



June 28, 2019

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

*Re: New York Independent System Operator, Inc. and PJM Interconnection, L.L.C.  
Joint Operating Agreement Revisions, Docket No. ER19-\_\_\_\_-000*

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),<sup>1</sup> the rules and regulations of the Federal Energy Regulatory Commission (the “Commission” or “FERC”),<sup>2</sup> and consistent with the Commission’s *Order Granting Request for Waiver* (“Waiver Order”),<sup>3</sup> the New York Independent System Operator, Inc. (the “NYISO”) and PJM Interconnection, L.L.C. (“PJM”) (collectively the “RTOs”) submit, in electronic format, revisions to the Joint Operating Agreement between the NYISO and PJM (“JOA”)<sup>4</sup> that is set forth in Attachment CC (Section 35) to the NYISO’s Open Access Transmission Tariff (“NYISO OATT”).<sup>5</sup> The majority of the proposed JOA revisions implement a long-term solution to address concerns identified by the RTOs in their

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. Part 35.

<sup>3</sup> *Order Granting Request for Waiver*, 165 FERC ¶ 61,149 (2018).

<sup>4</sup> New York Independent System Operator, Inc. Open Access Transmission Tariff, Section 35.

<sup>5</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.

joint request for limited waiver of the JOA (“Waiver Request”) to authorize redispatch of generation in PJM to mitigate post-contingency overloads of transmission equipment on the New York side of the East Towanda–Hillside 230 kV transmission line (the “East Towanda–Hillside Tie Line”).<sup>6</sup> JOA revisions proposed in this filing were developed to address the concerns identified in the Waiver Request with: (1) the addition of a new type of coordinated Flowgate called an “Other Coordinated Flowgate,” along with rules addressing the implementation of these new Flowgates; and (2) changes to the criteria that determine when the RTOs can initiate, and keep active, redispatch coordination.

In addition to proposing revisions to the JOA needed to resolve the concerns identified in the Waiver Request, the RTOs propose the following other improvements to the JOA and to the Market-to-Market (“M2M”) Coordination Process set forth in JOA, Schedule D: (a) simplify the M2M entitlement calculation process; (b) clarify the confidentiality provisions related to sharing EMS models and the EMS model data with the RTOs’ respective transmission owners; (c) remove an extraneous time-weighting from the NY-NJ PAR Settlement calculation rules; (d) clarify the constraint relaxation provisions by more clearly aligning redispatch operations with the security-constrained economic dispatch models of both the NYISO and PJM; (e) add rules that protect a Non-Monitoring RTO that has a negative M2M Entitlement on a Flowgate from incurring unreasonable M2M settlement obligations; and (f) add a new rule to address situations in which a Phase Angle Regulator (“PAR”) becomes “stuck” due to a physical or SCADA failure and is not capable of achieving its normal operating range, that will permit the M2M PAR coordination process to account for such a PAR’s limited capabilities.

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<sup>6</sup> *PJM Interconnection, L.L.C and New York Independent System Operator, Inc., Request for Limited Waiver*, Docket No. ER18-2442-000 (September 17, 2018).

The RTOs request an effective date of September 16, 2019, for the majority of the revisions proposed in this filing, including all of the revisions that are necessary to ensure that the long-term solution described in the Waiver Request is in effect prior to the expiration of the limited waiver granted by the Waiver Order. For the reasons explained in Section III of this filing letter, the RTOs request waiver of the Commission’s notice requirement<sup>7</sup> and a flexible effective date in order to permit the proposed revisions to the M2M Entitlement rules in Section 6 of Schedule D to the JOA to become effective on a to-be-determined date in December of 2019 or January of 2020, after the RTOs provide at least two weeks prior notice to the Commission and to their stakeholders.

## **I. BACKGROUND**

As described in the Waiver Request, the RTOs have seen and expect to continue to see contingency overloads on the East Towanda–Hillside Tie Line at various times as a result of the addition by PJM of the Liberty (Asylum) Combined Cycle 850 MW unit (“Liberty Unit”) when the Liberty Unit is operating and there are transmission outages in the area. The limiting element is on the New York side of the East Towanda–Hillside Tie Line—a wave trap at the Hillside substation. The East Towanda–Hillside Tie Line is not a coordinated M2M Redispatch Flowgate under the currently effective JOA.

PJM normally has efficient redispatch relief available to relieve the constraint on the limiting element.<sup>8</sup> However, PJM’s ability to take controlling actions in its real-time markets is limited because, although PJM’s actions were taken to protect the reliability of the Bulk Electric System (“BES”), and consistent with good utility practice and the applicable reliability standards (*e.g.*, TOP-001-4, R18), PJM determined that including the constraint in its real-time market

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<sup>7</sup> See 18 C.F.R. § 35.3(a)(1).

<sup>8</sup> NYISO market flows tend to relieve the constraint on the East Towanda–Hillside Tie Line. However, the NYISO does not have generation available that can be dispatched in real-time to provide appreciable relief.

dispatch would violate PJM's Open Access Transmission Tariff ("PJM Tariff"), Section 33.2 and PJM Tariff, Attachment K-Appendix, Section 1.7.6.<sup>9</sup>

The RTOs also identified concerns with adding the East Towanda–Hillside Tie Line as a M2M Flowgate for generation redispatch under the currently effective M2M rules. JOA, Schedule D, Section 7.1.2 provides that PJM and the NYISO will only invoke M2M coordination under JOA when the Non-Monitoring RTO Market Flow is greater than its M2M Entitlement, and shall close M2M coordination once the Non-Monitoring RTO Market Flow falls below its M2M Entitlement. However, in order to consistently control the post-contingency exceedance on the East Towanda–Hillside Tie Line without violating PJM's Tariff, the RTOs must have the authority to keep the Flowgate activated consistently for the entire period the post-contingency exceedance is observed by PJM and/or the NYISO, without regard to whether the Non-Monitoring RTO's Market Flows exceed its M2M Entitlement during that time period.

Consequently, PJM and the NYISO submitted the Waiver Request in order to add the East Towanda–Hillside Tie Line as a M2M Flowgate to protect the reliability of the BES and to permit PJM to conduct redispatch operations to control flows to the most restrictive rating on the NYISO side of the East Towanda–Hillside Tie Line without violating the PJM Tariff.

New York State Electric & Gas ("NYSEG") has commenced the process of upgrading the wave trap at the Hillside substation. The RTOs expect that the wave trap upgrade will increase the facility rating sufficiently to make the conductor the limiting element. When NYSEG's effort is complete, the East Towanda–Hillside Tie Line will be secured to the same rating by both PJM

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<sup>9</sup> PJM Tariff, Attachment K-Appendix, Section 1.7.6 (a) (Scheduling and Dispatching) grants PJM authority to dispatch or redispatch generation to control constraints on neighboring systems on M2M Flowgates. If a tie line is not a M2M Flowgate under the JOA and there is a constraint on the NYISO side of the tie line, PJM has no authority under the PJM Tariff to dispatch PJM generation to control the constraint.

and the NYISO. NYSEG has informed the NYISO that it currently anticipates placing the upgraded wave trap in service in late November 2019.

In the Waiver Order, the Commission granted the request for waiver effective September 18, 2018, until: (1) the date on which the Commission approves JOA revisions proposed in a FPA section 205 filing submitted by the RTOs to implement a long-term solution to address the concerns identified in the Waiver Request to become effective; (2) the date on which the RTOs jointly request that the waiver end; or (3) September 17, 2019, whichever is soonest.<sup>10</sup>

## **II. DESCRIPTION OF FILING**

### ***A. JOA Revisions Adding a New Other Coordinated Flowgate to Implement a Long-Term Solution to Address Concerns Identified in the Waiver Request and Permit Redispatch Coordination for the East Towanda–Hillside Tie Line and Similar Facilities***

The following JOA revisions are proposed to permit the RTOs to coordinate their dispatch affecting the East Towanda–Hillside Tie Line and to permit the RTOs to agree to coordinate their dispatch affecting other similarly situated facilities going-forward.

#### *1. Other Coordinated Flowgates*

In order to address the concerns identified in the Waiver Filing the RTOs have mutually agreed to add a new type of redispatch Flowgate<sup>11</sup> known as an Other Coordinated Flowgate. An Other Coordinated Flowgate is a new term added to JOA Section 35.2.1, defined as “a Flowgate where constraints are jointly monitored and coordinated as set forth in Schedule D to this Agreement.”

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<sup>10</sup> Waiver Order at PP 1 and 26.

<sup>11</sup> The JOA definition of Flowgate is revised to mean all three types of JOA Flowgates: M2M Redispatch Flowgate, NY-NJ PAR Coordinated Flowgate and the new Other Coordinated Flowgate.

With the addition of this new type of Flowgate, the RTOs propose revisions to Section 3 of Schedule D to the JOA to update the eligibility study criteria under which the RTOs may propose to add a new Other Coordinated Flowgate (revised Section 3.2) and a new M2M Redispatch Flowgate (revised Section 3.3). Under this qualification study criteria, an Other Coordinated Flowgate is eligible for redispatch coordination if any resource has significant impact on the Flowgate. The proposed revisions, however, limit M2M Redispatch Flowgate eligibility to redispatch coordination only if a Qualified Resource has significant impact on the Flowgate. A Qualified Resource is a newly defined term the RTOs propose to add to the JOA. The new definition limits Qualified Resources to generation that can be effectively dispatched to relieve congestion on a facility and, therefore, explicitly excludes generators with intermittent fuel sources (*e.g.* wind, solar, etc.).

Other Coordinated Flowgates are subject to redispatch coordination for reliability purposes; however, such Flowgates will ordinarily lack impactful dispatchable generation on the Non-Monitoring RTO's system. Therefore, the RTOs proposed JOA revisions include the addition of a provision in Section 8.1 of Schedule D to the JOA which provides that redispatch coordination for Other Coordinated Flowgates is not subject to M2M redispatch settlement under Section 8.2 of Schedule D to the JOA. This solution, which addresses the unique situation associated with the East Towanda–Hillside Tie Line and potentially other similarly situated facilities, allows the RTOs to establish redispatch coordination to control constraints on a Flowgate for reliability purposes even when the Non-Monitoring RTO does not have, and historically has not had, impactful generation available for redispatch. To protect the participating RTOs from any unexpected consequences of implementing an Other Coordinated Flowgate, Section 4.3 of the JOA permits

either RTO to withdraw its agreement to implement an Other Coordinated Flowgate following two weeks' notice to the other RTO (or a shorter notice period that the RTOs agree to).

The addition of Other Coordinated Flowgates and the associated JOA revisions are just and reasonable solutions to the limited concerns identified in the Waiver Request. With these JOA revisions, the RTOs can add the East Towanda–Hillside Tie Line as a coordinated redispatch flowgate under the JOA despite that Flowgate not qualifying as a M2M Redispatch Flowgate. As a result, PJM will have the ability to take controlling actions to protect the reliability of the BES and dispatch PJM generation to address the constraint on the East Towanda–Hillside Tie Line and, potentially, other similarly situated facilities consistent with good utility practice and the applicable reliability standards (*e.g.*, TOP-001-4, R18) because such actions will not violate PJM Tariff, Section 33.2 and PJM Tariff, Attachment K-Appendix, Section 1.7.6. These Tariff provisions allow PJM to redispatch to secure “coordinated flowgates ... in accordance with the [JOA].”

By adding a new flowgate type that is appropriate for the East Towanda–Hillside Tie Line, the RTOs can ensure LMP setting across the seam reflects the cost to control this Tie Line. This will, in turn, provide added transparency benefits which currently only apply to M2M Flowgates under the JOA. First, any instance of M2M redispatch for a M2M flowgate is posted in real-time to both RTOs' limiting constraints postings on their respective OASIS's. The OASIS postings describe the time, duration, and shadow price associated with M2M redispatch events. Real-time LMPs are also publicly posted at the following URLs:

PJM: [https://dataminer2.pjm.com/feed/rt\\_marginal\\_value/definition](https://dataminer2.pjm.com/feed/rt_marginal_value/definition)

NYISO: <http://mis.nyiso.com/public/P-33list.htm>

Second, owners of any resources that are dispatched through M2M coordination receive additional relevant information through the normal PJM Open Access Transmission Tariff settlements and billing procedures. The RTOs post nodal and zonal LMPs along with day-ahead and real time binding constraints with marginal values.

The same price transparency benefits will apply to determine the time, duration, and cost of re-dispatch for resources for the East Towanda–Hillside Tie Line constraint redispatch once it is subject to redispatch coordination as an Other Coordinated Flowgate under the JOA.

*2. Redispatch Coordination When the Non-Monitoring RTO's Market Flows Do Not Exceed its M2M Entitlement*

In the redispatch coordination process, the Monitoring RTO is the Party that has operational control of a Flowgate. The Non-Monitoring RTO does not have operational control of the Flowgate. Traditionally, redispatch coordination has been initiated by the Monitoring RTO when the Non-Monitoring RTO's Market Flows on a constrained M2M Redispatch Flowgate exceed the Non-Monitoring RTO's M2M Entitlement at that Flowgate.

The RTOs propose to revise Section 7.1.1(a) of Schedule D to the JOA to permit the Non-Monitoring RTO to voluntarily agree to engage in redispatch coordination (i) on an M2M Redispatch Flowgate at times when its Market Flows do not exceed the Non-Monitoring RTO's M2M Entitlement; or (ii) for an Other Coordinated Flowgate. As explained in Section I above, this capability is necessary to permit the RTOs to use redispatch coordination to address a constraint that secures a line to limits that are based on post-contingency flows. The ability to initiate or to continue redispatch coordination at times when an RTO's Market Flow is below its M2M Entitlement will enable the RTOs to obtain additional economic efficiencies from M2M



redispatch coordination because it will permit cost-effective coordination to continue even when the Non-Monitoring RTO's Market Flow is below its M2M Entitlement.

The RTOs also propose to add Section 7.1.4(b) to Scheduled D of the JOA. It permits the Non-Monitoring RTO to withdraw its agreement to continue redispatch coordination at a Flowgate. This new rule is appropriate because a Non-Monitoring RTO that voluntarily agrees to initiate redispatch coordination for a Flowgate should not be stuck with an obligation to incur unexpected redispatch costs if system conditions change. This new rule will permit the Non-Monitoring RTO to withdraw its agreement to participate in redispatch coordination when circumstances change. The Non-Monitoring RTO's decision to conclude M2M Redispatch coordination may have M2M settlement consequences to it and to the Monitoring RTO.

## **B. Other Proposed Improvements to Schedule D to the JOA**

The improvements to the JOA proposed below were developed based on the RTOs' experience in implementing the M2M process and operating in compliance with the requirements of the JOA. The proposed improvement related to negative entitlements was identified in the RTOs' discussions about how to address joint coordination of the East Towanda–Hillside Tie Line; however, the other proposed improvements are not related to coordination on the East Towanda–Hillside Tie Line.

### *1. Simplification of Rules for Calculating M2M Entitlements*

The rules that the RTOs developed to update the M2M Entitlement values that affect M2M Redispatch Flowgates have proven extremely cumbersome to implement in practice. The difficulty of implementing some of the existing rules has prevented the RTOs from timely updating M2M Entitlement values. The RTOs propose to improve and significantly streamline the M2M Entitlement determination method set forth in Section 6 of Schedule D to the JOA.

The RTOs propose to employ the newly streamlined calculation method to (each) develop revised M2M Entitlements for each M2M Redispatch Flowgate on an annual basis. The RTOs will compare their M2M Entitlement calculations to determine if updates are needed.<sup>12</sup> Performing the calculation on an annual basis avoids the need to have a distinct method of determining whether an existing set of Entitlements needs to be modified to reflect changed conditions.

The RTOs propose to use historical power flows for the most recently completed three calendar years to determine M2M Entitlements. The RTOs also propose to determine M2M Entitlements using different time groupings than were previously employed.<sup>13</sup> Because M2M Entitlements will be recalculated annually, the RTOs propose to delete the cumbersome M2M Entitlement adjustment rules that are set forth in Sections 6.3 and 6.4 of the JOA entirely, and to replace those rules with the opportunity for the RTOs to mutually agree to reflect any impact upgrades may have on M2M Entitlements on a more expedited basis.<sup>14</sup>

*2. M2M Redispatch Settlement Protection for Non-Monitoring RTO with a Negative M2M Entitlement at an M2M Redispatch Flowgate*

The RTOs propose to add rules to Section 8.1 of Schedule D to the JOA to address M2M settlements for a M2M Redispatch Flowgate when the Non-Monitoring RTO has a negative entitlement to a Flowgate. A negative entitlement to a Flowgate may occur if the Non-Monitoring RTO's historical Market Flows have provided counter-flow on a M2M Redispatch Flowgate. The proposed new rules protect the Non-Monitoring RTO from incurring M2M settlement obligations that incorporate a baseline expectation that the Non-Monitoring RTO will relieve congestion. When determining whether a Non-Monitoring RTO with a negative M2M Entitlement incurs an

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<sup>12</sup> See proposed revisions to Section 6 of Schedule D to the JOA.

<sup>13</sup> See proposed revisions to Sections 6.1 of Schedule D to the JOA.

<sup>14</sup> See *id.*

obligation to pay the Monitoring RTO in the M2M redispatch settlement process, the proposed rules effectively set the Non-Monitoring RTO's M2M Entitlement to zero (no congestion impact on the M2M Flowgate), instead of using a negative M2M Entitlement value.

*3. Proposed Correction to NY-NJ PAR Settlement Calculation*

The RTOs propose to correct an equation in Section 8.3 of Schedule D to the JOA to remove a redundant time-weighting of the equation. The RTOs implementation of the NY-NJ PAR Settlement rules appropriately ignores the redundant language that the RTOs propose to strike.

*4. Proposed Changes to Address Circumstances When One of the RTOs Cannot Provide Sufficient Redispatch Relief*

The RTOs propose to revise Section 9 of the JOA to more clearly explain the process the RTOs will follow when either the Monitoring RTO or the Non-Monitoring RTO cannot provide sufficient redispatch relief to address a coordinated Flowgate. If the Monitoring RTO does not have sufficient redispatch capability available to address the constraint, it will price the Flowgate in accordance with the rules specified in its tariffs. If the Non-Monitoring RTO cannot provide sufficient redispatch relief to achieve the shadow price of the Monitoring RTO, then the Non-Monitoring RTO will deactivate any constraint relaxation logic that it employs and use a price up to and including the Monitoring RTO's shadow price to address the Flowgate constraint in its dispatch. The proposed change more clearly explains the process that is currently being followed by both RTOs.

*5. Proposed Revisions to Address Stuck PARs*

The RTOs propose to revise Section 10.1.10 of the JOA to address the circumstance where a PAR becomes "stuck" due to a physical or SCADA failure and is not capable of achieving its normal operating range, but is not bypassed entirely. In this circumstance, the rules the RTOs

propose will, practically speaking, suspend NY-NJ PAR Settlements for the stuck PAR when its reduced capability prevents one of the RTOs from providing relief it would be able to provide if the PAR was fully functional, and the limitation would cause that RTO to owe a payment to the other RTO.

## **C. Proposed Improvements to Other Sections of the JOA**

### *1. Definitions*

The RTOs propose to revise several definitions and to add new defined terms in Section 35.2.1. These changes all relate to the introduction of the Other Coordinated Flowgate and the proposed changes to the M2M coordination rules described above. The RTOs renamed “M2M Flowgate” to “M2M Redispatch Flowgate;” and added as a defined term “NY-NJ PAR Coordinated Flowgate.” The proposed revised definitions were developed to distinguish the addition of the new form of redispatch coordination for Other Coordinated Flowgates from redispatch coordination on M2M Redispatch Flowgates. A corresponding revision is the proposal to change the defined term “M2M Event” to “Coordination Event.”

The defined term “Flowgate” is revised to state that the term means all 3 flowgate types in the revised JOA: “M2M Redispatch Flowgate,” “Other Coordinated Flowgate,” and “NY-NJ PAR Coordinated Flowgate.” As a result, the RTOs changed the definition of “Monitoring RTO” to delete the reference to “M2M” so it means “the Party that has operational control over a Flowgate.” All references to M2M Flowgate in other definitions and throughout the body of the JOA have been revised to align with these new defined terms.

Finally, the RTOs add a new definition “Qualified Resource” as follows:

**“Qualified Resource”** shall mean a generator that can be effectively committed, decommitted and/or redispatched to relieve a M2M Redispatch Flowgate or Other Coordinated Flowgate. Generators that cannot or do not follow commitment or dispatch instructions, including but not limited to generators with no difference between their

historically offered minimum and maximum operating limits and generators with intermittent fuel sources, are not considered Qualified Resources.

As discussed above, this new definition is needed because under the qualification study criteria the proposed JOA revisions limit M2M Redispatch Flowgate eligibility to redispatch coordination only if a Qualified Resource has significant impact on the Flowgate.

2. *Sharing of Confidential Transmission System Information with Transmission Owners*

The RTOs propose to add new language to JOA Section 35.7.2, confidentiality provisions, to clarify that the EMS models and the data used for EMS models exchanged between the RTOs pursuant to JOA Section 35.7.1 may be released by the receiving parties (*i.e.* PJM and NYISO) to their respective transmission owners for operational and reliability compliance purposes provided the transmission owners are required to maintain the EMS models and data as confidential consistent with or superior to the terms and conditions of the JOA.

This clarifying change is proposed because the confidentiality and protection provisions of the JOA prohibit any party to the JOA to share “confidential” data exchanged by the parties without prior permission, except in limited and enumerated circumstances; however, the “Protection” Provision in the JOA, Section 35.8.2, states that PJM and NYISO agree not to disclose Confidential Information without the prior written permission of the Party supplying Confidential Information “[e]xcept as set forth herein” – meaning that the Protection section contemplates exceptions to the prior written permission requirement. That section immediately precedes Section 35.8.3, which states that the Party receiving the Confidential Information shall treat it in the same confidential manner as its governing documents require it to treat the Confidential Information of its own members and Market Participants. The RTOs routinely share EMS modeling data with their respective transmission owners for the reliability compliance reasons set forth below. Thus, the

RTOs now make clear that the exchange of the EMS models and data with their respective transmission owners for operating reliability purposes fall into those “enumerated circumstances.”

While the EMS models and data is considered “confidential information” under the JOA, several exceptions set forth in the JOA allow disclosure of that data to the RTOs’ transmission owners without prior permission because the exchange of the EMS data furthers operating reliability, is permissible under FERC’s Standards of Conduct, and is permitted to be disclosed under PJM and the NYISO’s respective governing agreements. For example, JOA Section 35.5.8 (“Adoption of Standards”) states:

The Parties hereby agree to adopt, enforce and comply with all applicable requirements and standards that will safeguard the reliability of the interconnected Transmission Systems. Such reliability requirements and Reliability Standards shall be: ... 35.5.8.4 Consistent with the Parties’ respective obligations to applicable Standards Authorities including, without limitation, any relevant requirements or guidelines from each of NERC, or its Regional Councils or any other Standards Authority or regional transmission group to which either of the Parties is required to adhere.

NERC, IRO-014-3 R1 requires PJM and the NYISO, as the Reliability Coordinators, to have and implement Operating Procedures, Operating Processes, or Operating Plans for activities that require notification or coordination of actions that may impact adjacent Reliability Coordination areas, to support interconnection reliability. NERC standard IRO-014-3 R1.4 requires the RTOs to exchange information including planned and unplanned outage information to support the RTOs’ Operational Planning Analyses (“OPAs”) and Real-time Assessments (“RTAs”). For the RTOs to conduct OPAs and RTAs, they need to have an accurate model. This in turn requires the RTOs to share the EMS models obtained under the JOA with their respective transmission owners because the RTOs rely on their transmission owners as a backup to perform RTAs when RTA capability is unavailable.

3. *Description of the M2M Coordination Processes in the Body of the JOA*

The RTOs propose to revise the overview of the M2M Coordination Processes that is set forth in Section 35.12.1 of the body of the JOA. The proposed wording changes better align the overview with the M2M coordination processes, as revised by the changes proposed in this filing, and adds the new type of Other Coordinated Flowgate subject redispatch coordination described above.

**III. EFFECTIVE DATE**

The RTOs request an effective date of September 16, 2019 for all of the proposed JOA revisions except the proposed revisions to Section 6 of Schedule D to the JOA, for which the RTOs request a flexible effective date. The RTOs propose to make all of the JOA revisions that are necessary to implement a long-term solution to the concerns described in the Waiver Request effective prior to the expiration of the limited waiver granted by the Commission in the Waiver Order.

The changes proposed to Section 6 of Schedule D to the JOA implement a streamlined and improved method of determining and calculating M2M Entitlements. The NYISO requires additional time to develop and test the software necessary for it to implement the proposed M2M Entitlement improvements. The RTOs request a waiver of the Commission's regulations to permit the proposed revisions to Section 6 of Schedule D to the JOA to become effective more than 120 days after the date of this filing,<sup>15</sup> and request a flexible effective date between December 1, 2019 and January 31, 2020 for the proposed revisions to Section 6 of Schedule D to the JOA.

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<sup>15</sup> See 18 C.F.R. § 35.3(a)(1).

The NYISO proposes to submit a compliance filing at least two weeks in advance of an effective date that the RTOs mutually agree to, specifying the date on which the revisions to Section 6 of Schedule D to the JOA that are included in this filing will take effect. Consistent with Commission precedent,<sup>16</sup> the NYISO's submission of a compliance filing will provide adequate notice to the Commission, to PJM, to participants in this Docket, and to the NYISO's Market Participants of the implementation date for the changes to the M2M Entitlement rules. To ensure that all of PJM's stakeholders are aware of the change, PJM hereby commits to promptly serve the PJM Members and all state utility regulatory commissions in the PJM Region by posting the filing electronically. The RTOs will not be able to provide a more precise effective date until the software changes the NYISO requires to implement the proposed M2M Entitlement JOA revisions are ready for deployment and testing is complete.

No Market Participant will be prejudiced by the RTOs' request to permit the proposed revisions to Section 6 of Schedule D to the JOA to become effective more than 120 days after the date of this filing because it is not possible for the NYISO to implement the new rules in 120 days and NYISO will work diligently to implement the new requirements. Furthermore, as explained above, the RTOs will provide at least two weeks prior notice before they implement the proposed M2M Entitlement revisions.

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<sup>16</sup> *New York System Operator, Inc.*, 106 FERC ¶ 61,111 at PP 5, 10 (2004) (“We will allow NYISO to implement parts of the filing prior to September 2004, as such parts become ready for implementation, provided that NYISO adheres to the three steps identified above in Paragraph 5 of this order.”); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2544-000 (Feb. 10, 2011).



#### **IV. STAKEHOLDER REVIEW**

PJM reviewed the revisions proposed in this filing with the Members Committee webinar meeting on April 22, 2019, and the Markets Implementation Committee on April 10, 2019, and May 15, 2019.

The NYISO's stakeholders unanimously approved a motion to recommend the submission of this filing to the Commission at the May 20, 2019 Management Committee meeting. The NYISO first presented and discussed the proposed revisions with its stakeholders at the Market Issues Working Group meetings held on April 10, 2019. The proposed changes were also discussed with the NYISO's Business Issues Committee on May 13, 2019, where they were unanimously approved, with abstentions. The NYISO Board of Directors approved the NYISO's submission of the proposed JOA revisions on June 4, 2019.

#### **V. DOCUMENTS SUBMITTED**

The RTOs enclose with this transmittal letter:

1. A clean version of the RTOs' proposed revisions to their JOA, effective September 16, 2019 (Attachment I);
2. A blacklined version of the RTOs' proposed revisions to their JOA, effective September 16, 2019 (Attachment II);
3. A clean version of the RTOs' proposed revisions to their JOA, with an effective date to be determined (Attachment III);
4. A marked version of the RTOs' proposed revisions to their JOA, effective date to be determined (Attachment IV); and
5. PJM's concurrence letter, concurring with the proposed revisions to the JOA (Attachment V).

## VI. CORRESPONDENCE AND COMMUNICATION

The following individuals are designated for inclusion on the official service list in this proceeding and for receipt of any communication regarding this filing:

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## VII. 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 email an electronic copy of this filing 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

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<sup>17</sup> The RTOs request a limited waiver of Rule 203(b)(3) of the Commission's Rules of Practice and Procedure to permit each RTO to designate two representatives to receive service in this proceeding.

Commission's regulations,<sup>18</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>19</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 following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

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

<sup>19</sup> PJM already maintains, updates and regularly uses e-mail lists for all PJM Members and affected state commissions.

## VIII. Conclusion

The RTOs respectfully request that the Commission accept the attached JOA revisions for filing with effective dates that are consistent with Section III of this filing letter.

Respectfully submitted,

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