



October 22, 2012

Honorable Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1A  
Washington, D.C. 20426

Re: *New York Independent System Operator, Inc. and PJM Interconnection, L.L.C.*,  
Docket No. ER12-718-002;  
Third Jointly Submitted Market-to-Market Coordination Compliance Filing

Dear Ms. Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") Order issued on September 20, 2012 in this docket ("September Order"),<sup>1</sup> the New York Independent System Operator, Inc., ("NYISO") and PJM Interconnection, L.L.C. ("PJM") (collectively the "RTOs") submit, in electronic format, revisions to the Joint Operating Agreement ("JOA")<sup>2</sup> between NYISO and PJM that is set forth in Attachment CC to the NYISO's Open Access Transmission Tariff ("NYISO OATT").<sup>3</sup> Specifically, the RTOs submit revisions to section 7.1.2 of Schedule D (*Market-to-Market Coordination Process*) of the JOA to require that the RTOs consider the

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<sup>1</sup> *New York Independent System Operator, Inc.*, 140 FERC ¶ 61,205 (2012).

<sup>2</sup> *Joint Operating Agreement Among and Between NYISO and PJM*, § 35 (Attachment CC) to the NYISO OATT.

<sup>3</sup> 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.

impact of the phase angle regulators at the Michigan-Ontario border (“Michigan-Ontario PARs”) on the market-to-market coordination process in periods when any of the Michigan-Ontario PARs are in service.

## **I. Background**

On December 30, 2011, the RTOs submitted a joint filing (“December Filing”) to revise the JOA and NYISO OATT in response to the Commission’s December 30, 2010 Order on Rehearing and Compliance<sup>4</sup> and the Commission’s July 1, 2011 Order on Rehearing<sup>5</sup> requiring the implementation of a market-to-market coordination process to address certain interregional transactions in, and around, the Lake Erie region. On March 15, 2012, the Commission conditionally accepted the RTOs’ proposed JOA and NYISO OATT revisions subject to the RTOs submitting an additional compliance filing containing all remaining tariff revisions required to implement the market-to-market coordination process by May 1, 2012 (“March Order”).<sup>6</sup>

On May 1, 2012, the RTOs submitted a joint compliance filing proposing additional JOA revisions to satisfy the Commission’s directives in the March Order including, among others, JOA modifications to account for the impact of the Michigan-Ontario PARs operations on the M2M Entitlement and Market Flow calculations (i.e., the market-to-market coordination process) when all four PAR paths are in service. In the September Order, the Commission conditionally accepted the RTOs’ proposed JOA and NYISO OATT revisions subject to the RTOs submitting an additional compliance filing by October 22, 2012, in which the RTOs

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<sup>4</sup> *New York Independent System Operator, Inc.*, 133 FERC ¶ 61,276 (2010).

<sup>5</sup> *New York Independent System Operator, Inc.*, 136 FERC ¶ 61,011 (2011).

<sup>6</sup> *New York Independent System Operator, Inc.*, 138 FERC ¶ 61,192 (2012).

“...modify section 7.1.2 of the JOA to provide that the provisions thereof that apply when the Michigan/Ontario PARs are “in-service” *apply when any of the PARs are in service...*” (emphasis added).<sup>7</sup>

### **III. Description of Proposed Tariff Revisions**

In accordance with the Commission’s directives, the RTOs propose in this filing to revise section 7.1.2 of Schedule D of the JOA to provide that the provisions thereof that apply when the operation of the Michigan-Ontario PARs are in service apply when any of the Michigan-Ontario PARs are in service. Under section 7.1.2 of Schedule D of the JOA, the RTOs initiate the market-to-market coordination process for a market-to-market flowgate where the RTO that does not have operational control of such flowgate (“Non-Monitoring RTO”) is able to relieve an appreciable amount of transmission congestion on a M2M Flowgate in the control area operated by the other RTO (the “Monitoring RTO”). The determination of an appreciable amount of redispatch relief, and the impact of the Michigan-Ontario PARs on Market Flows and Entitlements, differ depending on whether the Michigan-Ontario PARs are in service. Pursuant to the Commission’s directives in the September Order, the RTO’s revise 7.1.2 of Schedule D of the JOA to specify that the Michigan-Ontario PARs will be considered in service if any of the five Michigan-Ontario PARs are in service.

### **V. Documents Enclosed**

The RTOs enclose with this transmittal letter:

1. A certificate of service in Docket No. ER12-718;
2. A clean version of the RTOs’ proposed revisions to Schedule D of the JOA (Attachment I);

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<sup>7</sup> March Order at P 21.

3. A redlined version of the RTOs' proposed revisions to Schedule D of the JOA (Attachment II); and
4. PJM's concurrence letter, concurring with the proposed revisions to the JOA (Attachment III).

## **VI. Service**

### **A. NYISO Service**

This filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). In addition, the NYISO will e-mail an electronic link to this filing to the official representative of each party to this proceeding, to 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.

### **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,<sup>8</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <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 Region<sup>9</sup> alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the FERC's eLibrary website located at the

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<sup>8</sup> See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

<sup>9</sup> PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

## **VII. Effective Date**

Consistent with the January 15, 2013 effective date accepted by the Commission's September Order,<sup>10</sup> NYISO and PJM request an effective date of January 15, 2013 for the JOA revisions proposed in this filing.

## **VIII. Conclusion**

Wherefore, for the foregoing reasons, the RTOs respectfully request that the Commission accept the attached JOA revisions for filing in compliance with the Commission's directives in the September Order.

Respectfully submitted,

/s/ James Sweeney

Robert E. Fernandez, General Counsel  
Alex M. Schnell  
James Sweeney, Attorney  
New York Independent System Operator, Inc.

/s/ James M. Burlew

Steven Pincus, Assistant General Counsel  
James Burlew, Counsel  
PJM Interconnection, L.L.C.

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<sup>10</sup> September Order at P 19.