

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

**New York Power Authority**

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**Docket No. ER15-1951-000**

**MOTION TO INTERVENE AND COMMENTS OF  
THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 212 and 213 of the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Rules of Practice and Procedure,<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”) moves to intervene and submits comments in the above-captioned proceeding. The NYISO requests that the Commission consider these comments in its evaluation of whether to grant the relief requested by the New York Power Authority (“NYPA”).

**I. Background**

On June 18, 2015, NYPA, a Responsible Interface Party<sup>2</sup> (“RIP”) participating in the NYISO’s Installed Capacity (“ICAP”) Market, submitted a request for waiver of a tariff-imposed deadline to submit Special Case Resource (“SCR”) performance data to the NYISO. Granting such request would allow the NYISO to accept and process the data in accordance with the NYISO’s tariffs and applicable manuals. NYPA specifically requests waiver of the requirement

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<sup>1</sup> 18 C.F.R. §§ 385.212 and 385.213 (2015).

<sup>2</sup> Capitalized terms not otherwise defined herein have the meaning set forth in the NYISO’s Market Administration and Control Area Services Tariff.

in section 5.12.11.1 of the Market Administration and Control Area Services Tariff (“Services Tariff”) that requires RIPS to submit performance data to the NYISO within seventy-five (75) days of an SCR event or test (“Submission Period”) and section 4.4.7.1 of the ICAP Manual.

The NYISO’s SCR program is a reliability-based demand response program that is activated in response to: (i) a forecasted reserves shortage, (ii) an ISO declared Major Emergency state, and (iii) a request for load relief purposes, or as the result of a local reliability rule. In addition to activation for such events, the NYISO schedules two performance tests in each Capability Period to confirm the ability of each SCR to meet its capacity obligation.<sup>3</sup> RIPS act as aggregators of individual SCRs to facilitate the SCR’s participation in the program. The NYISO did not activate its SCR program for an event in the Winter 2014-2015 Capability Period. The only activation of SCRs during the Capability Period was for the performance test conducted on March 3, 2015.

Under the Services Tariff, a SCR is obligated to perform in all events and required tests provided that the NYISO gives the appropriate day-ahead and intra-day notifications.<sup>4</sup> Events and tests meeting these notification requirements are considered “mandatory,” and the activated SCRs are required to provide the NYISO with their committed demand reductions. After the NYISO activates a mandatory event or test, Section 5.12.11.1 of the Services Tariff requires RIPS to submit, within the 75-day Submission Period, certain performance data<sup>5</sup> for each SCR

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<sup>3</sup> RIPS have the option for a SCR to use its performance in a mandatory event hour in lieu of performance in the first performance test. Therefore, if a SCR has performed in a mandatory event, the SCR may use its performance in the event as a proxy for its test value and be relieved of the requirement to perform in the first performance test. The SCR has the obligation to perform in the first performance test in the absence of a proxy test value, and resources that meet the appropriate operational characteristics are required to perform in the second performance test.

<sup>4</sup> NYISO Services Tariff § 5.12.11.1.

<sup>5</sup> Section 4.12.4.8 of the NYISO’s ICAP Manual requires each SCR to report performance data for all hours during a mandatory SCR event and any required performance tests. A SCR’s performance data is the hourly interval meter data for the SCR over the course of the event or test.

that was required to perform. If the performance data of a SCR is not submitted within the Submission Period, the Services Tariff directs the NYISO to attribute zero performance to that resource for the event or test.<sup>6</sup> In order to meet its tariff obligation, NYPA was required to submit performance data for the March 3 test by May 17, 2015. NYPA did not submit the required data by that date.

Non-performance of a SCR, attributable either to operational failure or to a failure to submit the required data, results in certain tariff imposed consequences. Applicable to NYPA's waiver request, non-performance for an event or test impacts the unforced capacity the SCR is able to sell in the ICAP market and may result in ICAP shortfalls and related deficiency charges pursuant to section 5.14 of the Services Tariff. The effect of such consequences is particularly acute in a Capability Period, such as the Winter 2014-2015 Capability Period at issue in NYPA's request, when the NYISO did not activate a SCR event, leaving the resource's performance for the entire Capability Period to be measured over only a single test hour.

## **II. Motion to Intervene**

The NYISO is the independent body responsible for providing open access transmission service, maintaining reliability, and administering competitive wholesale markets for electricity, capacity and ancillary services in New York State. The NYISO further administers various demand response programs in each of those wholesale markets pursuant to Commission-approved tariffs. In this proceeding, NYPA is requesting a waiver of a requirement of the SCR program established by the NYISO Services Tariff. The NYISO, therefore, has a unique interest

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<sup>6</sup> NYISO Services Tariff § 5.12.11.1.

in this proceeding that cannot be adequately represented by any other entity and, therefore, should be permitted to intervene with all rights of a party.

### **III. Comments**

The NYISO understands NYPA's waiver request as seeking relief from the requirement in section 5.12.11.1 of the NYISO's Services tariff to submit the required resource performance data within 75 days of the March 3 performance test.

The Commission evaluates such a waiver request based on the specific facts and circumstances of the request,<sup>7</sup> and upon evaluation of a four-part test: (i) whether the requestor has acted in good faith; (ii) whether the request is of limited scope; (iii) whether the request will remedy a concrete problem; and (iv) whether the waiver, if granted, will have undesirable consequences such as harming third parties.<sup>8</sup>

Because the Commission's evaluation of a waiver is highly dependent on the particulars of each request, the Commission has recognized that the granting of one waiver request is not precedent for granting future requests.<sup>9</sup> It is highly important that the Commission continue to reinforce the importance of tariff deadlines that enhance certainty and assist the NYISO in administering open and competitive markets.

Based upon (i) the NYISO's review of NYPA's waiver request, (ii) the facts known to the NYISO at this time, (iii) the potential for adverse market impacts, and (iv) Commission

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<sup>7</sup> See, e.g., *PJM Interconnection, L.L.C. and Trans-Allegheny Interstate Line Company*, 144 FERC ¶ 61,060, at P 17 (2013).

<sup>8</sup> *New York Power Authority*, 139 FERC ¶ 61,157, at P 28 (2012); *Air Energy TCI Inc.*, 143 FERC ¶ 61,172, at P 16 (2013); *Hudson Transmission Partner, LLC*, 131 FERC ¶ 61,157 at P 10 (2010).

<sup>9</sup> See *New York Power Authority*, 139 FERC ¶ 61,157 at P 30 (after finding the requested waiver sufficiently limited to the specific facts presented, the Commission stated that granting the waiver "does not constitute precedent for allowing market participants to avoid these or any other conditions set forth in the Services Tariff.").

guidance on waiver requests, the NYISO does not oppose NYPA's waiver request. The NYISO defers to the Commission on whether NYPA has met its burden of proof.

In its waiver request, NYPA states that it "believed in good faith that it correctly made this submission in a timely manner, but on June 5, 2015 learned that the NYISO had not received the required data within the designated period."<sup>10</sup> The NYISO does not object to NYPA's waiver request, but emphasizes that NYPA is solely responsible for submitting the data required under the NYISO's tariffs. While the NYISO has no reason to question NYPA's assertion that the error was made in good faith, NYPA's pleading seems to imply that there was a technical issue with the NYISO's Demand Response Information System ("DRIS"), the software used by RIPS to submit performance data. The NYISO has discovered no indication that the DRIS suffered any malfunction that contributed to NYPA's failure to submit the required data or that the DRIS was not operating correctly during the 75-day Submission Period. In response to its failure to timely submit data, NYPA has indicated to the NYISO, and stated in its waiver request, that it has taken corrective action to improve compliance with the submission deadlines contained in the NYISO's tariff moving forward. While the NYISO has not had the opportunity to review the new processes implemented by NYPA, the NYISO believes that such process improvements are warranted as this is the second waiver request submitted by NYPA since 2012 seeking Commission permission to submit required SCR data beyond a tariff-imposed deadline.<sup>11</sup>

In its waiver request, NYPA further states that it will discuss with the NYISO potential methods by which NYPA could be advised if there are issues with its submissions prior to the

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<sup>10</sup> New York Power Authority June 18, 2015 Request for Waiver at 3.

<sup>11</sup> New York Power Authority May 12, 2012 Request for Waiver.

close of the Submission Period.<sup>12</sup> The DRIS, however, already provides such notifications. If a RIP uploads data to the DRIS that contains errors or omissions, the DRIS will instantly provide the RIP with messages indicating the source of those errors. The DRIS does not, however, provide a RIP with notification that a file has not been uploaded to the system. The NYISO believes that the 75-day Submission Period provides ample time for RIPs to fulfill their tariff obligations and that it is the RIP's responsibility, not the NYISO's, to ensure that the appropriate data has been uploaded in accordance with the timelines set out in the NYISO's tariffs and on the ICAP Calendar located on the NYISO's website and available to all Market Participants.

Although NYPA seeks only a limited waiver of a filing deadline, the NYISO is concerned that a waiver in this proceeding may raise questions regarding the applicability of the data reporting requirements in future Capability Periods and as they apply to other RIPs. While the 75-day deadline is administrative, it is nonetheless necessary for the NYISO to receive timely performance data from RIPs in order to process and review data from over 4,000 SCRs participating in the program. Timeliness helps ensure certainty and transparency, as the data submitted by RIPs is used, among other reasons, to calculate Installed Capacity shortfalls (*i.e.*, when a SCR provided less capacity than it committed to provide), performance factors used to determine how much capacity a SCR is eligible to sell in future capability periods, and to prepare for upcoming Capability Periods.

Offsetting the NYISO's desire for strict adherence to the submission deadline in the instant waiver request is the potential for an undesirable impact to the NYISO's capacity market. If the SCRs NYPA brings to market were to stop participating in the SCR program, the NYISO

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<sup>12</sup> New York Power Authority June 18, 2015 Request for Waiver at 6.

would expect increased capacity costs which would be borne by New York State consumers.<sup>13</sup>

The NYISO agrees with the cost estimate provided by NYPA in its request for waiver. It is important to note that this potential market impact is largely due to the combined effect of two separate factors: (i) NYPA failed to submit performance data for its entire SCR portfolio, and (ii) there was only one hour of data upon which to calculate SCR performance for the Capability Period. Potential market impacts, if the Commission were to deny NYPA's request, would be particularly severe due to the specific facts and circumstances of this matter.

Following the close of the Winter 2014-2015 Capability Period, NYISO staff began its process of preparing for the Winter 2015-2016 Capability Period, which includes reviewing data and completing the various calculations necessary from all SCRs. If NYPA had not promptly filed its request for waiver, granting such request could result in undesirable outcomes such as recalculating resource performance factors after the NYISO had begun preparing for the Winter 2015-2016 Capability Period. If the Commission grants the relief requested by NYPA by July 17, the NYISO will have sufficient time to: (i) process and review the data; (ii) complete all required calculations prior to the seasonal set-up for the Winter 2015-2016 Capability Period; and (iii) to post performance factors for the upcoming Capability Period by the August 1 deadline in the NYISO's ICAP Event Calendar.

#### **IV. Communications and Correspondence**

All communications and service with regard to this filing should be directed to:

Robert E. Fernandez, General Counsel  
Raymond Stalter, Director, Regulatory Affairs

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<sup>13</sup> If the resources were to remain in the market at a derated capacity, there is not likely to be a significant market impact. The NYISO has received no indication as to whether the affected resources would remain in, or leave, the market.

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## **V. Conclusion**

WHEREFORE, for the foregoing reasons, the NYISO respectfully request that the Commission (i) grant this motion to intervene, and (ii) consider these comments in making its decision on NYPA's request.

Respectfully submitted,

/s/ Gregory J. Campbell  
Gregory J. Campbell  
Counsel for  
New York Independent System Operator, Inc.

June 29, 2015

cc: Michael Bardee  
Gregory Berson  
Anna Cochrane  
Morris Margolis  
David Morenoff  
Daniel Nowak  
Kathleen Schnorf  
Jamie Simler  
Kevin Siqveland



### **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 29<sup>th</sup> day of June, 2015.

By: /s/ John C. Cutting

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