

June 3, 2015

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

**Re: Proposed Amendment to Correct June 1 Filing in Docket No. ER12-2414-003 of the New York Independent System Operator, Inc., and Request for Waivers, Docket No. ER12-2414-00\_**

Dear Secretary Bose:

On June 1, 2015, the New York Independent System Operator, Inc. (“NYISO”) filed proposed compliance tariff revisions (the “June 1 Filing”) in accordance with Paragraph 2 and Ordering Paragraph (C) of the Commission’s April 16, 2015 order in the above captioned proceedings.<sup>1</sup> The transmittal letter and Attachment I and Attachment II to the June 1 Filing accurately described and set forth the proposed Market Administration and Control Area Services Tariff (“Services Tariff”) compliance tariff revisions that the NYISO intended to submit. However, other attachments containing tariff revisions inadvertently were not included in the June 1 Filing or were on an unintended eTariff base. The June 1 Filing also inadvertently included proposed tariff revisions that were unrelated to its subject matter (and thus were not described or referenced in the transmittal letter.)

In order to correct these inadvertent ministerial errors and to ensure a complete and accurate record, the NYISO respectfully requests that the Commission accept this amendment to the June 1 Filing.<sup>2</sup> To be clear, this amendment is not proposing any

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<sup>1</sup> *Astoria Generating Company, et al. v. New York Independent System Operator, Inc.*, 151 FERC ¶ 61,043 (2015) (the “April 16 Order”). The April 16 Order ruled on the NYISO’s, *Compliance Filing* in Docket No. ER12-2414-000 (Aug. 6, 2012); *Errata to Compliance Filing*, Docket No. ER12-2414-001 (Aug. 7, 2012), and *Refiling of Base Tariff Section to Correct Ministerial Error and Request for Waiver of Public Notice Requirement*, Docket No. ER12-360-003 (Oct. 12, 2012) (“2012 Compliance Filing”).

<sup>2</sup> As required by the April 16 Order, this compliance filing includes tariff language that the NYISO was expressly directed to develop. It also includes certain proposed minor adjustments to the Services Tariff that the NYISO believes are necessary for clarity. These clarifications are similar to those that the Commission has allowed the NYISO to include in prior compliance filings. *See, e.g., New York Independent System Operator, Inc.*, 125 FERC ¶ 61,206 at P 41 (2008) (accepting revisions proposed in a compliance filing “as needed to implement the modifications directed” in an order, even though the order did not specifically direct the filing of such revisions). *See also New York Independent System Operator, Inc.*, 127 FERC ¶ 61,042 at 12 (2009) (accepting revisions that “make ministerial changes that permit the effective implementation” of the proposal that is the subject of the compliance filing).

substantive change to the revisions described in or proposed by the June 1 Filing. The only purpose of this proposed amendment is to correct the ministerial filing errors summarized above and described in more detail below. This filing does so by re-submitting all of the attachments that were intended to be included in the June 1 Filing and omitting all attachments that were not.

This filing also submits a corrected version of the original transmittal letter. The only changes from the June 1 Filing's transmittal letter are to: correct Section I (*i.e.*, the list of "Documents Submitted"); update certain internal references to conform to the correct list of submitted Attachments; adjust the proposed effective date of what is described below as the "CEE reference phrase;" and to correct a typographical error in the base version of Services Tariff Sections 23.4.5.7.4 and 30.10.4 shown and described in Section III.<sup>3</sup>

To the extent that the Commission deems necessary, the NYISO is seeking any waiver needed for it to re-submit compliance tariff revisions that were correctly described in the June 1 Filing transmittal letter and in Attachments I and II, and to submit those that were due to be included with the filing on June 1 but were inadvertently excluded from it, two days out of time. The NYISO also respectfully requests any other waiver that the Commission deems necessary to permit it to correct and complete the June 1 Filing by this amendment.

The NYISO notes that on June 2, 2015, the Commission issued a notice that comments on the June 1 Filing are due on June 22, 2015. The NYISO respectfully asks the Commission to adopt a revised comment deadline for this amended filing to replace the one established for the June 1 Filing. There is no reason for interested parties to comment separately on the June 1 Filing instead of simply commenting on the corrected and complete version of the NYISO's compliance proposal herein.

Finally, as discussed in Section IV of both the June 1 Filing transmittal letter and this corrected transmittal letter, the NYISO respectfully requests an effective date of June 22, 2012 for the compliance tariff revisions that were expressly directed in the April 16 Order. The NYISO notes, however, that the additional clarifying revisions to Section 30 proposed herein incorporate revisions to that Section that were accepted and have an effective date after June 22, 2012. In order to facilitate the Commission's and parties' review of the proposed revisions in the context of the current Services Tariff, Attachments III (clean version of Services Tariff Section 23), IV (blacklined version of Services Tariff Section 23), VII (clean version of Services Tariff Section 30,) and Attachment VIII (blacklined version Services Tariff Section 30), as described below, present the version of the etariff incorporating all revisions proposed as of the date of this filing.<sup>4</sup> The

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<sup>3</sup> See n. 32, 37.

<sup>4</sup> All such pending revisions are either effective or have a proposed effective date prior to the date of this filing.

consolidated eTariff version that is set forth in Attachments III and VII therefore would reflect the eTariff through May 12, 2015.

## **I. DOCUMENTS SUBMITTED**

The NYISO respectfully submits this filing letter and the following documents in support of this filing:

1. A clean version of the proposed revisions to Services Tariff Section 23 (Attachment H) (“Attachment I”);<sup>5</sup>
2. A blacklined version of the proposed revisions to Services Tariff Section 23 (Attachment H) (“Attachment II”);<sup>6</sup>

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<sup>5</sup> The base tariff language in Attachment I and Attachment II (*i.e.*, the language which the compliance tariff revisions described herein are proposed to modify) only reflects language that was accepted and effective, or was pending before the Commission, as of the 2012 Compliance Filing. It reflects the language presented to the Commission in the 2012 Compliance Filing, which parties reviewed and filed comments on, as described in the April 16 Order. It does not reflect effective or pending language from the following proceedings: (a) *New York Independent System Operator, Inc.*, Delegated Letter Order, Docket No. ER12-360-004 (August 23, 2013) (accepting second compliance filing in response to the June 6, 2013 Order effective September 1, 2012); (b) *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,126 (2013) (order accepting tariff revisions effective January 27, 2014 regarding the establishment of a new capacity zone encompassing Load Zones G, H, I and J and establishing a technical conference) (the “Mitigated Capacity Zone revisions”); (c) *New York Independent System Operator, Inc.*, Delegated Letter Order, Docket Nos. ER14-1735-000 and ER14-1735-001 (June 27, 2014) (accepting tariff revisions to permit improved fuel indexing of Day-Ahead generator reference levels effective June 18, 2014); (d) NYISO compliance filing in Docket No. ER15-1498-000 regarding buyer-side mitigation rules dated April 13, 2015 in response to FERC Order 150 FERC ¶ 61,139 (2015); (e) NYISO compliance filing in Docket No. ER10-2731-002 regarding an offer floor exemption for Special Case Resources dated April 20, 2015 in response to FERC Order 150 FERC ¶ 61,208 (2015) (“SCR Compliance Filing”); (f) *New York Independent System Operator, Inc.*, Delegated Letter Order, ER13-1380-005 (August 5, 2014) (accepting compliance filing to delete the current exclusion of forward capacity sales in Services Tariff Section 23.4.5.5(1) effective March 23, 2015) (the “G-J Pivotal Supplier Revision”); (g) *New York Independent System Operator, Inc., Compliance Filing, Request for Commission Action by May 14, 2015, and Request for Limited Waiver*, Docket No. ER15-1498-000 (April 13, 2014) (“Competitive Entry Exemption Compliance Filing”) with the effective date it directed in *Consolidated Edison Company of New York, Inc., et al. v. New York Independent System Operator, Inc.*, 150 FERC ¶ 61,139 (2015) (“Competitive Entry Exemption Order”), *i.e.*, February 26, 2015, (h) *New York Independent System Operator, Inc.*, 151 FERC ¶ 61,075 (2015) (the “Outage States Order”) which conditionally accepted revisions effective May 1, 2015, subject to a June 1, 2015 compliance; and (i) *New York Independent System Operator, Inc.* Delegated Letter Order, Docket No. ER15-1281-000 (May 6, 2015) (accepting “Additional CRIS” tariff revisions effective May 12, 2015 as described in such order (the “Additional CRIS Order”)).

3. A clean version of revisions to Services Tariff Section 23 (Attachment H) proposed in this filing, along with all revisions accepted by or pending before the Commission as of the date of this filing, such pending revisions are those proposed in the Competitive Entry Exemption Compliance Filing, the SCR Compliance Filing, and the revisions accepted in the Outage States Order or proposed in the June 1, 2015 Outage States compliance filing<sup>7</sup> as of this date (“Attachment III”);<sup>8</sup>
4. A blacklined version of the revisions to Services Tariff Section 23 (Attachment H), marked on the eTariff base that incorporates all revisions accepted by or pending before the Commission as of the date of this filing. (“Attachment IV”);
5. A clean version of the proposed revisions to Services Tariff Section 30 (Attachment O) (“Attachment V”);<sup>9</sup>
6. A blacklined version of the proposed revisions to Services Tariff Section 30 (Attachment O) (“Attachment VI”);
7. A clean version of the revisions to Services Tariff Section 30 (Attachment O) proposed in this filing, along with the all other revisions accepted by or pending before the Commission as of the date of this filing, such pending revisions are those proposed in the Competitive Entry Exemption Compliance Filing (“Attachment VII”);<sup>10</sup>

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<sup>6</sup> *Id.*

<sup>7</sup> New York Independent System Operator, Inc., *Compliance Filing in Docket No. ER14-2518-000*, Docket No. ER14-2518-003 (June 1, 2015) (“Outage States June 1 Filing”).

<sup>8</sup> Attachments III and IV would reflect Services Tariff Section 23 should the Commission accept the revisions to Services Tariff Section 23 proposed, with the respective requested effective dates, in: (a) the Competitive Entry Exemption Compliance Filing, (b) the SCR Compliance Filing, (c) Outage States June 1 Filing, and (d) the revisions proposed herein. As of the date of this filing, the latest actual or proposed effective date to a revision in Section 23 is May 12, 2015 (*i.e.*, the tariff revisions accepted in the Additional CRIS Order.)

<sup>9</sup> The base tariff language in Attachment V and Attachment VI (*i.e.*, the language which the compliance tariff revisions described herein are proposed to modify) only reflects language that was accepted and effective, or was pending before the Commission, as of the 2012 Compliance Filing. It reflects the language presented to the Commission in the 2012 Compliance Filing, which parties reviewed and filed comments on, as described in the April 16 Order. The only pending revisions to Services Tariff Section 30 as of the date of this filing are those proposed in the Competitive Entry Exemption Compliance Filing.

<sup>10</sup> Attachment VII and VIII would reflect Services Tariff Section 30 should the Commission accept the revisions to Services Tariff Section 30 proposed in the Competitive Entry Exemption Compliance Filing with the effective date directed in the Competitive Entry Exemption

8. A blacklined version of the proposed revisions to Services Tariff Section 30 (Attachment O) proposed in this filing, marked on the eTariff base that incorporates all revisions accepted by or pending before the Commission as of the date of this filing (“Attachment VIII”);<sup>11</sup>
9. Solely for purposes of showing the build of the eTariff, a table reflecting a list of the tariff sections revised along with filing dates and pertinent Commission orders (“Attachment IX”); and
10. Solely for purposes of showing the build of the eTariff, the series of tariff sections that are described in Attachment IX (Attachment X).<sup>12</sup>

## II. BACKGROUND

The April 16 Order granted clarification, in part, and denied rehearing of the Commission’s June 2012 Order<sup>13</sup> partially granting and partially denying a complaint against the NYISO.<sup>14</sup> The Complaint alleged that the NYISO had improperly implemented its buyer-side capacity market power mitigation measures (“BSM Rules”)<sup>15</sup> in the New York City Installed Capacity<sup>16</sup> (“ICAP”) Market. The June 2012 Order

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Order, *i.e.*, February 26, 2015, and the revisions proposed herein. As of the date of this filing, the latest actual or proposed effective date for a revision to Section 30 is May 12, 2015 (*i.e.*, the tariff revisions accepted in the Additional CRIS Order.)

<sup>11</sup> *Id.*

<sup>12</sup> The documents that comprise Attachment X, the etariff build, solely reflect the Services Tariff language effective on a particular date. They do not necessarily reflect the language as presented to the Commission in a filing. Examples of the manner in which language pending before the Commission was proposed for revision before the Commission acted on proposed language filed earlier, or was later revised in compliance with a Commission order on rehearing, can be seen in, *e.g.*, the Additional CRIS Compliance Filing Section IV; the Competitive Entry Compliance Filing Section IV; the NYISO’s *Request for Expedited Clarification of the New York Independent System Operator, Inc.*, Docket Nos. EL07-39-007, ER08-695-005, ER10-2371-001 (March 30, 2015); and the SCR Compliance Filing. The Commission’s record in the respective proceedings provides the full context, whereas certain documents in Attachment X do not.

<sup>13</sup> *Astoria Generating Company, et al. v. New York Independent System Operator, Inc.*, 139 FERC ¶ 61,244 (2012) (the “June 2012 Order”).

<sup>14</sup> The complaint was filed by Astoria Generating Company L.P.; NRG Power Marketing LLC; Arthur Kill Power, LLC; Astoria Gas Turbine Power LLC; Dunkirk Power LLC; Huntley Power LLC, Oswego Harbor Power LLC; and TC Ravenswood, LLC (collectively, the “Complainants”). *Astoria Generating Company, et al. v. New York Independent System Operator, Inc., Complaint Requesting Fast Track Processing* (June 3, 2011) (“Complaint”).

<sup>15</sup> The BSM Rules are set forth in Section 23.4.5.7, *et seq.* of the Services Tariff.

<sup>16</sup> Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in the Services Tariff.

directed the NYISO to, among other things, make a compliance filing that included certain revisions to its Services Tariff.<sup>17</sup> The April 16 Order accepted the NYISO's compliance filing,<sup>18</sup> as corrected, to be effective June 22, 2012, subject to a compliance filing.

Specifically, the April 16 Order required the NYISO to: (1) clarify the first-year Unit Net CONE value that will be used in its "Part B Test"<sup>19</sup> and Unit Offer Floor;<sup>20</sup> (2) incorporate language into the Services Tariff that allows the NYISO's independent Market Monitoring Unit ("MMU") to consider all factors relevant to mitigation exemption and Offer Floor determinations when it reports on such determinations ("MMU Report");<sup>21</sup> and (3) clarify the use of inflation and escalation rates under the BSM Rules.<sup>22</sup>

### **III. PROPOSED COMPLIANCE TARIFF REVISIONS**

#### **A. Use of First-Year Unit Net CONE Value in Part B Test**

The NYISO asserted that the June 2012 Order was unclear with respect to the comparison to be made between the "Default Offer Floor"<sup>23</sup> and Unit Net CONE when determining Offer Floors. The NYISO requested clarification that in determining the Offer Floor (*i.e.*, the lower value of 75 percent of Mitigation Net CONE, or Unit Net CONE), the value for Unit Net CONE to be used should be only the first year value of the three-year average of annual Unit Net CONE.<sup>24</sup>

The April 16 Order confirmed that the NYISO's understanding of how the Offer Floor should be determined was correct.<sup>25</sup> The Commission noted that there was a need to

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<sup>17</sup> April 16 Order at P 2.

<sup>18</sup> New York Independent System Operator, Inc., *Compliance Filing*, Docket No. ER12-2414 (Aug. 6, 2012) ("2012 Compliance Filing").

<sup>19</sup> The "Part B Test" is the term sometimes used for one of the tests that the NYISO uses to determine if a new entrant is eligible for an exemption from Offer Floor mitigation under the BSM Rules. It compares the average annual three-year price forecast, three Capability Years out from the Class Year, to the Unit Net CONE. An Examined Facility is exempt from an Offer Floor if that three-year average forecasted price exceeds the calculated Unit Net CONE. *See* Section 23.4.5.7.

<sup>20</sup> April 16 Order at P 16.

<sup>21</sup> *Id.* at P 75.

<sup>22</sup> *Id.* at PP 20, 90-93.

<sup>23</sup> "Default Offer Floor" is a term described in the April 16 Order. It is not a defined term in the NYISO's tariffs. It has the same meaning as "Mitigation Net CONE Offer Floor," a defined term that was accepted with other Services Tariff revisions in the Additional CRIS Order.

<sup>24</sup> *Request for Expedited Clarification, and Alternate Request for Rehearing, of the New York Independent System Operator* (July 23, 2012) ("Request for Clarification") at 8.

<sup>25</sup> April 16 Order at PP 15-16.

clarify the Services Tariff because Section 23.2.1 defines “Unit Net CONE” as a single year value, but the NYISO uses a three-year average of the defined “Unit Net CONE” value in determining “Unit Net CONE” for purposes of the Part B Test. Thus, to “avoid confusion and ambiguity in the future,” the Commission directed the NYISO to revise the Services Tariff to provide clearly for the use of the first-year Unit Net CONE value as defined in the Services Tariff for its Part B Test and Unit Offer Floor.<sup>26</sup>

The NYISO therefore proposes the following addition to Section 23.2.1 to provide clearly for the use of the first-year Unit Net CONE value as defined in the Services Tariff for the Offer Floor determination:<sup>27</sup>

For purposes of Section 23.4.5 of this Attachment H, **“Offer Floor”** for a Mitigated Capacity Zone Installed Capacity Supplier that is not a Special Case Resource shall mean the lesser of (i) a numerical value equal to 75% of the Mitigation Net CONE translated into a seasonally adjusted monthly UCAP value (“Mitigation Net CONE Offer Floor”), or (ii) a the numerical value that is the first year value of the Unit Net CONE determined as specified in Section 23.4.5.7.3, translated into a seasonally adjusted monthly UCAP value using an appropriate class outage rate, (“Unit Net CONE Offer Floor”). The Offer Floor for a Mitigated Capacity Zone Installed Capacity Supplier that is a Special Case Resource shall mean a numerical value determined as specified in Section 23.4.5.7.5. The Offer Floor for Additional CRIS MW shall mean a numerical value determined as specified in Section 23.4.5.7.6.

## **B. Clarifying the Use of “Inflation” and “Escalation”**

The April 16 Order discussed the use of the terms “inflation” and “escalation,” noting, for example, that the NYISO correctly used the “escalation” rate for the Default “Part A Test” for 2014 in Table 1 of Attachment A of its Request for Clarification.<sup>28</sup> The Commission ordered the NYISO to amend its tariff provisions to reflect the use of the inflation component, rather than the escalation rate, for Unit Net CONE for all years of the

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<sup>26</sup> *Id.* “Unit Offer Floor” is a term described in the April 16 Order. It is not a defined term in the NYISO’s tariffs. It has the same meaning as “Unit Net CONE Offer Floor,” a defined term that was accepted with other Services Tariff revisions in the Additional CRIS Order.

<sup>27</sup> The revisions to Services Tariff Section 23 shown in Sections III.A and III.B of this filing letter are shown here as blackline on the version of this eTariff filing that is Attachments III and IV.

<sup>28</sup> April 16 Order at n. 13, 14. The April 16 Order’s observation that the NYISO should have used “Inflation,” rather than “Escalation” to refer to adjustments to the “Annual Net CONE of Examined Facility” in certain examples included in the Request for Clarification does not otherwise affect the accuracy of those examples. *Id.* at n 13. Nor does the difference in terminology impact any mitigation determination that the NYISO has made since the June 2012 Order. It does not do so because inflation and escalation at the time of the BSM Rule determinations had the same value.

Mitigation Study Period for which there are accepted ICAP Demand Curves.<sup>29</sup> The Commission clarified that, for Mitigation Study Periods that extend beyond those included in the accepted ICAP Demand Curves, the NYISO should use the escalation rate of the last year's accepted ICAP Demand Curves.<sup>30</sup> The Commission also ordered the NYISO to revise Section 23.4.5.7.3.6 to make clear that the Default Offer Floor should be compared to the annual Net CONE value for the first year of the Mitigation Study Period.<sup>31</sup>

In accordance with this directive, the NYISO proposes the following revisions.<sup>32</sup>

23.4.5.7.2.4 ... When the ISO is evaluating more than one NCZ Examined Project concurrently, the ISO shall recognize in its computation of the anticipated ICAP Spot Market Auction forecast price that Generators or UDR facilities will clear from lowest to highest, using for each NCZ Examined Project the lower of (i) the first year value of its Unit Net CONE, or (ii) the numerical value equal to 75 percent of the Mitigation Net Cone, then inflated escalated in accordance with 23.4.5.7 for each of the year two and year three of the Mitigation Study Period.

23.4.5.7.3.2 ... When the ISO is evaluating more than one Examined Facility concurrently, the ISO shall recognize in its computation of the anticipated ICAP Spot Market Auction forecast price that Generators or UDR facilities will clear from lowest to highest, using for each Examined Facility the lower of (i) the first year value of its Unit Net CONE, or (ii) the numerical value equal to 75 percent of the Mitigation Net Cone, then inflated escalated in accordance with 23.4.5.7 for each of the year two and year three of the Mitigation Study Period.

23.4.5.7.3.6 If an Installed Capacity Supplier demonstrates to the reasonable satisfaction of the ISO that the value equal to the first of the three year values in the Mitigation Study Period that comprise its Unit Net CONE is less than any Offer Floor that would otherwise be applicable to the

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<sup>29</sup> April 16 Order at P 90.

<sup>30</sup> *Id.* at P 91.

<sup>31</sup> *Id.* at P 93.

<sup>32</sup> The June 1 Filing inadvertently did not reflect a phrase in the base of Services Tariff Section 23.4.5.7.4 that the NYISO is proposing to delete. Attachment I and Attachment II to the June 1 Filing did correctly reflect the base tariff and the proposed deletion of the phrase. Specifically, the phrase “for any year for which the accepted” shown above in strike out was intended to be a proposed deletion from the phrase: “the inflation rate component of the escalation factor of the last year of accepted relevant ICAP Demand Curves if relevant for any year for which the accepted ICAP Demand Curves do not apply to the year; ..” That typographical error is corrected in this filing.



Installed Capacity Supplier, then its Offer Floor shall be reduced to a numerical value equal to the first year of its Unit Net CONE.

23.4.5.7.4 For purposes of Sections 23.4.5.7.2(b) and 23.4.5.7.6(b), the ISO shall identify (A) the Unit Net CONE and the price on the ICAP Demand Curve projected for a future Mitigation Study Period using: (i) the inflation rate component of the escalation factor of the relevant ICAP Demand Curves for any year for which there are accepted ICAP Demand Curves, and; or (ii) the inflation rate component of the escalation factor of the last year of accepted relevant ICAP Demand Curves if relevant for any year for which the accepted ICAP Demand Curves do not apply to the year; and (B) the price on the ICAP Demand Curve projected for a Mitigation Study Period using (i) the escalation factor of the relevant ICAP Demand Curves for any year for which there are accepted ICAP Demand Curves; and (ii) the escalation factor of the last year of accepted ICAP Demand Curves if relevant ICAP Demand Curves do not apply to the year. For purposes of Section 23.4.5.7.2(a), the ISO shall use the escalation factor of the relevant ICAP Demand Curves.

### C. The MMU Report

The June 2012 Order directed the NYISO to revise the Services Tariff to specify that the MMU would prepare the MMU Report. The purpose of the MMU Report is to confirm that the NYISO's determinations and calculations under the BSM Rules were performed in accordance with the terms of the Services Tariff and, if not, to identify any flaws.<sup>33</sup> To implement this directive, the 2012 Compliance Filing proposed a modification to Section 23.4.5.7.8, new language for Section 30.10.4, and corresponding revisions to Section 30.4.6.2.11.<sup>34</sup>

The April 16 Order found that the language regarding the MMU Report "should not be restricted to only the Offer Floor and exemption determination sections of Attachment H (*i.e.*, sections 23.4.5.7.2 and 23.4.5.7.7), but should be sufficiently open-ended so as not to limit the review performed by the MMU to those sections."<sup>35</sup> Thus, the Commission directed the NYISO to incorporate language into the Services Tariff "that allows the MMU to consider all factors relevant to mitigation exemption and Offer Floor determinations."<sup>36</sup>

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<sup>33</sup> 2014 Order at P 63; 2012 Order at P 130.

<sup>34</sup> 2012 Compliance Filing at 4-5.

<sup>35</sup> April 16 Order at P 75.

<sup>36</sup> *Id.*

In accordance with the Commission's directive, the NYISO proposes the following revisions to Sections 30.4.6.2.12 and 30.10.4.<sup>37</sup> The NYISO also proposes some minor clarifications and corrections to these Sections.<sup>38</sup>

30.4.6.2.12 When evaluating an Examined Facility or NCZ Examined Project request by a Developer or Interconnection Customer pursuant to Section 23.4.5.7 of the Market Mitigation Measures, the ISO shall seek comment from the Market Monitoring Unit on matters relating to the determination of price projections and cost calculations. As required by Section 23.4.5.7.8 of Attachment H to this Services Tariff, the Market Monitoring Unit shall prepare a written report discussing factors that affect the ISO's mitigation exemption and Offer Floor determinations, and confirming whether the ISO's Offer Floor and exemption determinations and calculations conducted pursuant to Sections 23.4.5.7.2 and 23.4.5.7.6, the NYISO's determination of eligible or ineligible for an exemption pursuant to Section 23.4.5.7.9 of the Market Mitigation Measures, were conducted in accordance with the terms of the Services Tariff, and if not, identifying the flaws inherent in the ISO's approach. This report shall be presented concurrent with the ISO's posting of its mitigation exemption and Offer Floor determinations. Pursuant to Section 23.4.5.7.810 of the Market Mitigation Measures, the ISO shall also consult with the Market Monitoring Unit when evaluating whether any existing or proposed Generator or UDR project in a Mitigated Capacity Zone,

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<sup>37</sup> The revisions to Services Tariff Section 30 shown in this filing letter Section III.C and III.D are shown here as blackline on the version of this eTariff filing that is Attachments VII and VIII. The June 1 Filing incorrectly reflected that the Services Tariff base contained the word "and" in the following phrase, which the June 1 Filing showed as a proposed deletion: "The Market Monitoring Unit shall prepare a written report as described in Section 30.4.6.2.12 and confirming....." That typographical error is corrected in this filing.

<sup>38</sup> The NYISO notes that certain revisions to Services Tariff Section 30.10.4 would modify a limited portion of a revision pending before the Commission as of the date of this filing in the Competitive Entry Exemption Compliance Filing. That phrase is shown above in strike out: "and the NYISO's determination of eligible or ineligible for an exemption pursuant to Services Tariff Section 23.4.5.7.9" (the "CEE reference phrase"). This pending revision is ministerial in nature in that the balance of the revisions proposed herein to Section 30.10.4 cross reference Services Tariff Section 30.4.6.2.12. These revisions operate so that the deletion of the CEE reference phrase proposed herein, along with the insertion of the cross reference to Section 30.4.6.2.12, establishes the requirement that there be an MMU Report on the NYISO's determination of eligible or ineligible for an exemption pursuant to Section 23.4.5.7.9. It does not alter the substance of the Competitive Entry Exemption Compliance Filing. Accordingly, the NYISO is proposing that the deletion of the CEE reference phrase proposed herein have the same effective date as the insertion of that phrase proposed in the Competitive Entry Exemption Compliance Filing; *i.e.*, February 26, 2015. However, the effectiveness of the deletion of the CEE reference phrase would be contingent upon the Commission's acceptance of that language in the Competitive Entry Exemption Compliance Filing. Thus, the deletion of the CEE reference phrase proposed herein would become effective upon Commission action on that proposed language in Docket No. ER15-1498-000, assuming the CEE reference phrase is accepted therein.

except New York City, has Commenced Construction, and determinations of whether it shall be exempted from an Offer Floor under that Section. ...

#### 30.10.4 Reports on Offer Floor or Exemption Determinations

The Market Monitoring Unit shall prepare a written report as described in Section 30.4.6.2.12 confirming whether the ISO's Offer Floor and exemption determinations and calculations conducted pursuant to Sections 23.4.5.7.2 and 23.4.5.7.7, and the NYISO's determination of eligible or ineligible for an exemption pursuant to Section 23.4.5.7.9, of the Market Mitigation Measures were conducted in accordance with the terms of the Services Tariff, and if not, identifying the flaws inherent in the ISO's approach. The Market Monitoring Unit's report shall be presented concurrently with the ISO's posting of the exempt/non-exempt determinations.

The NYISO believes, and the MMU has stated that it concurs, that the MMU Reports to date have been, and future reports through the date of the order on this compliance filing can be expected to be, complete and consistent with a good faith understanding of the Commission's requirements.

#### **D. Additional Minor Clarifications**

As the NYISO developed the language to comply with the April 16 Order's directive regarding the MMU Report, the NYISO identified the need to correct the cross-references in several sections to Section 30.4.6.2.12 of Attachment O. Accordingly, the NYISO is proposing minor corrections to Sections 23.4.5.7.2.5, 23.4.5.7.3.3, 23.4.5.7.6.8, and 23.4.5.7.8.

#### **IV. EFFECTIVE DATE**

The April 16 Order accepted the 2012 Compliance Filing effective June 22, 2012, subject to this compliance filing.<sup>39</sup> The NYISO therefore requests a June 22, 2012 effective date for the revisions proposed in Attachments I, II, V and VI of this filing, with the exception of the deletion of the CEE reference phrase in Services Tariff Section 30.10.4. As noted, above, that deletion has a proposed effective date of February 26, 2015, and is contingent on the Commission's acceptance of that language in Docket No. ER15-498-000.

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<sup>39</sup> April 16 Order at P 2.

## **V. MMU REVIEW**

The MMU was given an opportunity to review and comment on the proposed compliance tariff revisions. The MMU has authorized the NYISO to state that it supports the revisions proposed herein.

## **VI. COMMUNICATIONS AND CORRESPONDENCE**

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

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Raymond Stalter, Director of Regulatory Affairs \*  
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## **VII. SERVICE**

This filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). It will serve the parties in Docket Nos. EL11-42, ER12-2414, and ER15-1498-000. In addition, the NYISO will e-mail an electronic link to this filing to the official representative of each party to this proceeding, to 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.

## **VIII. CONCLUSION**

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept the compliance tariff revisions proposed in this filing and make them effective on the dates noted above. The NYISO also requests, to the extent that the Commission deem necessary, a waiver of the June 1

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<sup>40</sup> The NYISO respectfully requests waiver of the Commission's regulations (18 C.F.R. § 385.203(b)(3)(2014) to the extent necessary to permit service on counsel for the NYISO in both Miami and Washington, D.C.

Ms. Kimberly D. Bose, Secretary  
June 3, 2015  
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compliance filing deadline in this proceeding, and any other waivers that may be required to allow this submission to correct and complete the June 1 Filing by this amendment.

Respectfully submitted,

/s/ Gloria Kavanah

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Counsel for the  
New York Independent System Operator, Inc.

cc: Michael Bardee  
Gregory Berson  
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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 3rd day of June, 2015.

/s/ Joy A. Zimmerlin

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