

Attachment II



PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403

Michael E. Bryson
Vice President, Operations
T: (610) 666-4659
Michael.Bryson@pjm.com

September 8, 2017

Emilie Nelson, VP, Market Operations
New York Independent System Operator Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Re: Request to Reduce Operational Base Flow

Dear Emilie:

As recently discussed, PJM is requesting a reduction in the Operational Base Flow (“OBF”).¹ This is based on forward looking Planning studies showing the Bergen-Linden Corridor project will eliminate the need for the OBF. PJM understands that in order to do so, New York Independent System Operator Inc. (“NYISO”) must Agree to the same since the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C. (“JOA”), Schedule D, section 7.2.1 requires mutual agreement to modify the OBF. PJM would like to reduce the OBF to zero as of October 31, 2019 with the option of mutually agreeing to an earlier date that is acceptable to NYISO and PJM.

To that end, PJM requests that NYISO advise whether it is willing to agree to reducing the OBF to zero as of October 31, 2019 by no later than September 30, 2017. PJM also suggests,

¹ JOA, section 35.2 (“Operational Base Flow” or “OBF” shall mean an equal and opposite MW offset of power flows over the Waldwick PARs and ABC PARs to account for natural system flows over the JK Interface and the ABC Interface in order to facilitate the reliable operation of the NYISO and/or PJM transmission systems. The OBF is not a firm transmission service on either the NYISO transmission system or on the PJM transmission system. The OBF shall not result in charges from one Party to the other Party, or from one Party to the other Party’s Market Participants, except for the settlements described in the Real-Time Energy Market Coordination and Settlements provisions set forth in Sections 7 and 8 of Schedule D to this Agreement. In particular, the NYISO and its Market Participants shall not be subjected to PJM Regional Transmission Expansion Plan (“RTEP”) cost allocations as a result of the OBF.)

once a mutual decision is made, that PJM and NYISO jointly post this letter on their respective websites. Should you have any questions or wish to discuss this matter further before providing NYISO's response, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, reading "Michael Bryson".

Michael Bryson

cc:

Stu Bresler, PJM Senior Vice President, Markets and Operations
Vincent Duane, PJM Senior Vice President, Law, Compliance & External Affairs