

July 23, 2015

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.*,
Scheduling Practices Compliance Filing;
Docket No. EL14-26-____

Dear Ms. Bose:

Pursuant to the Federal Energy Regulatory Commission's ("Commission") March 20, 2014 *Order Initiating Investigation into ISO and RTO Scheduling Practices and Establishing Paper Hearing Procedures* ("the Order"),¹ and the Commission's April 16, 2015 *Order on Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities* ("Order 809"),² the New York Independent System Operator, Inc. ("NYISO") respectfully submits this compliance filing explaining how the NYISO's existing Day-Ahead scheduling practices satisfy the timing requirements directed by the Order and why no changes are necessary to achieve compliance at this time. The Order requires each ISO and RTO:

(1) to make a filing that proposes tariff changes to adjust the time at which the results of its day-ahead energy market and reliability unit commitment process (or equivalent) are posted to a time that is sufficiently in advance of the Timely and Evening Nomination Cycles, respectively, to allow gas-fired generators to procure natural gas supply and pipeline transportation capacity to serve their obligation, or (2) to show cause why such changes are not necessary.³

¹ *Order Initiating Investigation into ISO and RTO Scheduling Practices and Establishing Paper Hearing Procedures*, 146 FERC ¶ 61,202 (2014).

² *Coordination of the Scheduling Processes of Interstate Natural Gas Pipelines and Public Utilities*, Order No. 809, 151 FERC ¶ 61,049 (2015).

³ The Order at P 19.

The NYISO's Day-Ahead Market ("DAM"), which incorporates a reliability unit commitment process, already satisfies the time requirements directed in the Order. The NYISO posts Day-Ahead schedules sufficiently in advance of the Timely and Evening natural gas Nomination Cycle deadlines to permit Generators to timely procure natural gas.

As the Commission correctly explained in the Order and in Order 809, the NYISO's existing practice publishes "successful economic bids" prior to "the nomination deadline for the Timely Nomination Cycle for day-ahead natural gas nominations, 11:30 a.m. CCT."⁴ The NYISO also notifies generators scheduled for reliability as Day-Ahead Reliability Units⁵ of their schedule prior to 11:30 a.m. central clock time ("CCT"). In the event additional generators are necessary beyond those committed in the DAM, the NYISO may commit generators using a real-time Supplemental Resource Evaluation ("SRE") on the day prior to the dispatch day.⁶ The NYISO notifies most SRE committed generators of schedules before the nomination deadline for the Timely Nomination Cycle. Because the timing of the NYISO's Day-Ahead Market allows adequate time for scheduled generators to procure natural gas, no Tariff changes are required to achieve the timing described in the Order and in Order 809.

I. Discussion

The NYISO's Market Administration and Control Area Services Tariff ("Services Tariff") Section 4.2.5 requires the NYISO to close its Day-Ahead scheduling process and post Day-Ahead schedules by 11:00 a.m. Eastern Time (10:00 a.m. CCT) on the day prior to the real-time Dispatch Day. Day-Ahead Reliability Unit commitments are posted at the same time as successful day-ahead economic bids. The NYISO notifies electric generators of their Day-Ahead schedules at least one and half hours before the nomination deadline for the Timely Nomination Cycle under the existing, pre-Order 809 Timely Nomination Cycle deadlines. After Order 809 becomes effective, and the nomination deadline for the Timely Nomination Cycle moves to 1:00 p.m. CCT, the NYISO will be notifying electric generators of their Day-Ahead schedules at least three hours before the Timely Nomination Cycle deadline.

Although it is not required by Tariff to do so, the NYISO strives to post Day-Ahead schedules as early as possible on the day prior to the Dispatch Day. The NYISO regularly posts Day-Ahead schedules shortly after 9:30 a.m. Eastern Time (8:30 a.m. CCT), in advance of the 11:00 a.m. posting requirement. As a result, electric generators scheduled by the NYISO

⁴ The Order at P 11 ("all ISOs and RTOs (with the exception of the New York Independent System Operating, Inc.) publicize successful economic dispatch bids *after* the nomination deadline for the Timely Nomination Cycle"); Order 809 at P 76 ("all ISOs and RTOs (with the exception of NYISO) publicize accepted day-ahead dispatch bids after the current 11:30 a.m. CCT nomination deadline for the Timely Nomination Cycle.").

⁵ Capitalized terms that are not expressly defined in this filing have the meaning ascribed to them in the NYISO's Market Administration and Control Area Services Tariff.

⁶ An SRE committed unit is not assigned a Day-Ahead schedule, only a real-time schedule. Therefore, SRE committed units are not charged for Energy imbalance if the Actual Energy Injection is less than the SRE commitment schedule. *See* Services Tariff Section 4.5.3.1.

frequently know their Day-Ahead schedules more than four hours before the new Timely Nomination Cycle natural gas nomination deadline.

After the NYISO DAM schedules are published, Transmission Owners may require commitment of additional generators to meet changed or local system conditions and the NYISO evaluates system conditions that may require additional generator commitments. The NYISO will commit additional generators needed for reliability using a SRE on the day prior to the dispatch day. SRE committed units are regularly notified before the nomination deadline for the Timely Nomination Cycle and almost always notified prior to the Evening Nomination Cycle nomination deadline.

The NYISO is not proposing changes to its DAM unit commitment process because the existing scheduling process notifies gas-fired generators with sufficient time to nominate natural gas prior to the Timely Nomination Cycle deadline, as contemplated in the Order. If changes to the NYISO's Day-Ahead scheduling process become necessary in the future, the NYISO will develop tariff revisions through its stakeholder process and submit a Federal Power Act Section 205 filing to the Commission for its consideration.

II. Correspondence

Copies of correspondence concerning this filing should be served on:

Robert E. Fernandez, General Counsel
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III. Service

The NYISO will send 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. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

IV. Conclusion

Wherefore, for the foregoing reasons, the NYISO respectfully requests that the Commission accept this compliance filing and determine that the NYISO's existing processes and procedures comply with the requirements of the Order.

Respectfully submitted,

/s/ James Sweeney

James Sweeney, Attorney
New York Independent System Operator, Inc.

cc: Michael Bardee
Gregory Berson
Anna Cochrane
Morris Margolis
David Morenoff
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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 23rd day of July, 2015.

/s/ Joy A. Zimmerlin

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