

October 8, 2014

**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 Setting  
Tariff Effective Date for Previously Accepted Tariff Revisions In Preparation  
For Implementing Coordinated Transaction Scheduling with PJM  
Interconnection, L.L.C.;  
Docket Nos. ER12-701, ER14-552 and ER14-2552

Dear Ms. Bose:

On December 28, 2011, December 6, 2013 and July 31, 2014, the New York Independent System Operator, Inc. (“NYISO”) submitted proposed revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”) to the Federal Energy Regulatory Commission (“Commission”) in the above referenced dockets (the “Filings”). The proposed OATT and Services Tariff revisions add new Real-Time Market<sup>1</sup> External Transaction bidding and scheduling rules that will enable the NYISO to (1) move its Real-Time Market evaluation of transactions that are scheduled on a quarter-hour basis fifteen minutes closer to real-time operations; (2) enable Market Participants to submit Bids at Variably Scheduled Proxy Generator Buses to import or export Energy that vary the amount of Energy offered, and/or to vary the price at which Energy is offered, in each quarter-hour of an upcoming Real-Time Market hour; and (3) implement Coordinated Transaction Scheduling (“CTS”) at its border with PJM Interconnection, L.L.C. (“PJM”).<sup>2</sup> The Commission accepted the NYISO’s Filings in orders issued on April 19, 2012, February 20, 2014 and September 19, 2014 (the “Orders”).<sup>3</sup>

In this filing, the NYISO proposes to make the tariff revisions that are necessary to implement the first and second market improvements described above effective on October

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<sup>1</sup> Capitalized terms not specifically defined herein shall have the meaning set forth in the NYISO’s OATT or Services Tariff.

<sup>2</sup> CTS will initially be implemented at the NYISO’s interconnections with PJM. Implementation at the NYISO’s Proxy Generator Bus that represents NYISO’s primary A/C interconnection with ISO-New England is planned for late 2015.

<sup>3</sup> *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,048 (2012); *New York Independent System Operator, Inc.*, 146 FERC ¶ 61,097 (2014); and *New York Independent System Operator, Inc.*, Unpublished Letter Order, Docket No. ER14-2552 (September 19, 2014).

22, 2014. As explained in greater detail below, the NYISO will submit a second set of compliance filings to set the date on which CTS will go into effect at its border with PJM.

## **I. BACKGROUND**

In each of Docket No. ER12-701, Docket No. ER14-552 and Docket No. ER14-2552 the Commission ordered<sup>4</sup> the NYISO to submit compliance filings to provide two weeks' notice to the Commission and to all NYISO Market Participants specifying the date on which the proposed OATT and Services Tariff revisions will take effect. Consistent with the Commission's instructions, these three Compliance Filings<sup>5</sup> are submitted to set the effective dates for the previously accepted Tariff revisions that are identified in Section II, below.

The NYISO hereby provides notice to the Commission and to Market Participants that it proposes to make the OATT and Services Tariff revisions identified below effective on October 22, 2014. Most of the OATT and Services Tariff sections that the NYISO first submitted with the Filings are re-submitted in these Compliance Filings. The only additional modification the NYISO makes in the Tariff language submitted herewith is to set an October 22, 2014 effective date; no other new revisions are proposed.

In its Filings the NYISO indicated that it expected to set an effective date for the CTS with PJM Tariff revisions that would be no earlier than November 1, 2014. In these Compliance Filings the NYISO proposes to set an October 22, 2014 effective date for a subset of the Tariff revisions it submitted in Docket Nos. ER12-701 and ER14-552, and for all of the Tariff revisions that it submitted in Docket No. ER14-2552. The requested October 22, 2014 effective date coincides with the planned date for the NYISO's related software deployment.

Upon completion of the October 22, 2014 software deployment, the NYISO's economic evaluation of External Transaction Bids will move 15 minutes closer to real-time operations. Implementing this market improvement will reduce latency risk at *all* of the NYISO Proxy Generator Buses that are scheduled on a quarter-hour basis. The Tariff revisions that the NYISO proposes to make effective on October 22, 2014 will also enable Market Participants to submit Bids at *all* Variably Scheduled Proxy Generator Buses to import or export Energy that vary the amount of Energy offered, and/or to vary the price at which Energy is offered, for each quarter-hour of an upcoming Real-Time Market hour.<sup>6</sup> The ability to vary offers in each quarter hour of an upcoming Real-Time Market hour at Variably Scheduled Proxy Generator Buses will be activated when NYISO re-enables 15-minute

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<sup>4</sup> *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,048 at P 27 (for the reasons explained below, the NYISO will submit the required changes to Section 4.4.4 of its Services Tariff, designating the Proxy Generator Buses that are CTS enabled, in a subsequent compliance filing); *New York Independent System Operator, Inc.*, 146 FERC ¶ 61,097 at P 34; *New York Independent System Operator, Inc.* Unpublished Letter Order at p. 2, Docket No. ER14-2552 (September 19, 2014).

<sup>5</sup> The NYISO is filing this letter today in three separate filings in Docket Nos. ER12-701, ER14-552 and ER14-2552.

<sup>6</sup> This market improvement was a key component of the NYISO's Variable Energy Resource compliance commitment. See *New York Independent System Operator, Inc.*, 146 FERC ¶ 61,208 at P 21 (2014).

scheduling following the October 22, 2014 software deployment. The NYISO will have to verify that the deployment is functioning as expected before it re-activates enhanced 15 minute scheduling.<sup>7</sup>

Permitting the Docket No. ER12-701, ER14-552 and ER14-2552 tariff revisions identified below to become effective on October 22, 2014, will also enable the NYISO and PJM, and their Market Participants to begin testing their ability to submit and receive CTS Interface Bids, and to exchange data, using the new functionality. However, the NYISO and PJM are *not* proposing to begin accepting CTS Interface Bids for use in determining interchange schedules until early November 2014. The NYISO will submit a second set of compliance filings to the Commission at least two weeks prior to activating CTS with PJM to set the date on which CTS with PJM will be activated and to formally designate NYISO's PJM Proxy Generator Buses as CTS Enabled Proxy Generator Buses. The upcoming compliance filings will be submitted in Docket Nos. ER14-552 and ER14-2236.

During the time period between October 22, 2014 and November 4, 2014, Market Participants will have the opportunity to interact with the Joint Energy Scheduling System to enter CTS Interface Bids for transactions over CTS Enabled Interfaces between NYISO and PJM. During the interim period, Market Participants will be able to enter CTS Interface Bids for the NYISO's PJM Proxy Generator Buses as long as the bid is for scheduling after 11:00 a.m. on November 4, 2014 (which is the anticipated date/time for CTS implementation, assuming all goes as planned).

In anticipation of expected implementation of CTS at all of the Proxy Generator Buses (including all Scheduled Lines) that represent the NYISO's interface with PJM on October 22, 2014, the NYISO will begin to invalidate hourly Import offers and hourly Export bids that were or are submitted for scheduling on or after the time on November 4, 2014 at which the NYISO and PJM anticipate implementing CTS (assuming everything proceeds as planned). The NYISO plans to contact each Market Participant that has an hourly offer invalidated to remind its Market Participant of the long-anticipated market changes. Market Participants will still be permitted to submit hourly Import offers and Export bids at the Proxy Generator Buses that represent the NYISO's interface with PJM until the time on November 4, 2014 that NYISO and PJM anticipate implementing CTS.

Should the NYISO determine that it will be unable to implement the tariff revisions on October 22, 2014, it will promptly notify the Commission and its Market Participants.

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<sup>7</sup> A brief delay of one day or less in duration is anticipated, although it is possible that a longer delay could prove necessary to ensure that everything is working appropriately before 15 minute scheduling is re-initiated.

## **II. TARIFF SECTIONS TO BECOME EFFECTIVE OCTOBER 22, 2014**

This Notice specifies the effective date for the following Tariff sections that were modified in the NYISO's Docket No. ER14-552 filing:

- Services Tariff Sections 2.9 and 26.4;
- OATT Sections 35.2, 35.7 and 35.12.

This Notice specifies the effective date for the following Tariff sections that were first amended in the NYISO's CTS with ISO-New England ("ISO-NE") filing in Docket No. ER12-701, accepted by the Commission in 2012,<sup>8</sup> and were further modified in the NYISO's Docket No. ER14-552 filing:

- Services Tariff Sections 2.2, 2.3, 2.16 and 4.4;
- OATT Sections 1.2, 1.3, 1.16 and 16.3.

This Notice specifies the effective date for the following Tariff sections that were modified in the NYISO's Docket No. ER14-2552 filing:

- Services Tariff Sections 2.3 and 26.4

This Notice further specifies the effective date for the following Tariff sections that the Commission accepted in the NYISO's CTS with ISO-NE Filing in Docket No. ER12-701, that were *not* further amended in Docket Nos. ER14-552 or ER14-2552, but that are also necessary to implement CTS with PJM:

- Services Tariff Sections 2.4, 2.18, 2.19, 2.20, 17.1, 18, 21 and 25;
- OATT Sections 1.4, 1.5, 1.18, 1.19, 1.20 and 3.1.

## **III. DOCUMENTS SUBMITTED**

1. This letter;
2. A clean version of the previously submitted revisions to the NYISO's Services Tariff with an October 22, 2014 effective date ("Attachment I"); and
3. A clean version of the previously submitted revisions to the NYISO's OATT with an October 22, 2014 effective date ("Attachment II").

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<sup>8</sup> *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,048 (2012).

#### **IV. SERVICE LIST**

The NYISO will serve this notice on the official service list in this proceeding and will send an electronic link to this notice to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, the notice will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com).

#### **V. CONCLUSION**

The NYISO respectfully submits this filing to notify the Commission that the NYISO intends to implement the OATT and Services Tariff revisions on October 22, 2014, and to submit conforming e-Tariff effective dates.

Respectfully submitted,

/s/ Alex M. Schnell

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