THIS FILING LETTER <u>DOES NOT</u> CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. REPORT SECTIONS II AND III <u>DO NOT</u> CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. THE BODY OF REPORT SECTION I, THE REDACTED VERSION OF ATTACHMENT 1 (MARKED PUBLIC) AND ATTACHMENT 3 TO REPORT SECTION I, <u>DO NOT</u> CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. ATTACHMENTS 1 AND 2 TO REPORT SECTION I CONTAIN PRIVILEGED AND CONFIDENTIAL INFORMATION, AND ARE SUMITTED IN A SEPARATE, CLEARLY MARKED, ENVELOPE.

December 20, 2010

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

      Re: Annual Report in Docket Nos. ER01-3001-___, ER03-647-___ and
             Request for Privileged Treatment of Attachments 1 and 2 to Report Section I

Dear Ms. Bose:

    Enclosed for filing in the above-referenced dockets is the New York Independent System Operator's ("NYISO's") annual report to the Federal Energy Regulatory Commission ("Commission") on the NYISO's Installed Capacity ("ICAP") Demand Curves and New Generation Projects in the New York Control Area.[1] By order dated March 25, 2010, the Commission granted the NYISO permission to submit this annual report by December 20, 2010[2] and by Order dated February 3, 2010, directed the NYISO to file this report for informational purposes only.[3]

I. List of Documents Submitted

The NYISO submits this report comprised of the following separate sections:

      I.   Capacity Market Report and Withholding Analysis
      II. Report on New Generation Projects
      III. New Generation Projects and Net Revenue Analysis

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[1] *New York Independent System Operator, Inc.*, 117 FERC ¶ 61,086 (2006); *New York Independent System Operator, Inc.,* 103 FERC ¶ 61,201 (2003), 108 FERC ¶ 61,280 (2004), 121 FERC ¶ 61,090 (2007), 123 FERC ¶ 61,206 (2008). In Docket ER03-647, the NYISO files an annual report regarding its Demand Side Management programs on January 15, and a semi-annual report on its Demand Side Management programs and new generation projects on June 15 each year.

[2] *New York Independent System Operator, Inc.*, 130 FERC ¶ 61,237 (2010).

[3] *New York Independent System Operator, Inc.*, Order, Docket Nos. ER01-3001 and ER03-647 (Feb. 3, 2010).

II. Request for Confidential Treatment of Attachments 1 and 2 of Report Section I

In accordance with Sections 388.107 and 388.112 of the Commission's Regulations,[4] Article 6 of the NYISO's Market Administration and Control Area Services Tariff, Sections 1.0(4) and 4.0 of the NYISO's Code of Conduct, the NYISO requests Privileged and Confidential treatment of the contents of Attachments 1 and 2 of Report Section I (the "Confidential Attachments"). The NYISO also requests that Confidential Attachments be exempted from public disclosure under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 522.[5]

The Confidential Attachments contain privileged and commercially sensitive, and trade secret information that is not made public by the NYISO and that could cause competitive harm to the affected Market Participants,[6] and could adversely affect competition in the markets administered by the NYISO, if publicly disclosed. This information includes the identity of Installed Capacity Suppliers and offers, and the basis therefor, and costs of the Installed Capacity Suppliers. This confidential, commercially sensitive information is exempt from disclosure under 5 U.S.C. § 522(b)(4). For this reason, the NYISO requests that the contents of Confidential Attachments received Privileged and Confidential treatment and be exempt from FOIA disclosure.

A redacted, public version of the contents of Attachment 1 is provided with the Report.

The NYISO requests waiver of any obligation it may have under the Commission's regulations or the Secretary's rules to submit a redacted version of Attachment 2. The NYISO incorporated into the body of Report Section I a masked or aggregated version of the information that is contained in Attachment 2 and thereby makes publicly available the information contained in Confidential Attachment 2 that is not confidential and commercially sensitive. In that regard, the NYISO has provided a redacted version of the information contained in Attachment 2 within the body of the report.

Attachments 1 and 2 are identified and marked in accordance with the Commission's regulations and rules published by the Secretary's Office for submitting Privileged information.

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[4] 18 C.F.R. §§ 388.107, 388.112 (2010).

[5] The information provided by the NYISO for which the NYISO claims an exemption from FOIA disclosure is labeled "Contains Privileged Information - Do Not Release."

[6] Terms with initial capitalization not defined herein have the meaning set forth in the NYISO's Market Administration and Control Area Services Tariff.

III. Correspondence

Copies of correspondence concerning this filing should be addressed to:

> Robert E. Fernandez, General Counsel
> Raymond Stalter, Director of Regulatory Affairs
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* persons designated to receive service.

Respectfully submitted,

/s/

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Counsel for
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cc: Michael A. Bardee
Gregory Berson
Connie Caldwell
Anna Cochrane
Jignasa Gadani
Lance Hinrichs
Jeffrey Honeycutt
Michael Mc Laughlin
Kathleen E. Nieman
Daniel Nowak
Rachel Spiker

CERTIFICATE OF SERVICE

I hereby certify that I have on this day served the foregoing document on the official service lists compiled by the Secretary in these proceedings. I have also electronically served the foregoing on all market participants, on each participant in its stakeholder committees, on the New York State Public Service Commission, and on the electric utility regulatory agency of New Jersey.

Dated at Washington, DC, this 20th day of December 2010.

_/s/ Cathy Karimi_____
Hunton & Williams LLP
1900 K Street, NW
Washington, DC 20006
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