

June 7, 2016

**By Electronic Delivery**

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

**Re: *New York Independent System Operator, Inc., Compliance Filing, Docket No. ER16-120-00\_***

Dear Secretary Bose:

The New York Independent System Operator, Inc. (“NYISO”) hereby submits this limited compliance filing to remove language from its Open Access Transmission Tariff (“OATT”) that was rejected by the Federal Energy Regulatory Commission (“Commission”) in its April 21, 2016, *Order on Compliance and Rehearing* in the above-captioned proceeding (“April Order”).<sup>1</sup>

**I. BACKGROUND**

In compliance with the Commission’s February 19, 2015, *Order Instituting Section 206 Proceeding and Directing Filing to Establish Reliability Must Run Tariff Provisions* (“RMR Order”),<sup>2</sup> the NYISO filed proposed tariff revisions on October 19, 2015 to establish a NYISO-administered process for identifying Generators that wish to deactivate, determining when one or more Generators are needed to provide “reliability must run” (“RMR”) service, and entering into agreements for such service (“RMR Compliance Filing”).<sup>3</sup> As part of the RMR Compliance Filing, the NYISO proposed to revise its current Order No. 1000-compliant cost allocation methodology for its reliability planning process and the related cost recovery requirements in OATT Sections 6.10 and 31.5 to allocate the costs of RMR Agreements and transmission solutions that address resource adequacy and transmission security-related Reliability Needs.

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<sup>1</sup> *New York Independent System Operator, Inc., Order on Compliance and Rehearing*, 155 FERC ¶ 61,076 (2016).

<sup>2</sup> *New York Independent System Operator, Inc., Order Instituting Section 206 Proceeding and Directing Filing to Establish Reliability Must Run Tariff Provisions*, 150 FERC ¶ 61,116 (2015).

<sup>3</sup> *New York Independent System Operator, Inc., Compliance Filing, Docket Nos. EL15-37-002; ER16-120-000* (October 19, 2015).

In its April Order, the Commission accepted in part and rejected in part the NYISO's proposed tariff revisions in the RMR Compliance Filing and directed the NYISO to make a further compliance filing on June 20, 2016. The Commission rejected the NYISO's proposed revisions to its cost allocation methodology for its reliability planning process, directing the NYISO to submit a separate cost allocation methodology for its RMR process<sup>4</sup> and finding that the NYISO's proposed enhancements to the existing methodology were beyond the scope of the proceeding.<sup>5</sup> The Commission, however, invited the NYISO to re-file in a separate proceeding its proposed enhancements to the existing cost allocation methodology pursuant to Section 205 of the Federal Power Act.<sup>6</sup> The Commission also ordered the NYISO to remove the sunset provision (OATT Section 31.5.3.2.1.6) from the resource adequacy cost allocation methodology through the requisite stakeholder process within 60 days of its order (June 20, 2016).<sup>7</sup>

The NYISO has subsequently requested, and the Commission has granted, an extension of time for the NYISO's supplemental compliance filing in the RMR proceeding, which is now due on September 19, 2016.<sup>8</sup> However, on or before June 20, 2016, the NYISO will submit pursuant to Section 205 tariff revisions removing the sunset provision from the resource adequacy cost allocation methodology, adding proposed enhancements to the cost allocation methodology for its reliability planning process, and addressing related cost recovery requirements in OATT Sections 6.10 and 31.5. While the Commission's eTariff Viewer lists the Status of OATT Section 31.5 as Rejected,<sup>9</sup> it lists Section 6.10 as Effective. The NYISO, therefore, is making this limited compliance filing in the RMR proceeding to remove the language in OATT Section 6.10 that was rejected in the April Order, so that the NYISO can re-file its proposed enhancements to that tariff section. The NYISO submits this letter and accompanying OATT Sections 6.10 and 31.5 to remove the rejected language from Section 6.10 in Docket No. ER16-120-000, and from Section 31.5, subsequently filed, in Docket Nos. ER16-966 and ER13-102, as further explained in part II.B of this letter.<sup>10</sup>

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<sup>4</sup> April Order at P 112.

<sup>5</sup> *Id.* at P 113.

<sup>6</sup> *Id.* at P 114.

<sup>7</sup> *Id.* at P 115.

<sup>8</sup> *New York Independent System Operator, Inc.*, Notice of Extension of Time, Docket No. ER16-120-000 (May 26, 2016).

<sup>9</sup> The NYISO understands that it is not required to remove tariff language that is listed in the eTariff system as rejected.

<sup>10</sup> The instant filing is limited to removal of the reliability cost allocation language rejected by the Commission as beyond the scope of the requirements of the April Order on RMR procedures. The NYISO will make the remainder of its compliance filing in the RMR proceeding, including the removal, relocation and revision of the related tariff language, on September 19, 2016.

## **II. DESCRIPTION OF TARIFF REVISIONS**

### **A. Removal of Rejected Language in Docket No. ER16-120-000**

In accordance with the April Order, the NYISO submits OATT Section 6.10 with rejected language removed, effective October 20, 2015.

### **B. Removal of Rejected Language from Subsequently Filed Versions of OATT Section 31.5**

Revisions to OATT Section 31.5 were filed subsequently in other proceedings, on tariff section bases that included the language proposed in the NYISO's RMR Compliance Filing, with effective dates after the effective date requested for the tariff revisions proposed in the NYISO's RMR Compliance Filing.<sup>11</sup> Included herewith are versions of those proposed sections with the rejected language removed to complete the electronic tariff record.

## **III. COMMUNICATIONS**

Communications and correspondence regarding this filing should be directed to:

Robert E. Fernandez, General Counsel  
Raymond Stalter, Director of Regulatory Affairs  
Karen G. Gach, Deputy General Counsel  
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## **IV. LIST OF DOCUMENTS SUBMITTED**

The NYISO respectfully submits the following documents with this filing letter:

1. A clean version of OATT Section 6.10, effective October 20, 2015, with rejected language removed (Attachment I);

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<sup>11</sup> These include the filings submitted to the Commission in Docket Nos. ER16-966-000 and ER16-966-001 requested to be effective February 19, 2016, and submitted in Docket Nos. ER13-102-009 and ER13-102-010 requested to be effective April 1, 2016.

2. A blacklined version of OATT Section 6.10, effective October 20, 2015, showing the rejected language as removed (Attachment II);
3. A clean version of OATT Section 31.5 effective February 19, 2016, as discussed above in part II.B (Attachment III); and
4. A clean version of OATT Section 31.5 effective April 1, 2016, as discussed above in part II.B (Attachment IV).

## **V. EFFECTIVE DATE**

The NYISO respectfully requests an October 20, 2015, effective date for the revisions shown in this compliance filing to OATT Section 6.10, and effective dates of February 19, 2016 and April 1, 2016, respectively, for the revisions to OATT Section 31.5.

## **VI. SERVICE**

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

## **VII. CONCLUSION**

WHEREFORE, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this compliance filing, with the effective dates listed herein.

Respectfully submitted,

/s/ Carl F. Patka  
Carl F. Patka, Assistant General Counsel  
New York Independent System Operator, Inc.

|     |                 |                  |
|-----|-----------------|------------------|
| cc: | Michael Bardee  | J. Arnold Quinn  |
|     | Anna Cochrane   | Douglas Roe      |
|     | Kurt Longo      | Kathleen Schnorf |
|     | Max Minzner     | Jamie Simler     |
|     | Daniel Nowak    | Gary Will        |
|     | Larry Parkinson |                  |

## **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 7th day of June, 2016.

/s/ Mohsana Akter

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