

October 22, 2013

By Electronic Filing

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

***Re: New York Independent System Operator, Inc., Docket No. ER13-2016-00_,
Notice of Implementation of Real-Time Guarantee Payment Mitigation
Software for Regulation Capacity and Regulation Movement Bids***

Dear Secretary Bose:

On July 23, 2013, the New York Independent System Operator, Inc. (“NYISO”) requested a temporary, limited waiver of Sections 23.3.3.3.1.1 and 23.3.3.3.1.2 of (Attachment H to) its Market Services Tariff (“Waiver Request”).¹ The Tariff rules that NYISO requested a temporary waiver of require the NYISO to (a) determine whether the application of real-time guarantee payment (“RTGP”) is appropriate, (b) post settlement results that reflect the application of RTGP mitigation, and (c) provide notice to Market Parties² of the effect that RTGP mitigation has on a Market Party’s real-time Bid Production Cost Guarantee (“BPCG”), within very tight time deadlines. The Federal Energy Regulatory Commission (“Commission” or “FERC”) issued an order granting the NYISO’s Waiver Request on August 22, 2013 (“August Order”).³

On October 4, 2013, the NYISO requested a twenty-two day extension of the temporary, limited waiver that the Commission granted in its August Order, from October 23, 2013 to November 14, 2013 (“Waiver Request Extension”).

¹ Section 23 of (Attachment H to) the NYISO’s Market Services Tariff sets forth the NYISO’s Market Power Mitigation Measures.

² Capitalized terms that are not expressly defined in this Waiver Request have the meaning ascribed to them in either Section 23.2.1 of (Attachment H to) the NYISO Market Services Tariff, or in Section 2 of the NYISO’s Market Services Tariff.

³ *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,147 (2013).

The NYISO committed, in both its Waiver Request and Waiver Request Extension, to provide notice to the Commission and to its Market Participants at least one week prior to implementing the necessary software improvements.

Consistent with the NYISO's commitments and the Commission's August Order, the NYISO is hereby notifying the Commission and Market Participants that it will incorporate Regulation Capacity and Regulation Movement Bids and reference levels into the RTGP mitigation software on October 30, 2013.

The timing of the NYISO's implementation of RTGP mitigation software updates could be impacted by system conditions. If the NYISO determines system operating conditions are not favorable for implementation on October 30, 2013, it will notify the Commission and Market Participants as soon as practicable.

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 Nos. ER12-1653 and ER13-2016 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.

The NYISO respectfully submits this notice to inform the Commission that the NYISO intends to incorporate Regulation Capacity and Regulation Movement Bids and reference levels into the NYISO's RTGP mitigation software on October 30, 2013.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney
New York Independent System Operator, Inc.

cc: Michael Bardee
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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 22nd day of October, 2013.

/s/ Joy A. Zimmerlin

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