform those functions consistent with its Tariffs and all other applicable regulatory obligations. Accordingly, the NYISO’s proposed tariff revisions address all of the requirements of Section 37.6(a)(4).
- Section 37.6(a)(5) (re: access to information on various calculations for audit purpose):** Proposed NYISO OATT Section 41 does not expressly address the MTF Provider’s data retention obligation. However, as a Transmission Provider, the MTF Provider will be subject to applicable Commission data retention requirements, including those imposed by this subsection, and CHPE has confirmed to NYISO that it will comply with these requirements.
- Section 37.6(a)(6) (re: information to support file transfers):** Proposed NYISO OATT Section 41 does not expressly address the MTF Provider’s obligation to accommodate “file transfers and automated computer-to-computer file transfers and queries” by Transmission Customers. But proposed NYISO OATT Section 41.1 covers this requirement through the definition of “MTF Provider OASIS” as explained above, and the MTF Provider OASIS will have the capability to support compliance.
- Section 37.6(b) (“Posting transfer capability”):** Proposed NYISO OATT Sections 41.6 and 41.21 (for the MTF Provider) and the currently effective version of OATT Section 9 (for the NYISO) fully satisfy the ATC and TTC posting requirements under this subsection. In particular, proposed NYISO OATT Section 41.21 explains that the NYISO will determine the TTC for the MTF and post information consistent with existing NYISO tariff requirements applicable to External Interfaces. The MTF Provider will post up-to-date TTC data on the MTF Provider OASIS for informational purposes. In addition, proposed NYISO OATT Section 41 establishes that the NYISO and the MTF Provider will each calculate ATCs that will be used for different purposes. The NYISO will calculate and post MTF ATC in accordance with Section 9 of its OATT. The NYISO will use the ATC it calculates to determine the quantity, in MW, of transmission service (Imports) it can schedule. The MTF Provider will also calculate and post MTF ATC.

The MTF Provider will use the ATC that it calculates to determine available MTF Reservations for the single “Posted Path” that represents the MTF. The NYISO’s proposed OATT revisions, combined with the currently effective rules in Section 9 of its OATT, thus satisfy the requirements of Section 37.6(b).

- **Section 37.6(b)(1) (“Definitions”):** Certain of the defined terms in this section apply in different or limited ways to the MTF Provider. Only one “Posted path” will exist on the MTF given its physical and operating characteristics. As explained above, both the MTF Provider and the NYISO will post ATC for that path. The NYISO will post the TTC for it which the MTF Provider shall use.¹¹ The MTF should also never be a “Constrained posted path” because MTF reservations will be limited to the capability of the line and proposed NYISO OATT Section 41 includes rules to address short- and long-term derates.¹² Identifying constraints on a DC line like the MTF (that only connects to the New York State Transmission System at one location) does not serve any purpose because the NYISO cannot redispatch to reduce congestion on the MTF other than by reducing Import schedules on the MTF, which would defeat the intended purpose of redispatch. Finally, as noted above, the NYISO will calculate the TTC for the MTF per proposed NYISO OATT Section 41.21 and consistent with Section 9 of its OATT. The NYISO’s proposed rules are superior to the requirements of this section because they were developed to allow implementation of “physical” MTF reservations, while also allowing the NYISO to evaluate transactions and schedule the MTF based on economics and the NYISO’s Commission-accepted financial reservation scheduling rules.
- **Section 37.6(b)(2)(i) (“Calculation methods, availability of information, and requests”):** Proposed NYISO OATT Sections 41.6 and 41.21 satisfy subsection (i)’s requirement that calculations be performed according to consistently applied methodologies referenced in the Transmission Provider’s tariff. More generally, the MTF Provider will comply with other requirements in Section 37.6(b)(2)(i)-(iii) in accordance with proposed NYISO OATT Section 41.1 and shall also make required postings in its Business Practices.
- **Section 37.6(b)(2)(i) (re: dating and time-stamping information used in calculations and conducting calculations in accordance with a consistently-applied methodology):** The MTF Provider will comply with this subsection’s dating and time-stamping requirements because the MTF Provider OASIS will employ the OATI configuration and capabilities for implementing these requirements.
- **Section 37.6(b)(2)(ii) (re: making data used in calculations for constrained post paths available on request):** If the MTF were to become a constrained post path (which

¹¹ See proposed NYISO OATT Section 41.21.

¹² MTF Reservations would be limited to the maximum capability of the MTF (i.e., 1250 MW). See Section 41.3.1.4(b). Consistent with proposed Sections 41.3.1.6-41.3.1.8 the NYISO will economically determine which Import transactions to schedule if the MTF is derated and there are temporarily more outstanding MTF Reservations than the transfer capability of the MTF. NYISO will do so consistent with its accepted Tariffs and the financial reservation system that the Commission has repeatedly accepted as consistent with or superior to the *pro forma* OATT.

is not anticipated for the reasons set forth above), the NYISO is subject to the requirements of this subsection with respect to its External Interfaces, which includes the MTF.

- **Section 37.6(b)(2)(iii) (re: making system planning studies, facilities studies, and specific network impact studies publicly available):** Consistent with the discussion of transmission study issues in Section 37.6(h)(2) below, the NYISO, not the MTF Provider would be responsible for making information about such studies available. Similarly, consistent with the discussion of NITS in Sections 37.6(a)(1) and (e), if network impact studies were ever performed for Network Resources in New York, they would be posted by the NYISO, not the MTF Provider.
- **Section 37.6(b)(3) (re: posting ATC, TTC, CBM, and TRM for all Posted Paths):** The NYISO will post TTC and ATC for posted paths in accordance with Section 9 of its OATT. The MTF Provider will post the ATC it uses to administer MTF Reservations in accordance with Section 41.21 of the proposed NYISO OATT rules. The NYISO's proposed OATT Section 41.21 rules incorporate the NYISO's Commission-accepted (OATT Section 9) rules for calculation of CBM and TRM.
- **Section 37.6(b)(3)(i)(A)(1-3) (re: posting firm ATC and TTC on Constrained posted paths):** The posting rules in proposed NYISO OATT Section 41.21 are superior to the requirements of this subsection because they reflect the timeframes in which NYISO's Day-Ahead and Real-Time Markets actually operate. Proposed NYISO OATT Section 41.21 requires monthly posting for the current and next twelve months. Proposed NYISO OATT Section 41.21.7 adopts the same requirements as NYISO OATT Section 9 which was previously accepted by the Commission.¹³
- **Section 37.6(b)(3)(i)(B) (re: posting non-firm ATC and TTC):** The requirements of this subsection do not apply to the MTF Provider. The MTF is part of the NYCA and Internal and External non-firm point-to-point transmission service is no longer available under the NYISO OATT.¹⁴ Proposed Section 41 of the NYISO OATT therefore does not address non-firm service because it is not relevant to the MTF.
- **Section 37.6(b)(3)(i)(C)(1): (“Updating posted information for constrained paths”):** Proposed NYISO OATT Section 41 is superior to the requirements of this subsection in the context of the MTF. Proposed NYISO OATT Section 41 ties posting requirements and updates to posted values to transfers of MTF Reservations and the timing of the NYISO's Day-Ahead and Real-Time markets. If the MTF Provider's updates were limited to times when “transactions are reserved or service ends or whenever the estimate for the path changes by more than ten percent” there would be minimal updates given

¹³ See *N.Y. Indep. Sys. Operator, Inc.*, 134 FERC ¶ 61,255 (2011).

¹⁴ See *N.Y. Indep. Sys. Operator, Inc.*, 149 FERC ¶ 61,020 (2014) (accepting NYISO's proposal to remove its form of non-firm point-to-point transmission service for External transactions); *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER11-2459-000 (Feb. 10, 2011) (same with respect to Internal transactions); NYISO OATT Section 3.2.

that all MTF Reservations are held by HQUS and are expected to be held by the Initial MTF Reservation Holder for a term of forty years.

- **Section 37.6(b)(3)(i)(C)(3) and (4) (re: narrative updates for TTC changes of greater than 10 percent):** The MTF Provider is not directly subject to this requirement because the NYISO will calculate TTC for the MTF. In addition, as with Section 37.6(b)(3)(1)(C)(3), proposed NYISO OATT Section 41.3.1.4 provides that “[i]f the capability of the MTF is subject to a derate that the MTF Provider expects to have a duration of more than one month, then the MTF Provider shall post a notification of the derate, including the reason(s) for the derate if known, on its OASIS and limit total MTF Reservations to a reduced value, or set of values, consistent with the MTF’s reduced capability.” The NYISO’s proposed tariff revisions will provide information that is more relevant and useful in the context of the MTF than what these subsections require and thus are superior with respect to these requirements.
- **Section 37.6(b)(3)(ii)(A) (re: postings of firm and non-firm ATC, TTC, CBM, and TRM for unconstrained posted paths):** As discussed above regarding Section 37.6(b)(3)’s requirements, the NYISO’s posting requirements under proposed NYISO OATT Section 41.21 are superior because they are tied to the timing and operation of the NYISO’s Day-Ahead and Real-Time Markets. Moreover, as previously referenced, non-firm service will not be available on the MTF and the NYISO will calculate TTC.
- **Section 37.6(b)(3)(ii)(B) (re: long range seasonal capability posting for unconstrained posted paths):** Consistent with the discussion of transmission study issues in Section 37.6(h)(2) below, the types of studies addressed by this Section serve a different purpose under the NYISO’s OASIS and tariff rules. The NYISO will continue to comply with applicable obligations under this Section, and will include the MTF consistent with its treatment of other External Interfaces.
- **Section 37.6(b)(3)(iii) (“Calculation of CBM”):** Proposed NYISO OATT 41.21 would require the MTF Provider to follow the rules for calculating CBM established in Section 9 of the NYISO’s OATT. The NYISO’s proposal is superior to what this subsection would require under the *pro forma* OATT because it reflects the NYISO’s specific implementation of CBM requirements.¹⁵
- **Section 37.6(b)(3)(iv) (“Daily Load”):** The MTF Provider is not a load-serving entity. It, therefore, will not have any load forecast or daily peak load information to post.
- **Section 37.6(c)(1) (re: posting prices and summaries of the terms and conditions of transmission products):** Proposed NYISO OATT Sections 41.8.7 and 41.8.8, along with the definition of “Business Practices” in Section 41.1, satisfy the requirements of this subsection. For “bilateral” transfers of MTF Reservations, i.e., transfers based on private negotiations between a MTF Reservation holder and an assignee who is an Eligible Customer (rather than via the assignee agreeing to pay a price that is posted on the MTF Provider OASIS), proposed NYISO OATT Sections 41.2.2 and 41.18.4

¹⁵ See *N.Y. Indep. Sys. Operator, Inc.*, 134 FERC ¶ 61,255 (2011); NYISO OATT Section 9.7.

establish timing requirements that address how far in advance of service commencing a transfer must be posted on the MTF Provider OASIS.

- **Section 37.6(c)(2) (re: downloadable tariff files and posting links to rules posted on the Transmission Provider’s public website):** The MTF Provider will comply with this subsection by posting downloadable versions of the MTF Provider Business Practices and links to locations on the NYISO’s website where the NYISO’s Tariffs are available for download on the MTF Provider OASIS.
- **Section 37.6(c)(3) (re: offering transmission service discounts):** The MTF Provider will not own any MTF Reservations, so it will not be able to offer discounts. The rates for Default Releases will be posted on the MTF Provider OASIS and will be the same for all customers that acquire a Default Release.¹⁶
- **Section 37.6(c)(4) (re: posting and retaining transaction information):** All MTF Reservations are held by the Initial MTF Reservation Holder for a term of 40 years, not by the MTF Provider.¹⁷ However, the MTF Provider is responsible for making Default Release MTF Reservations available by posting them for sale on the MTF Provider OASIS. Proposed NYISO OATT Section 41 includes comprehensive, uniform rules that apply to default releases. They will be made available to all Eligible Customers at the same price on a first come, first served basis consistent with proposed NYISO OATT Sections 41.3.1.2, 41.5.2.2 and 41.18.8. As noted below in connection with Section 37.6(d), ancillary services transactions will not be scheduled on the MTF so there will not be information regarding associated ancillary services transactions to post. The MTF Provider will also comply with the posting duration and record-keeping requirements of this subsection. The NYISO's proposed rules are therefore consistent with or superior to what this subsection requires because they fully address its posting requirements within the MTF context.
- **Section 37.6(c)(5) (re: transmission capacity resale postings):** Proposed Section 41 of the NYISO OATT is consistent with or superior to the requirement of this subsection. The posting of MTF Reservations for sale (via voluntary release or Default Release) on the MTF Provider OASIS will occur on a uniform basis for all sellers, and all potential purchasers will have the same opportunity to purchase the MTF Reservations that are made available at the same price.¹⁸
- **Section 37.6(d) (“Posting Ancillary Services Offerings and Prices”):** The requirements of this subsection will not apply to the MTF Provider. No Ancillary Services are available to be purchased or scheduled on the MTF. The MTF is only available to schedule Import (Energy) transactions to the NYCA.

¹⁶ See proposed NYISO OATT Section 38.18.8.

¹⁷ See proposed NYISO OATT Section 41.21.3.

¹⁸ See proposed NYISO OATT Sections 41.18.7 and 41.18.8.

- Section 37.6(e) (“Posting specific transmission and ancillary service requests and responses”):** This subsection requires that “[a]ll requests for transmission and ancillary service offered by Transmission Providers under the *pro forma* tariff, including requests for discounts, and all requests to designate or terminate a network resource, must be made on the OASIS and posted prior to the Transmission Provider responding to the request.” Proposed NYISO OATT Section 41 satisfies the requirements of this subsection given the characteristics of the MTF and its relationship to the NYISO. Proposed NYISO OATT Section 41.2.1 describes the MTF Provider’s obligation to post any MTF reservation that it holds, and to post unused MTF Reservations consistent with the Default Release rules in proposed NYISO OATT Section 41.18. Proposed NYISO OATT Section 41.3.1.1 provides that, “MTF Reservations may be obtained or transferred: (a) by acquiring a MTF Reservation on the MTF Provider OASIS, or (b) via a bilateral agreement between an MTF Reservation holder (the reseller) and a qualified Transmission Customer. Notice of a sale via bilateral agreement must be posted on the MTF Provider OASIS before service commences.” The ancillary services related requirements of this subsection will not apply to the MTF Provider because no Ancillary Services will be available to be purchased or scheduled on the MTF. Similarly, requirements regarding the designation and termination of Network Resources will not be applicable to the MTF Provider given that NITS, and Network Resource-specific designations and terminations are not used in the NYISO.¹⁹ If any such designations or terminations ever were made they would be addressed on the NYISO OASIS, not the MTF Provider OASIS.
- Section 37.6(e)(1) (“General rules”):** The NYISO expects that requests to the MTF Provider for transmission service on the MTF will be very rare. As noted above, the Initial MTF Holder owns all of the current MTF Reservations for a 40 year term. Unless a customer requested expansion of the MTF, the maximum posted ATC of the MTF will not increase above 1,250 MW. The only MTF Reservations that are likely to be offered “by” the MTF Provider, as a practical matter, would be associated with Default Release MTF Reservations, which involve the resale of unused MTF Reservations that belong to MTF Reservation holders, *not* to the MTF Provider. The November Filing proposed a complete set of rules to govern the price at which such Default Release MTF Reservations will be offered (i.e., the same price for all customers, with no discounting) and where and how Default Release MTF Reservations will be posted.²⁰ More specifically, proposed NYISO OATT Section 41.2.1 describes the MTF Provider’s obligation to post any MTF Reservations that it holds, and to post unused MTF Reservations consistent with the proposed Default Release rules in NYISO OATT Section 41.18.8. Proposed NYISO OATT Section 41.3.1.1 provides that transmission rights will be transacted via the MTF Provider OASIS, “MTF Reservations may be obtained or transferred: (a) by acquiring a MTF Reservation on the MTF Provider OASIS, or (b) via a bilateral agreement between an MTF Reservation holder (the reseller) and a qualified Transmission Customer. Notice of a sale via bilateral agreement must be posted on the MTF Provider OASIS before service commences.” As noted above, there will not be requests for Ancillary Services or for Network Resource designations or

¹⁹ See the discussion of Section 37.6(a)(1) above concerning NITS under the NYISO OATT.

²⁰ See proposed NYISO OATT Section 41.18.8.

terminations on the MTF so the NYISO's proposal does not provide for them. The NYISO's proposed rules are consistent with or superior to what is required under the *pro forma* OATT with respect to this subsection because they address all posting requirements that are relevant to the MTF.

- **Section 37.6(e)(1)(iv) (re: date and time stamps related to processing requests):** The MTF Provider OASIS will comply with these requirements with respect to service requests that are available on the MTF.
- **Section 37.6(e)(2) (“Posting when a request for transmission service is denied”):** To the extent that denials occur that are within the MTF Provider's area of responsibility, they will be posted, along with information about the reason for the denial, as required by this subsection.
- **Section 37.6(e)(2)(iii) (re: offers to adjust operations to accommodate denied requests):** The MTF Provider will not have the ability to use reconfiguration or redispatch tools to satisfy denied requests in the way that a traditional Transmission Provider operating an integrated AC network does. The NYISO's economic dispatch will “redispatch” NYCA resources and Imports at other NYCA interfaces with External areas to maximize deliveries of Imports from the MTF if such redispatch contributes to achieving a least production cost economic solution.
- **Section 37.6(e)(3) (“Posting when a transaction is curtailed or interrupted”):** Proposed NYISO OATT Section 41 is superior to this requirement with respect to the MTF. All curtailments or interruptions of scheduled Import transactions on the MTF will be imposed and reported by the NYISO consistent with its tariffs.²¹
- **Section 37.6(f) (“Posting Transmission Service Schedules Information”):** The requirements of this subsection are addressed by proposed NYISO OATT Section 41 in a manner that reflects the characteristics of the MTF and the services that will be available on it. MTF Reservation holders will be able to post their MTF Reservations for sale at a price on the MTF Provider OASIS without participation by the MTF Provider under proposed NYISO OATT Sections 41.18.6 and 41.18.7 of the proposed MTF Provider OASIS rules. MTF Reservation holders will also be able to post transfers that result from bilateral agreements that occur outside the MTF Provider OASIS per proposed NYISO OATT Section 41.18.4. The NYISO's proposal is therefore superior to what is required under the *pro forma* OATT application of this subsection because the NYISO's proposal avoids possible delays attributable to the required participation by the Transmission Provider.
- **Section 37.6(g)(1) (“Posting Other Transmission Related Communications”):** The MTF Provider will implement an online billboard, primarily to enable sellers to offer their MTF Reservations for sale, but also to allow interested buyers to advertise their interest in acquiring MTF reservations. The tariff authority for the billboard is in proposed NYISO OATT Section 41.8.3. It says, “[t]he MTF Provider shall also enable

²¹ See proposed NYISO OATT Sections 41.3.1.6 through 41.3.1.8.

holders of MTF Reservations to post information regarding MTF Reservations that are available for resale on the MTF Provider OASIS.” Thus, the MTF Provider will comply with this requirement.

- **Section 37.6(g)(3) (re: personnel transfers):** The MTF Provider is subject to the Commission’s standards of conduct. To the extent that the MTF Provider has or is affiliated with such employees, or retains them in the future, its OASIS will support compliance with the requirements of this subsection. The MTF Provider will comply with the data retentions requirements of this subsection.
- **Section 37.6(g)(4) (re: logs detailing exercises of discretion):** There are only a few instances in which the MTF Provider would be in a position to exercise any form of discretion given the limited scope of its responsibilities as a Transmission Provider, e.g., if the MTF Provider were to decide to limit the Default Release MTF Reservations that it issues or to reduce MTF Reservations to address an outage of one month or longer. Reductions associated with a long-term outage occur on a *pro rata* basis, so the MTF Provider does not choose the degree to which each MTF Reservation holder is affected by its action. When such instances occur, the MTF Provider would be subject to the requirements of this subsection. The MTF Provider will also comply with the data retention requirements of this subsection.
- **Sections 37.6(h) (“Posting information summarizing the time to complete transmission service request studies”) and 37.6(i) (“Process time from initial service request to offer of system impact study agreement”):** The NYISO and MTF Provider should not need to perform system impact studies or facilities studies in order to grant MTF Reservations. All customers on the MTF will receive the same service, between the same Point of Receipt (the location where the MTF crosses the border between Quebec and New York) and the same Point of Delivery (the Astoria Annex Substation in New York City), with Energy flowing from Quebec to New York.²² The NYISO receives relatively few transmission study requests, as the NYISO uses a financial reservation model, rather than a physical reservation model. Under the NYISO’s model, customers schedule transactions and, implicitly, receive firm transmission service, so long as the customer is willing to pay the cost of congestion because the NYISO continuously conducts a least cost economic dispatch to maximize the efficient use of the NYCA grid, including the MTF.

Requests from Eligible Customers to modify facilities to accommodate requested service are subject to the transmission expansion requirements in the NYISO OATT.²³ The Commission has accepted significant variations from its *pro forma* transmission service study requirements for the NYISO OATT, which provisions serve instead as a mechanism for assessing requested transmission expansions.²⁴ Under these requirements,

²² See, e.g., proposed NYISO OATT Section 41.20 Service Specifications.

²³ See, e.g., NYISO OATT Section 3.7.

²⁴ See, e.g., *N.Y. Indep. Sys. Operator, Inc., et al.*, Letter Order, Docket No. ER08-1527-000 (Nov. 4, 2008) (accepting revisions that the NYISO proposed under the “consistent with or superior to” standard to “the pro forma

the NYISO is responsible for the posting requirements on its OASIS concerning any requested transmission expansion studies, including the related reporting requirements (e.g., the processing timeframes for system impact studies). The NYISO would apply these same requirements for Eligible Customers requesting to modify the MTF facilities, as set forth in the NYISO's proposed Section 41.5.6 of the NYISO OATT.²⁵ As the NYISO will be performing these functions, they should not also be imposed on the MTF Provider.

- **Section 37.6(j) (“Posting redispatch data”):** The requirements of this section do not apply to the MTF. Redispatch is a viable option on an integrated AC transmission network. It is not a viable option on a unidirectional DC line, such as the MTF, that has one Point of Receipt and one Point of Delivery. The rules proposed in NYISO OATT Section 41 are superior to what the *pro forma* OATT requires because they more accurately address how the MTF can feasibly operate.
- **Section 37.6(k) (“Posting of historical area control error data”):** The requirements of this section do not apply to the MTF Provider. Area Control Error (“ACE”) calculations are performed by Balancing Authorities, and the NYISO is the Balancing Authority for the NYCA.
- **Section 37.7 (“Auditing Transmission Service Information”):** The MTF Provider would comply with this subsection’s data retention requirements to the extent that they are applicable to the services and functions that it performs.
- **Section 37.8 (“Obligations of OASIS Users”):** The requirements of this section apply to OASIS users, not to the MTF Provider or to the NYISO.

transmission study deadlines to better reflect the nature of NYISO’s financial reservation model and the collaborative nature of the transmission study process in New York.”).

²⁵ See proposed NYISO OATT Section 41.5.6 (“Where a modification to the MTF would be required to accommodate the requested service, the Eligible Customer and MTF Provider must follow the applicable transmission expansion or interconnection procedures set forth in the ISO OATT.”).