



June 20, 2014

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. and PJM Interconnection, L.L.C.*,
Proposed Tariff Amendments to Modify Joint Operating Agreement between
New York Independent System Operator, Inc. and PJM Interconnection, L.L.C.
for External Coordinated Transaction Scheduling;
Docket No. ER14-____ - ____

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act,¹ the New York Independent System Operator, Inc. ("NYISO") and PJM Interconnection L.L.C. ("PJM") hereby jointly submit proposed revisions to the Joint Operating Agreement ("JOA") between NYISO and PJM that is set forth in Attachment CC to the NYISO's Open Access Transmission Tariff ("NYISO OATT").² The NYISO and PJM are collectively referred to herein as "the ISOs," even though PJM is also a Regional Transmission Organization.

In December 2013, NYISO and PJM each submitted separate Federal Power Act ("FPA") Section 205 filings to enable Coordinated Transaction Scheduling ("CTS") at the border between NYISO and PJM. Both filings were accepted by the Commission on February 20, 2014.³

Footnote 2 of the Commission order accepting PJM's December 13, 2013 CTS filing stated:

¹ 16 U.S.C. §824d (2013).

² Order No. 714, *Electronic Tariff Filings*, ¶ 31,276 (2008), and Section 35.1 of the Commission's regulations, 18 C.F.R. § 35.1(a), allow multiple public utilities that are parties to the same tariff (e.g., a joint tariff such as the JOA) to designate one of the public utilities as the designated filer of the joint tariff. The designated filer submits a single tariff filing for inclusion in its database that reflects the joint tariff, along with the requisite certificates of concurrence from the other parties to the joint tariff. NYISO is the designated filing party for the JOA. Therefore, NYISO is submitting the JOA modifications in the instant filing along with PJM's Certificate of Concurrence. The designation of the NYISO as the designated filer for the JOA is for administrative convenience and in no way shall limit PJM's filing rights under the Federal Power Act as they relate to the JOA.

³ *New York System Operator, Inc.*, 146 FERC ¶ 61,097 (2014); *PJM Interconnection L.L.C.*, 146 FERC ¶ 61,096 (2014).

PJM notes that NYISO has agreed to submit proposed revisions to Section 35.21, Schedule A, of the Joint Operating Agreement to specify the interfaces at which PJM and NYISO are authorized to evaluate and schedule CTS bids no later than July 31, 2014.⁴

This filing proposes revisions to Schedule A to the JOA that are consistent with PJM's December 13, 2013 CTS filing. The JOA revisions proposed in this filing add a table to Schedule A to the JOA identifying the interfaces where the ISOs will be authorized to consider CTS Interface Bids. The NYISO will separately identify the Proxy Generator Buses at its border with PJM where CTS Interface Bids are permitted in Section 4.4.4 of its Market Administration and Control Area Services Tariff ("NYISO Services Tariff").⁵

I. Documents Submitted

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO's OATT ("Attachment I");
3. A blacklined version of the proposed revisions to the NYISO's OATT ("Attachment II"); and
4. PJM's certificate of concurrence ("Attachment III").

II. Description and Justification of Proposed OATT Revisions

Section 35 - Joint Operating Agreement Between NYISO and PJM

The NYISO and PJM propose the following amendments to their Joint Operating Agreement. PJM's certificate of concurrence with the proposed changes is included as Attachment III to this filing.

Section 35.2

The NYISO and PJM propose to add a new defined term to their Joint Operating Agreement. The proposed defined term is used in Section 35.21 of the NYISO/PJM Joint Operating Agreement to identify the interfaces where the ISOs are authorized to schedule CTS transactions.

"CTS Interface Bid" shall mean: (1) in PJM, a unified real-time bid to simultaneously purchase and sell energy on either side of a CTS Enabled Interface in accordance with the procedures of Section 1.13 of Schedule 1 of the Amended and Restated Operating Agreement of PJM; and (2) in NYISO, a real-time bid provided by an entity engaged in

⁴ *PJM Interconnection L.L.C.*, 146 FERC ¶ 61,096 at 2 n.2.

⁵ *See New York System Operator, Inc.*, 146 FERC ¶ 61,097 at P 20 and 9 n.18.

an external transaction at a CTS Enabled Interface, as more fully described in NYISO Services Tariff Section 2.3.

Section 35.21

The NYISO and PJM propose to make ministerial corrections to incorporate the HTP Scheduled Line into the list of NY/PJM Interconnection Facilities.⁶

The NYISO and PJM also propose to add a table to this Section of the JOA identifying the interfaces at which NYISO and PJM are authorized to consider CTS Interface Bids.

III. Requested Effective Date and Request Regarding the Timing of Commission Action and Request for Waiver, if Necessary

The ISOs request a flexible effective date for the Tariff revisions proposed in this filing that will be no earlier than November 1, 2014. The ISOs will not be able to propose a precise effective date until the software changes needed to implement the proposed Tariff revisions are ready for deployment and testing is complete.⁷ The effective date for the Tariff revisions proposed in this filing will be the date that the ISOs are prepared to implement. The proposed effective date is the same as the effective date for the CTS JOA revisions that the Commission provisionally accepted for filing on February 20, 2014.⁸ The ISOs respectfully request Commission action within sixty days of the date of this filing.

The ISOs propose to submit a compliance filing at least two weeks in advance of its proposed effective date specifying the date on which these Tariff revisions will take effect (the “2014 Compliance Filing”). Consistent with Commission precedent,⁹ the ISOs’ 2014 Compliance Filing will provide adequate notice to the Commission and to Market Participants of the implementation date for CTS between NYISO and PJM.

The ISOs request a waiver of Commission regulations to allow the ISOs to make this filing more than 120 days prior to the date on which the proposed service is to become operational.¹⁰ No Market Participant will be prejudiced by this request because the proposed

⁶ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER13-792-000 (March 1, 2013) (the Commission previously accepted revisions to the NYISO Services Tariff and the NYISO OATT to implement the HTP Scheduled Line).

⁷ The NYISO and PJM will coordinate a mutually agreed to proposed implementation date.

⁸ *New York System Operator, Inc.*, 146 FERC ¶ 61,097, at P 34 (“[W]e accept the proposed tariff revisions to be effective the later of November 2014 or the date that CTS becomes operational, subject to NYISO making a compliance filing with revised tariff records no later than 14 days prior to the date on which CTS will become operational reflecting the effective date of the tariff provisions.”)

⁹ *New York System Operator, Inc.*, 106 FERC ¶ 61,111, PP 5, 10 (2004) (“We will allow NYISO to implement parts of the filing prior to September 2004, as such parts become ready for implementation, provided that NYISO adheres to the three steps identified above in Paragraph 5 of this order.”); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2544-000 (Feb. 10, 2011).

¹⁰ See 18 CFR §35.3(a)(1).

implementation timetable was developed in consultation with New York and PJM Market Participants. Market Participants have known, for some time, that the ISOs plan to implement CTS software and new market rules no earlier than November 1, 2014. The ISOs will provide at least two weeks advance notice prior to implementation.

IV. Stakeholder Involvement and NYISO Board of Directors Approval

The NYISO's Management Committee approved, by a show of hands with one abstention, the Tariff revisions proposed in this filing on March 26, 2014. The NYISO Board of Directors approved the proposed Tariff revisions on April 14, 2014.

PJM's members are not required to approve changes to the JOA. Nevertheless, PJM made its stakeholders aware of the proposed revisions at its Markets Implementation Committee meeting on June 4, 2014.

V. Correspondence and Communications

Please send all correspondence and communications regarding this filing to:

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*Persons designated for receipt of service¹¹

¹¹ The ISOs request a limited waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure to permit each ISO to designate two representatives to receive service in this proceeding.

VI. Service

A. NYISO Service

The NYISO will send an electronic link to this filing 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 complete filing will be posted on the NYISO's website at www.nyiso.com.

B. PJM Service

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,¹² PJM will post a copy of this filing to the FERC Filings section of its Web site, located at <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx>, with a specific link to the newly filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region¹³ alerting them of the filing and its availability on PJM's Web site. PJM also serves the parties listed on the Commission's official service list for this docket. Notwithstanding the foregoing, if the document is not immediately available by using the referenced link, it will be available within 24 hours of the filing. A copy of this filing will also be available on the Commission's eLibrary Web site located at <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

VII. Conclusion

Wherefore, for the foregoing reasons, the ISOs respectfully request that the Commission accept the proposed Tariff revisions for filing and grant the waiver requested in Section III of this filing, subject to ISOs' submission of a compliance filing that will specify a November 2014 effective date for the proposed Tariff revisions.

Respectfully submitted,

/s/ James H. Sweeney

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/s/ Jacquelyn B. Hugee

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¹² See 18C.F.R. §§ 35.2(e) and 385.2010(f)(3).

¹³ PJM already maintains updates and regularly uses e-mail lists for all PJM members and affected state commissions.

Honorable Kimberly D. Bose
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cc: Michael A. Bardee
Gregory Berson
Anna Cochrane
Jignasa Gadani
Morris Margolis
Michael McLaughlin
David Morenoff
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