

February 13, 2020

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *New York Independent System Operator, Inc.*, Docket No. ER20-\_\_\_\_-000;  
Proposed Tariff Revisions to Update the Name of the Proxy Generator Bus  
that Represents the Ontario Control Area**

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), the New York Independent System Operator, Inc. (“NYISO”) submits proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) to rename the Proxy Generator Bus that represents the Ontario Control Area.<sup>2</sup>

The NYISO Management Committee unanimously approved the proposed revisions, without opposition, on January 22, 2020. The NYISO respectfully requests that the proposed revisions be permitted to become effective on April 14, 2020 (*i.e.*, the day after the end of the statutory 60-day notice period).

## **I. Documents Submitted**

The NYISO respectfully submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the Services Tariff (“Attachment I”); and
2. A blacklined version of the proposed revisions to the Services Tariff (“Attachment II”).

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning specified in the Services Tariff.

## II. Background and Justification

Proxy Generator Buses are electrical locations **outside** the New York Control Area (“NYCA”) selected by the NYISO to represent a typical bus in an adjacent Control Area and at which Locational Based Marginal Prices (“LBMPs”) are calculated.<sup>3</sup> Proxy Generator Buses are used as the point of injection and/or withdrawal for scheduling External Transactions between neighboring Control Areas and the NYCA.<sup>4</sup> Proxy Generator Bus locations are selected to approximate the incremental changes in power flows, transmission congestion, and losses that will occur in response to changes in scheduled net interchange. The locations that the NYISO assigns to Proxy Generator Buses are selected based on the NYISO’s review of actual power flows between the NYCA and the external Control Area under a variety of net interchange schedules.

Selecting appropriate Proxy Generator Bus locations is necessary to calculate prices that are consistent with actual locational power deliveries. Accurately modeling locational power deliveries helps the NYISO achieve its obligation to schedule sufficient Resources to provide for the safe and reliable operation of the NYS Power System.<sup>5</sup> The failure to accurately anticipate locational power deliveries when determining schedules and prices could result in less efficient resource schedules, incomplete cost recovery, and unnecessary uplift allocations to stakeholders. Since locational power deliveries are dependent on the location of external generators and transmission topology that can change over time, the NYISO may revise Proxy Generator Bus locations from time to time based on system conditions or may select more than one location for a neighboring Control Area.<sup>6</sup>

The NYISO’s market software currently uses the Bruce substation in Ontario as the location of the Ontario Proxy Generator Bus, which is used to schedule and price transactions between the NYCA and the Control Area operated by Ontario’s Independent Electric System Operator (“IESO”). The Bruce substation is a discrete electrical location in Ontario that corresponds to a set of physical transmission facilities. The selection of the Bruce substation as

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<sup>3</sup> See Services Tariff Section 2.16 definition of Proxy Generator Bus.

<sup>4</sup> The calculation of LBMPs at external Proxy Generator Buses is comparable to the calculation of LBMPs for internal NYCA pricing nodes.

<sup>5</sup> See Services Tariff Section 4.2.3.

<sup>6</sup> See generally *New York Independent System Operator, Inc.*, Interface Pricing Compliance Filing, Docket No. ER13-780 (January 18, 2013), accepted by the Commission on March 21, 2013, *New York Independent System Operator, Inc.*, 142 FERC ¶ 61,202 (2013). See also Services Tariff Section 2.16 definition of Proxy Generator Bus (“The ISO may establish more than one Proxy Generator Bus at a particular Interface with a neighboring Control Area to enable the NYISO to distinguish the bidding, treatment and pricing of products and services at the Interface.”).

the location of the Proxy Generator Bus is the determining factor for how the market software distributes the expected power flow for scheduled Energy between Ontario and New York.<sup>7</sup>

The NYISO has determined that more accurate market schedules and LBMPs could be developed for interchange transactions between Ontario and New York by moving the Proxy Generator Bus location from the Bruce substation to the Beck substation. The Beck substation is a different location in Ontario that is electrically closer to the NYCA. Analysis of actual delivered Energy from interchange transactions between Ontario and New York indicates that the Beck Proxy Generator Bus location will align the NYISO market model's expected power flows more closely with actual power flows that result from net interchange schedules.

The NYISO intends to change the location of the Proxy Generator Bus for transactions between Ontario and New York in its market models in April 2020. The NYISO described the market model change to its stakeholders at the same time it discussed the proposed tariff revisions so stakeholders are aware of the upcoming Proxy Generator Bus location change. IESO staff is also aware of the modelling change and has not voiced any concerns to the NYISO.

### **III. Description of the Proposed Tariff Revisions**

The NYISO proposes revisions to the Services Tariff to change the name of the Proxy Generator Bus for transactions between Ontario and New York. The proposed name change is intended to avoid confusion such that the Proxy Generator Bus name does not inadvertently link the electrical location of the proxy bus to a physical location that is not representative of the actual Proxy Generator Bus location in the future.

Services Tariff Sections 4.4.4 and 17.1.5 identify the Proxy Generator Bus for IESO as O.H.\_GEN\_BRUCE for determining the external zonal LBMPs. Services Tariff Section 4.4.4 also identifies the Proxy Generator Bus as O.H.\_GEN\_BRUCE to track Imports from Ontario to New York and OH\_LOAD\_BRUCE to track Exports from New York to Ontario.

In Services Tariff Section 4.4.4, the NYISO proposes to replace "O.H.\_GEN\_BRUCE" with "OH\_GEN\_PROXY" and to replace "OH\_LOAD\_BRUCE" with "OH\_LOAD\_PROXY".

In Services Tariff Section 17.1.5, the NYISO proposes to replace "O.H.\_GEN\_BRUCE" with "OH\_GEN\_PROXY".

### **IV. Effective Date**

The NYISO respectfully requests that the proposed tariff revisions be permitted to become effective on April 14, 2020 (*i.e.*, the day following the end of the statutory 60-day notice period).

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<sup>7</sup> See *New York Independent System Operator, Inc.*, Interface Pricing Compliance Filing, Docket No. ER13-780 (January 18, 2013) at 15-20 (description of the NYISO's pricing and scheduling for the Bruce Proxy Generator Bus).

## **V. Stakeholder Process**

The Management Committee unanimously approved the proposed revisions to the Services Tariff on January 22, 2020. The NYISO Board of Directors approved the proposed tariff revisions on February 10, 2020.

## **VI. Communications and Correspondence**

All communications and service in this proceeding should be directed to:

Robert E. Fernandez, Executive Vice President & General Counsel  
Karen Georgenson Gach, Deputy General Counsel  
Raymond Stalter, Director, Regulatory Affairs  
\*James H. Sweeney, Senior Attorney  
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\*Designated to receive service.

## **VII. Service**

The NYISO will send an electronic link to this filing to the official representative of 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, a complete copy of the documents included with this filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com).

## **VIII. Conclusion**

The NYISO respectfully requests that the Commission accept the proposed tariff revisions attached hereto with an effective date of April 14, 2020.

Respectfully submitted,

/s/ James H. Sweeney

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

cc:	Anna Cochrane	Kurt Longo	Larry Parkinson	Gary Will
	James Danly	John C. Miller	Douglas Roe	
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