

April 20, 2011

**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.*, Docket No. ER11-3236  
Errata to the Filing to Revise the Calculation of Bid Production Cost  
Guarantees and Request for Shortened Comment Period**

Dear Ms. Bose:

The New York Independent System Operator, Inc. (“NYISO”) is filing these errata to complete and correct its proposed revisions to the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) in the above-captioned proceeding. As is set forth below, these errata corrections are necessary to fully implement the NYISO’s proposed changes and to avoid unintended inconsistencies in the Services Tariff. Because its proposed errata are entirely consistent with, and address the same substantive issue as, the revisions included in the NYISO’s March 30, 2011 filing in the above-captioned proceeding, the NYISO respectfully requests the Commission not establish any additional notice and comment period for its errata. Should the Commission notice this filing for comment, however, the NYISO requests that the Commission waive the standard sixty day notice period and, to the extent necessary, establish a shortened comment period to preserve the effective date of June 1, 2011 requested in the March 30, 2011 filing. To the extent necessary, the NYISO also requests waiver of any answer period that might otherwise apply to this request.

**I. Documents Submitted**

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO’s Services Tariff (“Attachment I”); and
3. A blacklined version of the proposed revisions to the NYISO’s Services Tariff (“Attachment II”).

## II. Errata

It has come to the NYISO's attention that the Services Tariff amendments proposed in its March 30, 2011 filing were incomplete in describing the expansion of Bid-Production Cost Guarantee ("BPCG") eligibility for Import Transactions that the NYISO was seeking. As the NYISO explained in its March 30 filing in this docket:

The NYISO is proposing a set of BPCG-related amendments to align the treatment Generators and importers with Bilateral Transactions receive from both the scheduling and the BPCG eligibility and calculation software. That is, the NYISO proposes to hold the BPCG calculation indifferent to whether the schedule of the Generator or importer supports Bilateral Transactions. This revised BPCG calculation will eliminate the risk that NYISO-provided schedules for Generators and importers will produce insufficient revenues to support recovery of their bid-in production costs. To the extent this assumed risk is incorporated in their Bids, these amendments should also reduce bid-in costs and benefit the Loads (and thus consumers). Generators and importers will be assured that all their bid-in costs not otherwise recovered through daily revenue will be covered through a BPCG payment for the day.<sup>1</sup> Transmission Customers with Import schedules will be assured that their BPCG eligibility and calculation methodologies are consistent with those provided to internal Generators.

The NYISO properly proposed amendments to Services Tariff Sections 4.6.6.2 and Section 4.6.6.5 to indicate that Suppliers scheduling Imports were eligible for a BPCG whether they were making sales to the LBMP Market or scheduling an Import Bilateral Transaction. The NYISO overlooked the need to make similar amendments to Sections 18.3.1 and 18.6.1.1 in Attachment C of the Services Tariff. The NYISO is proposing to correct that oversight in these errata by proposing amendments to Sections 18.3.1 and 18.6.1.1 that conform to the amendments to Sections 4.6.6.2 and 4.6.6.5 that it sought in its March 30, 2011 filing.

The properly proposed amendment to Section 4.6.6.5, which describes BPCG eligibility for Imports scheduled in the Real-Time Market, and the parallel amendment to Section 4.6.6.2, which describes BPCG eligibility for Imports scheduled in the Day-Ahead Market, eliminate the limitation on BPCG eligibility for Importers by proposing to drop the words "sale to the LBMP Market" as shown:

**4.6.6.5** The ISO shall determine if a Supplier supplying an Import [sale to the LBMP Market](#) and eligible under Section 18.6.1 of Attachment C of this ISO Services Tariff for a real-time Bid Production Cost guarantee payment will not recover its real-

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<sup>1</sup> As is described in greater detail in the next Section, because Bilateral Transaction revenue is not revealed to the NYISO, the BPCG tariff amendments and software will assume that Bilateral Transaction revenue is equal to LBMP revenues otherwise available for the same interval and megawatt hours.

time Decremental Bid through realtime LBMP revenues [and real-time Imputed LBMP Revenue](#)....

The Services Tariff, Attachment C provisions Section 18.3.1 and 18.6.1.1 also describe the circumstances under which a Supplier bidding an Import Transaction is eligible for a Bid Production Cost Guarantee payment in the Day-Ahead Market and Real-Time Market respectively. The oversight in failing to amend Sections 18.3.1 and 18.6.1.1 can be rectified by eliminating the phrases, as shown:

**18.3.1 Eligibility to Receive a Day-Ahead BPCG for Imports**

A Supplier that bids an Import [sale to the LBMP Market](#) that is committed by the ISO in the Day-Ahead Market shall be eligible to receive a Day-Ahead Bid Production Cost guarantee payment....

**18.6.1.1 Eligibility.**

A Supplier that bids an Import [to sell Energy to the LBMP Market](#) that is committed by the ISO in the Real-Time Market shall be eligible to receive a real-time Bid Production Cost guarantee payment for all intervals....

The Tariff sheets attached to this filing in Attachments I and II propose the amendments striking the phrases shown above.

The NYISO is also proposing one additional ministerial correction to the amendment proposed in the March 30, 2011 filing to Section 4.6.6.2 of the Services Tariff. The amendment proposed in the March 30, 2011 filing proposed to strike only the words “to the LBMP Market” as shown below.

**4.6.6.2 Day-Ahead BPCG for Imports**

The ISO shall determine if a Supplier supplying an Import Sale [to the LBMP Market](#) and eligible under Section 18.3.1 of Attachment C of this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment will not recover its Day-Ahead Decremental Bid through Day-Ahead LBMP revenues [and Day-Ahead Imputed LBMP Revenue](#)....

This amendment should also have proposed to strike the word “Sale” in the phrase “Sale to the LBMP Market.” The correction that the NYISO is proposing in this erratum is to strike the word “sale” from this section as shown below:

**4.6.6.2 Day-Ahead BPCG for Imports**

The ISO shall determine if a Supplier supplying an Import [Sale](#) and eligible under Section 18.3.1 of Attachment C of this ISO Services Tariff for a Day-Ahead Bid Production Cost guarantee payment will not recover its Day-Ahead Decremental Bid through Day-Ahead LBMP revenues and Day-Ahead Imputed LBMP Revenue....

### **III. Effective Date**

The NYISO respectfully requests that the Commission accept the tariff modifications included with this filing with the same June 1, 2011 effective date as requested in Section V. of the March 30, 2011 filing in this docket. The NYISO is preparing the software that will implement this expansion of BPCG payments for Suppliers bidding Importer Transactions for a June 1, 2011 implementation. As these changes will improve the efficiency of the market and potentially act to reduce the bids submitted for Import Bilateral Transactions, reducing customer costs, the NYISO would like to implement these changes as soon as possible. Moreover, granting a June 1 effective date would not harm any potentially interested party because the corrections included in this filing address the same substantive issue as the ones included in the March 30, 2011 filing which has already had a full notice and comment period. There is, therefore, good cause for the Commission to waive the standard sixty day notice period. Similarly, there is good cause to shorten the comment period to the extent necessary to allow the Commission to issue an order accepting the March 30, 2011 filing effective June 1, 2011.

### **VI. Communications and Correspondence**

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

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- Designated to receive 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 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](http://www.nyiso.com).

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### **VIII. Conclusion**

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept these errata to its March 30, 2011 filing to be effective June 1, 2011.

Respectfully submitted,

/s/ Mollie Lampi

Mollie Lampi

Assistant General Counsel

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 20<sup>th</sup> day of April, 2011.

/s/ Joy Kimberlin

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