

## Attachment III

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Hudson Transmission Partners, LLC  
v.  
New York Independent System Operator, Inc.**

**Docket No. EL12-98-001  
EL12-98-002  
ER16-\_\_\_\_-000**

**CONFIRMING AFFIDAVIT OF JULIA POPOVA**

Ms. Julia Popova declares:

1. I have personal knowledge of the facts and opinions herein and if called to testify could and would testify competently hereto.
2. I am an economist in Market Mitigation and Analysis – Installed Capacity for the New York Independent System Operator, Inc. (“NYISO”). My business address is 10 Krey Boulevard, Rensselaer, NY 12144.
3. I received a PhD in Economics from West Virginia University; a MA in Economics from the Center for Economic Research and Graduate Education - Economics Institute (a joint academic institution of Charles University and the Economics Institute of the Czech Academy of Sciences), Czech Republic; and an MS in Mathematics from Novosibirsk State University, Russia.
4. I received the International Association *for* Energy Economics’ *Energy Journal* Campbell Watkins Best Paper Award, 2011. My publications regarding the energy market include “Storage and the Electricity Forward Premium,” (with S.M. Douglas), *Energy Economics*, 2008; and “Econometric Estimation of Spatial Patterns in Electricity Prices,” (with S.M. Douglas), *Energy Journal*, 2011.
5. I have been employed by the NYISO as an energy economist since 2008. I have been actively involved in the NYISO’s administration of the market power mitigation rules and its market power analyses. My responsibilities have included assessing the competitive performance of the NYISO administered markets, including the Installed Capacity (“ICAP”)<sup>1</sup> market, as well as identifying and developing remedies for potential market design flaws and market power abuses.
6. Beginning in 2011 my work for the NYISO has focused on ICAP market power mitigation rules and its market power analyses. In particular, I have been actively

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<sup>1</sup> Capitalized terms that are not otherwise defined herein shall have the meaning specified in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”), and if not defined therein, the meaning specified in the Compliance Report of the NYISO, with which this Report is submitted.

involved in the administration, implementation and enforcement of the applicable ICAP market provisions of the Market Monitoring Plan,<sup>2</sup> administering the NYISO's capacity market power mitigation measures, conducting market power analyses, and reviewing market data to determine whether market performance is consistent with a competitive market.

7. My responsibilities have included performing determinations under the buyer-side capacity market power mitigation rules (the "BSM Rules"),<sup>3</sup> calculating Going-Forward Costs, identifying and evaluating possible withholding, and implementing the monthly supply-side mitigation measures (*i.e.*, the Pivotal Supplier rules).
8. Apart from capacity market power mitigation administration, I assist in the development of new, and revisions to the existing, market rules (including the ICAP Demand Curve reset), and perform periodic reviews of capacity market outcomes. I am responsible for preparing the NYISO's Annual Installed Capacity Report to the Commission on the NYISO's ICAP Demand Curves and potential withholding issues in Docket Nos. ER01-3001-000 and ER03-647-000. I have participated in the preparation of the past five such reports.
9. I have participated in the NYISO's development of revisions to existing and proposed new, capacity market mitigation measures, presentations to and discussions with stakeholders regarding the NYISO's proposals, and supported the NYISO's filings proposing the revisions.
10. I have participated in the NYISO's analysis for the NYISO's buyer-side mitigation determination of the Hudson Transmission Partners, LLC project, and in the development of the scaling methodology used to estimate net Energy and Ancillary Services for that project. I also actively participated on the NYISO team that developed filings and responded to Commission orders in the proceeding that addressed that determination (Docket Nos. EL12-98-000 and -002).
11. The purpose of this Confirming Affidavit is to support the NYISO's *Further Compliance Filing* in this proceeding, including the proposed tariff revisions attached thereto ("Compliance Filing"). The Compliance Filing is being submitted in accordance with the Commission's November 2015 order.<sup>4</sup>
12. Specifically, the November 2015 Order directed the NYISO to propose compliance revisions to its Services Tariff to "provide the conceptual basis and general framework" for the methodology the NYISO will use to project likely Energy and Ancillary Services revenues for controllable transmission lines in its buyer-side mitigation determinations.<sup>5</sup> The Commission specified that the proposed revisions must be "sufficiently broad and

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<sup>2</sup> The Market Monitoring Plan is Section 30, Attachment O, of the Services Tariff.

<sup>3</sup> The BSM Rules are in Services Tariff Section 23.4.5.7 *et seq.*

<sup>4</sup> *Hudson Transmission Partners, LLC v. New York Independent System Operator, Inc.*, 153 FERC ¶ 61,191 (2015). (the "November 2015 Order").

<sup>5</sup> November 2015 Order at P 94.

flexible to allow for the kinds of variations that exist with respect to [Unforced Capacity Deliverability (“UDR”)] projects.”<sup>6</sup>

13. I was personally involved in the NYISO’s development of the tariff revisions included in the Compliance Filing. I presented a description of the proposed rules to and reviewed a draft of the tariff revisions with stakeholders at ICAP Working Group meetings. In my judgment, as a NYISO subject matter expert on capacity market power mitigation, the tariff revisions establish a framework that will enable the NYISO to reasonably account for interregional market variations and changes over time in the External Control Area markets, while also being sufficiently flexible to account for the variations that exist among different UDR projects.
14. I also believe that the proposed tariff revisions provide a clear framework and will provide transparency, which is beneficial to the market.
15. I do not believe that it would be reasonable to attempt to develop more prescriptive tariff rules governing the methodologies to be used to estimate revenues for future UDR projects. The variations among such projects are likely to be significant. The NYISO must be permitted reasonable flexibility to develop methodologies that reflect the particular characteristics of each project.
16. I believe that the description set forth in the Compliance Filing of the conceptual bases, the variations in UDR project designs that will impact projects of their Energy and Ancillary Services, and the interregional market variations that exist today and are reasonably expected to change over time, are reasonable and accurate.
17. This concludes my affidavit.

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<sup>6</sup> November 2015 Order at P 94. Controllable transmission lines participate in the NYISO’s capacity market with Unforced Capacity Deliverability Rights (UDRs”). The BSM Rules refer to these projects as “UDR facilities” and “UDR projects”, interchangeably. (As described below, the proposed tariff provisions include conforming the provisions to only use the term “UDR projects”.) UDRs, “[w]hen combined with Unforced Capacity which is located in an External Control Area or non-constrained NYCA region either by contract or ownership, and which is deliverable to the NYCA interface in the Locality in which the UDR transmission facility is electrically located, ... allow such Unforced Capacity to be treated as if it were located in the Locality.” *See* Services Tariff Section 2.21.

ATTESTATION

I am the witness identified in the foregoing affidavit. I have read the affidavit and am familiar with its contents. The facts set forth therein are true to the best of my knowledge, information, and belief.

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Julia Popova

*Julia Popova*

Subscribed and sworn to before me  
this 17th day of February 2016

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Notary Public

*Linda Sloan*

My commission expires: December 29, 2016

**LINDA SLOAN**  
Notary Public - State of New York  
No. 01SL6198599  
Qualified in Schenectady County  
My Commission Expires December 29, 2016