

August 6, 2009

Submitted Electronically

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

Re: New York Independent System Operator, Inc. Compliance Filing;
Docket Nos. ER09-1682-000, ER09-1682-004 and ER09-1682-005.

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ and consistent with the Federal Energy Regulatory Commission’s (“Commission’s”) May 20, 2010 *Order on Proposed Application of Mitigation Measures and Compliance Filings* (“Order”),² and the June 16, 2010 *Notice of Extension of Time*, the NYISO submits herewith tariff revisions to comply with the Commission’s Order. In particular, the attached revisions:

- (1) move Rate Schedule M-1 into Section 23.8 of the NYISO’s Market Power Mitigation Measures (“MMM”). The MMM are set forth in Attachment H to the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) (*see* Order at P 99);
- (2) revise the language to indicate that it applies only to the Saranac, Sterling and Batavia Generators (*see* Order at P 96)³; and
- (3) remove subsection 1 from Original Sheet No. 2 of proposed Rate Schedule M-1 (*see* Order at P 97).

¹ 16 U.S.C. § 824d (2010).

² *New York Independent System Operator, Inc.*, 131 FERC ¶ 61,169 (2010).

³ Seneca is the entity that owns the Batavia Generator. The mitigation measure is Generator-specific.

As part of the NYISO's effort to consolidate Rate Schedule M-1 into its MMM, and consistent with footnote 94 of the Commission's Order,⁴ the NYISO also includes revisions to address an agreement it made on pages 27 and 28 of its August 13, 2009 Motion for Leave to Respond and Response, to use a modified version of the consultation timeline specified in Section 23.3.3.1 of its MMM to perform consultation related to Bids submitted on behalf of Generators that are subject to the new mitigation measure. The NYISO and the three Generators that are presently subject to the mitigation measure have been using this consultation process and timeline to implement the Rate Schedule M-1 mitigation measure for nearly a year, and it has worked well from the NYISO's perspective.

Because Section 23.8 of the MMM is a new Tariff section, that is not yet part of the NYISO's consolidated eTariffs, and in order to specifically identify the changes it is making in this compliance filing, in addition to submitting a proposed clean, original version of Section 23.8 of its MMM, the NYISO submits a redlined comparison of the proposed compliance Tariff revisions to the original Rate Schedule M-1 that it submitted for the Commission's consideration in September of 2009. In order to complete the record, the NYISO also submits a clean version of Rate Schedule M-1 that reflects the changes proposed herein. The NYISO only expects the Commission to accept its eTariff filing. The other items are submitted to assist the Commission's efforts to review the NYISO's changes, and to ensure a clear and accurately recorded transition from the originally proposed "paper" Rate Schedule M-1 to the new eTariff Section 23.8.

Finally, the NYISO notes that while the new mitigation measure became effective on September 8, 2009, it is not possible to include an effective date prior to June 30, 2010 (the date of the NYISO's baseline eTariff filing) in the NYISO's eTariff submission. For this reason, the eTariff sheets indicate an effective date of June 30, 2010, although they became effective and were implemented by the NYISO commencing September 8, 2009.

⁴ Footnote 94 of the Order states that incorporating the proposed mitigation measure into Attachment H to the Services Tariff "will also facilitate NYISO's use of other related Attachment H provisions such as the consultation timelines. See NYISO October 13, 2009 Answer at 27."

I. Documents Submitted

The NYISO submits the following documents:

1. this filing letter;
2. an electronically submitted clean eTariff version of the proposed addition of Section 23.8 to the MMM;
3. Attachment A., a pdf redline of the proposed revisions to Rate Schedule M-1; and
4. Attachment B., a clean pdf of Rate Schedule M-1 that incorporates all of the substantive changes that appear in the NYISO's eTariff submission.

II. 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 electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

III. Tariff Revisions

Section 23.8 of the MMM sets forth the proposed mitigation measure and makes clear that it only applies to the Saranac, Sterling and Batavia Generators. The requirement that the NYISO remove subsection 1 from Original Sheet No. 2 of proposed Rate Schedule M-1 is also implemented in this Section.

Section 23.8.1 addresses how the new mitigation measure interacts with the other mitigation measures set forth in the MMM.

Section 23.8.2 addresses the notice that the NYISO must provide if it ever seeks to add an additional Generator to the list of three Generators that the mitigation measure applies to.

Section 23.8.3 addresses how consultation with Generators that are subject to the mitigation measure will be handled. Changes to this section are described on page 2 of this filing letter.

IV. Conclusion

The New York Independent System Operator, Inc. respectfully requests that the Commission accept the proposed tariff changes identified in Attachments 2 and 3 hereto.

Respectfully submitted,

/s/ Alex M. Schnell

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