

194 FERC ¶ 61,065
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

January 23, 2026

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket No. ER26-600-000

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: Brian R. Hodgdon

Dear Brian R. Hodgdon:

1. On November 25, 2025, New York Independent System Operator, Inc. (NYISO), pursuant to section 205 of the Federal Power Act,¹ filed revisions to its *pro forma* Operating Agreement for Non-incumbent Transmission Owners (NTO Agreement) set forth in Attachment Y of the NYISO Open Access Transmission Tariff (NYISO OATT).² NYISO states that the revisions are needed to account for transmission facilities subject to NYISO's operational control for which transmission owners will recover their costs outside of the NYISO tariffs through negotiated rates.³ NYISO also proposes clarifications to the NTO Agreement concerning the transfer of ownership of a transmission facility. For the reasons stated below, we accept NYISO's proposed revisions to the NTO Agreement, effective January 25, 2026, as requested.

2. NYISO states that, as part of its compliance with Order Nos. 1000 and 1000-A, NYISO established requirements in the NYISO OATT for non-incumbent transmission owners (NTOs) to enter into an Operating Agreement with NYISO.⁴ NYISO explains that

¹ 16 U.S.C. § 824.

² See Appendix for the tariff record accepted in this order. Capitalized terms that are not otherwise defined have the meaning specified in Attachment Y of the NYISO OATT, and if not defined therein, in the NYISO OATT and the NYISO Market Administration and Control Area Services Tariff.

³ Filing, Transmittal Letter at 1.

section 31.1.7 of the NYSIO OATT requires NTOs to enter into an operating agreement that conforms to the NTO Agreement with NYISO prior to energizing a transmission facility. NYISO states that the Commission has accepted the NTO Agreement, which establishes the terms and conditions for an NTO to turn over operational control of a transmission facility to NYISO.⁵ According to NYISO, the NTO Agreement is modeled on the agreement between NYISO and incumbent transmission owners but contains Commission-accepted variations to account for differences between incumbent transmission owners and NTOs.⁶

3. NYISO notes that, following the acceptance of the NTO Agreement, the Commission accepted the use of negotiated rates for transmission facilities in New York that will also be subject to NYISO's operational control.⁷ NYISO explains that, whereas the NTO Agreement accounts for NTO facilities that meet their revenue requirements by recovering a regulated rate through the NYISO OATT, it does not address transmission facilities for which the NTO recovers its costs outside the NYISO OATT through negotiated rates approved by the Commission.

4. As a result, NYISO proposes revisions to the NTO Agreement to account for situations where an NTO that has a Commission-approved negotiated rate turns over operational control of a transmission facility to NYISO.⁸ First, NYISO proposes to add a new defined term "Negotiated Rate Transmission Facility," which will be defined as "a transmission facility in the [New York Control Area] that is owned by the NTO, that is used to provide Transmission Service under the ISO OATT, and for which the NTO will recover its costs for such transmission facility outside of the ISO Tariffs in the manner and to the extent allowed, accepted, or approved by FERC."⁹ Second, NYISO proposes to revise the

⁴ *Id.* at 2.

⁵ *Id.* at 2-3 (citing *N.Y. Indep. Sys. Operator, Inc.*, 162 FERC ¶ 61,107, at PP 122-145 (2018); *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER13-102-012 (June 5, 2018) (delegated order); *N.Y. Indep. Sys. Operator, Inc.*, 166 FERC ¶ 61,099, at PP 11, 20 (2019)); see NYISO, NYISO Tariffs, NYISO OATT, § 31.11 Appendix H Form of Operating Agreement (5.0.0).

⁶ Filing, Transmittal Letter at 3.

⁷ *Id.* (citing *CHPE, LLC*, 171 FERC ¶ 61,186 (2020)).

⁸ *Id.*

⁹ *Id.* at 3-4 & attach. I (Clean version of the proposed revisions to the OATT), at Art. 1.02 (Negotiated Rate Transmission Facility).

Recitals of the NTO Agreement to expressly allow for NTOs that own and will turn over operational control of a Negotiated Rate Transmission Facility to NYISO.¹⁰

5. NYISO also proposes to revise Article 3.03 of the NTO Agreement, which establishes the operational responsibilities that the NTO grants NYISO under the NTO Agreement.¹¹ NYISO states that its revisions will clarify that Negotiated Rate Transmission Facilities are not subject to the requirement in NYISO's tariffs and rate schedules that NTOs must provide for full recovery of the transmission revenue requirement to the extent allowed, accepted, or approved by the Commission. In addition, NYISO proposes to clarify that it is not required to distribute any revenues from the collection of transmission charges to an NTO for its Negotiated Rate Transmission Facilities. NYISO contends that these proposed changes are necessary to clarify that NYISO is not responsible for recovering the cost of Negotiated Rate Transmission Facilities on behalf of the NTO through its tariffs and rate schedules.

6. NYISO also proposes to revise Article 3.08(a) of the NTO Agreement to clarify that the NTO's reserved filing rights to make filings pursuant to section 205 of the Federal Power Act to change the NYISO OATT do not apply in connection with the NTO's Negotiated Rate Transmission Facilities because the NTO will recover its costs for these facilities outside of the NYISO OATT.¹²

7. NYISO also proposes to revise Article 3.06 of the NTO Agreement to provide that the "ISO shall maintain the OASIS for the New York Control Area; provided, however, the NTO shall maintain an OASIS for its transmission facilities if and to the extent required by the [NYISO] OATT."¹³ According to NYISO, this revision accounts for other changes to the NYISO OATT it proposed in Docket No. ER25-570-000 regarding a Negotiated Rate Transmission Facility's OASIS responsibilities.¹⁴ In addition, NYISO proposes to revise Articles 3.08(b) and 4.01 to clarify that transfers of NTOs' transmission facilities include the sale of a facility.¹⁵

¹⁰ *Id.* at 4.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 4-5 & attach. I (Clean version of the proposed revisions to the OATT), at art. 3.06 (OASIS).

¹⁴ *Id.* at 4-5 (citing *N.Y. Indep. Sys. Operator, Inc.*, Filing, Docket No. ER26-570-000, at 7-9 (filed Nov. 21, 2025)).

¹⁵ *Id.* at 5.

8. Notice of NYISO's filing was published in the *Federal Register*, 90 Fed. Reg. 55,095 (Dec. 1, 2025), with interventions and protests due on or before December 16, 2025. Timely motions to intervene were filed by the New York Transmission Owners¹⁶ and CHPE LLC (CHPE). On December 16, 2025, CHPE filed comments in support.

9. CHPE contends that NYISO's proposed changes will facilitate the integration of the Champlain Hudson Power Express transmission line into NYISO's market by the targeted commercial operation date of late spring 2026.¹⁷ CHPE notes that the proposed changes to the NTO Agreement were unanimously approved by NYISO stakeholders and the NYISO Board of Directors, and CHPE requests that the Commission accept the changes.¹⁸

10. We accept NYISO's revisions to its NTO Agreement, effective January 25, 2026, as requested. We find that the proposed revisions are just and reasonable because they enable the NTO Agreement to account for non-incumbent transmission facilities that are subject to NYISO's operational control but the costs of which the NTOs recover outside the NYISO OATT through Commission-approved negotiated rates. Specifically, the proposed changes make clear that NYISO is not responsible for recovering the costs of Negotiated Rate Transmission Facilities on behalf of the NTO. Additionally, the proposed revisions clarify that the reserved filing rights do not apply in connection with an NTO's Negotiated Rate Transmission Facilities, as the NTO will recover its costs for these facilities outside of the NYISO OATT.

By direction of the Commission.

Carlos D. Clay,
Deputy Secretary.

¹⁶ The New York Transmission Owners include: Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; Long Island Power Authority; New York Power Authority; New York State Electric & Gas Corporation; Niagara Mohawk Power Corporation; Orange and Rockland Utilities, Inc.; and Rochester Gas and Electric Corporation.

¹⁷ CHPE Comments at 1, 3.

¹⁸ *Id.* at 2-4.

Appendix – Tariff Record

New York Independent System Operator, Inc.
NYISO Tariffs

- [NYISO OATT, 31.11 OATT Att Y Appendix H Form of Operating Agreement \(6.0.0\)](#)