

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

New York Independent System Operator, Inc.            )            Docket No. ER06-1014-000

**MOTION TO TERMINATE INFORMATIONAL REPORTS  
OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

In conformance with Rule 212 of the Commission’s Rules of Practice and Procedure,<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”) respectfully moves to terminate its obligation to submit semi-annual price correction reports in this docket. The NYISO has filed twelve *Price Validation Informational Reports*, starting in January 2007.<sup>2</sup> As is set forth below, the NYISO has substantially complied with the obligation that formed the basis for these Commission-ordered informational reports by significantly improving initial pricing accuracy and, as a result, reducing the number of price corrections necessary. Moreover, the NYISO will continue to make available on its website substantially the same information as is provided by these reports pursuant to provisions required by its Tariffs. Therefore, the NYISO respectfully requests that the Commission terminate the NYISO’s only remaining compliance obligation in this docket -- to file informational price correction reports semi-annually.

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<sup>1</sup> 18 C.F.R. § 385.212 (2010)

<sup>2</sup> The price correction activity and reports referenced herein relate to energy and ancillary services prices only. *See*: Market Administration and Control Area Services Tariff (“Services Tariff”) § 20

## I. COMMUNICATIONS AND CORRESPONDENCE

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

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## II. BACKGROUND

Following the introduction of the NYISO's new real-time market design in 2005, the NYISO filed to extend the period available to correct prices under its Temporary Extraordinary Procedures ("TEPs"). In accepting the NYISO's request, the Commission required the NYISO to "file . . . a plan and schedule for shortening the time periods both for posting notices of price corrections and for correcting prices under the TEP as well as eventually phasing out the TEP altogether. . . ." <sup>3</sup> The NYISO filed tariff amendments to replace the TEPs with a transparent set of rules and time limits for non-TEP price corrections. <sup>4</sup>

In accepting these tariff amendments, the Commission required the NYISO to file an additional semi-annual informational report on the price corrections it made for each sixth-month

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<sup>3</sup> 111 FERC ¶ 61,200 at P. 16 (2005)

<sup>4</sup> *New York Independent System Operator, Inc.* ER06-1014-000, May 16, 2006 Letter to Magalie R. Salas from Ted Murphy. The NYISO is required to reserve Day-Ahead prices, for potential correction, before the start of the operating day, to reserve real-time prices, for potential correction, before 5 PM of the following day and to correct the price, if necessary, within three days of these deadlines. Services Tariff § 20.3

period “to ensure further progress in reducing the types of, and frequency of, price errors.”<sup>5</sup>

These reports were to include the cause, duration and rate impact of the pricing error, the actions the NYISO took to correct the price error, including the factors that NYISO relied upon in recalculating prices, and a summary of the actions taken during the preceding six months to reduce or eliminate the types of price errors that occurred.<sup>6</sup>

Following the 2006 Order, the NYISO was correcting prices in about 2.69% of all hours. This percentage declined to less than one percent (1%) in 2008 and has remained between two tenths of one percent (0.2%) and and three tenths of one percent (0.3%) since 2009.

The NYISO is currently required, by tariff, to report to Market Participants after each price correction: (i) the affected price intervals; (ii) the affected LBMP zone(s); (iii) the type of pricing error (either a calculation error or an error in selecting the price-setting resource); (iv) a description of the nature of the pricing error; (v) a description of the underlying cause of the pricing error; and (vi) the price correction method used. The NYISO is also required to provide quarterly reports on the cause of each error requiring correction, the steps taken or planned to eliminate or diminish the incidence of the error in the future and on the details of any price errors of which it became aware after the deadlines for reservation or correction of the price error had passed.<sup>7</sup> The NYISO intends to continue these reports.

### **III. MOTION**

In light of the NYISO’s substantial reduction in the number of hours requiring price corrections and its continuing tariff-based obligation to report on the price corrections it does

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<sup>5</sup> *New York Independent System Operator, Inc.*, 116 FERC ¶ 61,037 (“2006 Order”) P. 43

<sup>6</sup> *Id.* As mentioned, the NYISO has now filed twelve informational price correction reports with the Commission.

<sup>7</sup> Services Tariff § 20.4

make, the NYISO respectfully requests that the Commission relieve it of any further obligation to make additional, semi-annual, informational price correction filings.

The number of hours within which one or more intervals required a price correction has dropped significantly and has held steady, since 2009, at between 0.2% and 0.3% of all hours. Keeping the frequency of price corrections low remains a NYISO priority. The NYISO reports by email twice daily to its Market Participants on price reservation activity and monthly to the Business Issues Committee on price correction statistics and trends.<sup>8</sup> Thus, the market place remains informed on the NYISO's success in keeping price corrections to a minimum and the NYISO remains alert to the ongoing need to get initial prices correct.

The NYISO remains obligated by tariff to post price correction reports on its website, both as they occur and quarterly. The NYISO's *Energy Price Correction Reports* provide the dates and durations of price corrections, the number of intervals corrected and hours containing price corrections, the corrected LBMP zone, the type and description of the error, and the method used to correct the price.<sup>9</sup> Its *Quarterly Price Correction Reports* identify the intervals requiring correction, the reasons for the error, and the actions taken to reduce the possibility of future, similar errors.<sup>10</sup> The NYISO compiles the data included in these tariff-required reports to create the semi-annual, informational price correction reports to the Commission. As a result the Commission reports contain price correction information which the NYISO has already included in the reports it posts to its website, information which will continue to be posted for any future price correction activity.

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<sup>8</sup> NYISO Real Time Price Correction Statistics are reported at each Business Issues Committee. The most recent report is available at [http://www.nyiso.com/public/webdocs/committees/bic/meeting\\_materials/2012-07-11/Market\\_Operations\\_Report\\_finalv2.pdf](http://www.nyiso.com/public/webdocs/committees/bic/meeting_materials/2012-07-11/Market_Operations_Report_finalv2.pdf)

<sup>9</sup> The *Energy Price Correction Reports* can be found at <http://mis.nyiso.com/public/P-29list.htm>

<sup>10</sup> Its *Quarterly Reports* can be found at: [http://www.nyiso.com/public/webdocs/market\\_data/reports\\_info/mp\\_correction\\_reports/MP\\_Correction\\_Report\\_-\\_2012.pdf](http://www.nyiso.com/public/webdocs/market_data/reports_info/mp_correction_reports/MP_Correction_Report_-_2012.pdf)

Because NYISO has reduced the types of, and frequency of, pricing errors and will continue to publish details to its website on price corrections when they do occur, the Commission should find that the obligation to continue to submit semi-annual price correction reports is redundant, no longer necessary and can be concluded.

#### **IV. CONCLUSION**

For the reasons specified above, the New York Independent System Operator, Inc. respectfully requests that the Commission terminate the NYISO's obligation to make semi-annual reports on its price correction activity and excuse the NYISO from any remaining compliance obligation it may have in this regard.

Respectfully Submitted,

/s/ Mollie Lampi

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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 3<sup>rd</sup> day of August, 2012.

*/s/ Joy A. Zimmerlin*

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