

December 22, 2011

By Electronic Submission

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
889 First Street, NW
Washington, DC 20426

Re: *New York Independent System Operator, Inc., Proposed Tariff Amendments Under Which Solar-Fueled Generators Would Not Be Subject to Scheduling and Day-Ahead Bidding Requirements; Docket No. ER12-____-000*

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act¹ and Part 35 of the Commission's regulations,² the New York Independent System Operator, Inc. ("NYISO") respectfully submits proposed amendments to its Market Administration and Control Area Services Tariff ("Services Tariff"). Under the proposed amendments, solar-fueled generators would not be obliged to Bid into the Day-Ahead Market³ or meet daily scheduling requirements in order to qualify as an Installed Capacity Supplier. These tariff amendments were approved by the NYISO's Management Committee and its Board of Directors.

The NYISO requests that the tariff amendments be made effective 60 days from the date of this filing, *i.e.*, February 20, 2012.

I. Documents Submitted

1. This filing letter;
2. A clean version of the proposed amendments to the NYISO's Services Tariff ("Attachment I"); and

¹ 16 U.S.C. ¶ 824(d) (2010).

² 18 C.F.R. Part 35 (2011).

³ Terms with initial capitalization that are not otherwise defined herein shall have the meaning set forth in the NYISO Market Administration and Control Area Services Tariff ("Services Tariff"), and if not defined therein, in the NYISO Open Access Transmission Tariff ("OATT").

3. A blacklined version of the proposed amendments to the NYISO's Services Tariff ("Attachment II").

II. Background and Justification for Proposed Tariff Amendments

Generally, Installed Capacity Suppliers must Bid into the Day-Ahead Market and such bids become inputs into the NYISO's daily operations and planning processes. However, these bidding and scheduling requirements are less relevant to intermittent resources that depend on wind or solar energy as their fuel. In 2006, as wind resources were beginning to come on-line in the NYISO's system, the NYISO proposed and the Commission accepted tariff revisions to exempt wind generators from these scheduling and bidding requirements.⁴

The first solar farm large enough to participate in New York's wholesale electricity market is coming on-line on Long Island. Under the current Services Tariff, a solar generator would be obliged to bid into the Day-Ahead Market and comply with scheduling requirements to qualify as an Installed Capacity Supplier in the New York Control Area. Solar-fueled generators should not be subject to these obligations because, like wind generators, such generators cannot control in advance the amount of fuel that will be available to them. Therefore, the NYISO respectfully requests that the Commission accept the tariff amendments proposed herein as just and reasonable, as they will afford solar-fueled generators the same treatment afforded to wind resources.

III. Description of the Proposed Amendments

A. Day-Ahead Market Bid Obligation

Existing subsection 5.12.1.6 of the Services Tariff requires generators connected to the New York Transmission System to Bid into the Day-Ahead Market to qualify as an Installed Capacity Supplier. Proposed revisions to subsection 5.12.1.6 of the Services Tariff would allow solar-fueled generators connected to the New York State Transmission to qualify as an Installed Capacity Supplier without being obliged to Bid into the Day-Ahead Market.

B. Daily Bidding and Scheduling Requirements

Existing subsection 5.12.11.4 of the Services Tariff allows Intermittent Power Resources that depend on wind as their fuel to qualify as Installed Capacity Suppliers without being obliged to Bid Energy in each hour of the Day-Ahead Market or Schedule a Bilateral Transaction. Proposed subsection 5.12.11.4 would also allow Intermittent Power Resources that depend on solar energy as their fuel to qualify as Installed Capacity Suppliers without being obliged to Bid Energy in each hour of the Day-Ahead Market or schedule a Bilateral Transaction.

⁴ *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER06-871-000 (issued June 6, 2006).

IV. Effective Date

The NYISO requests an effective date for these tariff amendments of February 20, 2012, 60 days from the date of filing.

V. Requisite Stakeholder Approval

These amendments were approved by the NYISO Management Committee in September 2011 and by the NYISO Board of Directors in October of 2011.

VI. Communications and Correspondence

All communications and service in this proceeding should be directed to:

Robert E. Fernandez, General Counsel
Raymond Stalter, Director of Regulatory Affairs
Gloria Kavanah, Senior Attorney*
10 Krey Boulevard
Rensselaer, NY 12114
Tel: (518) 356-6103
Fax: (518) 356-8825
rfernandez@nyiso.com
rstalter@nyiso.com
gkavanah@nyiso.com

* Person designated for receipt of service

VII. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant in 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. This is in accordance with 18 C. F. R. 35.2(e).

VIII. Conclusion

For the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept for filing the proposed amendments that are attached with an effective date of February 20, 2012.

Respectfully submitted,

/s/ Gloria Kavanah

Gloria Kavanah

Senior Attorney

New York Independent System Operator, Inc.

10 Krey Boulevard

Rensselaer, New York 12144

(518) 356-6103