

July 9, 2020

By Electronic Delivery

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

Re: New York Independent System Operator, Inc., *Response to Deficiency Letter in Docket No. ER20-1718-000*

Dear Ms. Bose:

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits this response to the Commission’s deficiency letter issued in the above-referenced docket on June 19, 2020 (the “Deficiency Letter”). The Deficiency Letter directs the NYISO to respond to four questions regarding the proposed enhancements to the “Part A Exemption Test” (the proposed “Part A Enhancements”) under the NYISO’s “buyer-side” capacity market power mitigation measures; the (“BSM Rules”).¹ The NYISO submitted the proposed enhancements in its April 30 Filing in this proceeding.² Responses to each of the Deficiency Letter’s questions are provided in Attachment I to this letter.

The responses provided in Attachment I provide further evidence that the Part A Enhancements are just, reasonable, and not unduly discriminatory. They will improve the BSM rules in light of changing system and market conditions, including the expected evolution of the resource mix in New York State over the next decade and beyond. They will not result in capacity market price suppression. As the NYISO has previously noted, the proposed Part A Enhancements received super-majority stakeholder support and the unqualified endorsement of the NYISO’s independent Market Monitoring Unit.³ Attachment II is an affidavit from Dr. David B. Patton, NYISO’s independent Market Monitor, providing his analysis and support for the proposed Part A Enhancements (including, specifically, the NYISO’s response to Question 4.d).⁴

¹ The BSM Rules are set forth in Section 23.4.5.7 of the NYISO’s Market Administration and Control Area Services Tariff (the “Services Tariff”).

² New York Independent System Operator, Inc., *Proposed Enhancements to the “Part A Exemption Test” Under the “Buyer-Side” Capacity Market Power Mitigation Measures*, Docket No. ER20-1718-000 (April 30, 2020) (“April 30 Filing”).

³ See April 30 Filing at 21. See also *Motion to Intervene and Comments of the New York ISO’s Market Monitoring Unit*, Docket No. ER20-1718-000 (May 21, 2020) at 3 (supporting the Part A Enhancements “as filed.”)

⁴ Consistent with the Commission’s May 8, 2020 *Supplemental Notice Waiving Regulations* in Docket No. AD20-11-000, Dr. Patton’s affidavit does not include a notarized attestation.

No party to this proceeding, including existing suppliers that would be directly impacted by new facilities receiving Part A Exemptions, has asked that the Commission reject them outright.

The NYISO understands that this response to the Deficiency Letter constitutes an amendment to the April 30 Filing and that a new filing date will be established pursuant to *Duke Power Co.*, 57 FERC ¶ 61,215 (1991). Accordingly, the NYISO respectfully resubmits in Attachments III and IV hereto, the blacklined and clean versions, respectively, of the proposed tariff revisions that it originally submitted in Attachments I and II of the April 30 Filing. The tariff revisions set forth in Attachments III and IV have the same text as in the April 30 Filing but an amended proposed effective date of September 8, 2020. The previously proposed effective date of June 30, 2020 has passed. The NYISO further requests that the Commission issue an order accepting all of the tariff revisions proposed in the April 30 filing, as amended here, and making them effective on the day following the conclusion of the standard sixty day notice period under Section 205 of the Federal Power Act, *i.e.*, on September 8, 2020.

The April 30 Filing sought a June 30 effective date for the proposed Part A Enhancements so that they could be implemented as part of the Class Year 2019 process. The April 30 Filing also explained the importance of completing the Class Year 2019 process in a timely manner.⁵ The Deficiency Letter will necessitate some delay in the NYISO's determinations under the BSM Rules, and thus to the completion of the Class Year 2019 process. However, if the Commission issues an order accepting the proposed Part A Enhancements by September 8, these delays will not be substantial and should not materially disrupt the Class Year 2019 process or stakeholder expectations.

This filing will be posted on the NYISO's website at www.nyiso.com. 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.

Please feel free to contact me if your office has any additional questions.

Respectfully Submitted,

/s/ David Allen

David Allen

Senior Attorney

New York Independent System Operator, Inc.

cc:	Anna Cochrane	John C. Miller	Douglas Roe
	Jignasa Gadani	David Morenoff	Frank Swigonski
	Jette Gebhart	Daniel Nowak	Eric Vandenberg
	Kurt Longo	Larry Parkinson	Gary Will

⁵ See April 30 Filing at 3, 21-22.