

August 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., Compliance Filing; Docket
No. ER16-1404-00_**

Dear Ms. Bose:

In accordance with Ordering Paragraph “(C)” and paragraphs 30, 66, and 67 of the Commission’s July 17, 2020 Order (“July 17 Order”),¹ the New York Independent System Operator, Inc. (“NYISO”) respectfully submits this compliance filing. The NYISO’s proposed compliance tariff revision addresses the NYISO’s identification of Incremental Regulatory Retirements pursuant to its application of the Renewable Exemption Limit² formula for “Renewable Exemptions” available under the “buyer-side” capacity market power mitigation measures (the “BSM Rules”) in Attachment H to the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).

Specifically, the NYISO is proposing to delete language included in its April 7, 2020 Compliance Filing which proposed that, in the event of a disagreement between NYISO and the Independent Market Monitoring Unit (“MMU”) regarding whether a Generator Retirement qualified as an Incremental Regulatory Retirement, the NYISO would submit the question to the Commission to resolve. With the deletion of this language it is clear that the NYISO’s determination will control whether a Generator Retirement shall be included as an Incremental Regulatory Retirement. This revision also eliminates the Commission as the prescribed “arbiter” of a disagreement between the NYISO and the MMU in such determinations, absent the filing of a complaint.

¹ *New York Independent System Operator, Inc.*, 170 FERC ¶61,121 (2020).

² Capitalized terms that are not otherwise defined herein shall have the meaning specified in the Services Tariff.

I. COMMUNICATIONS

Communications regarding this proceeding should be sent to:

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***Designated to receive service.**

II. LIST OF DOCUMENTS SUBMITTED

The NYISO submits the following documents with this transmittal letter:

1. A blacklined version of the NYISO Services Tariff compliance revisions proposed in this filing ("Attachment I"); and
2. A clean version of the NYISO Services Tariff compliance revisions proposed in this filing ("Attachment II").

III. DESCRIPTION OF PROPOSED COMPLIANCE TARIFF REVISIONS

Services Tariff Section 23.4.5.13.5.3 addresses the use of Incremental Regulatory Retirements in Renewable Exemption Limit calculations. This compliance filing proposes to delete the following language from that section.

In the event that the ISO view on whether to include a Generator retirement in its calculation of the UCAP MW of Incremental Regulatory Retirements is contrary to the recommendation of the Market Monitoring Unit, the ISO will submit the question to FERC for resolution. The ISO's filing with FERC will describe the ISO's opinion and recommendation and include the Market Monitoring Unit's written opinion and recommendation. The ISO will request FERC to act on this filing within 60 days and will begin the Initial Decision Period of the Class Year Study, Additional SDU Study, or submit the Class Year Study or Additional SDU Study to the Operating Committee for approval, until FERC acts on the ISO's filing. Once FERC acts on the ISO's filing, the ISO will calculate the Renewable

Exemption Limit using the UCAP MW of Incremental Regulatory Retirements consistent with the FERC decision.

This tariff amendment makes it clear that the NYISO is the sole decision-maker with respect to whether a Generator Retirement qualifies as an Incremental Regulatory Retirement. The deletion eliminates any prescribed role for the Commission in the event of a disagreement between the NYISO and the MMU as to whether megawatts should be included as Incremental Regulatory Retirements when calculating the Renewable Exemption Limit. The change does not affect the MMU's ability to consult with the NYISO with regard to what Retirements should be included as Incremental Regulatory Retirements when the NYISO is required to calculate a Renewable Exemption Limit pursuant to the BSM Rules.

The MMU's reporting and posting obligations, which provide for greater transparency to stakeholders with regard to this process of identifying Incremental Regulatory Retirements, will also be maintained. Thus, the MMU's role with respect to identifying Incremental Regulatory Retirements will be consistent with its overall engagement with the NYISO under the BSM Rules. In general these rules require the NYISO to consider MMU input and authorize the MMU to report on any concerns that it may have with the NYISO's determinations and conclusions made in implementing its BSM Rules.

IV. REQUEST FOR COMMISSION ACTION

The NYISO respectfully asks that the Commission issue an order accepting this compliance filing, without imposing conditions or instituting any new proceedings, within sixty calendar days, *i.e.*, by October 12, 2020, to provide certainty and transparency to its stakeholders with regard to the implementation of the Renewable Exemption for Class Year 2019. Consistent with Ordering Paragraph "(B)" in the July 17 Order, the NYISO will fully implement the Renewable Exemption, including the revisions filed herein, for determinations under the BSM Rules that will be made beginning with Class Year 2019³ as well as the Expedited Deliverability Study that started on August 3, 2020.

V. SERVICE

The NYISO will send an electronic link to this filing to the official representative of each party to this proceeding, 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, the complete filing will be posted on the NYISO's website at www.nyiso.com.

³ See also, *New York Independent System Operator, Inc.*, Docket No. ER16-1404-000, 170 FERC ¶ 61,121 (February 20, 2020) at PP 16-17 (making conditionally accepted Renewable Exemption revisions effective for Class Year 2019 and instructing the NYISO to include in this compliance filing "any tariff revisions necessary to make the [Renewable Exemption] effective for the Class Year 2019.")

VI. CONCLUSION

In conclusion, the NYISO respectfully asks that the Commission act within sixty days, *i.e.*, by October 12, 2020, to accept this compliance filing without any conditions and without instituting any further proceedings.

Respectfully Submitted,

/s/ David Allen
David Allen
Senior Attorney
New York Independent System Operator,
Inc.

cc: Jignasa Gadani
Jette Gebhart
Kurt Longo
John C. Miller
David Morenoff
Larry Parkinson
Douglas Roe
Frank Swigonski
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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 13th day of August, 2020.

/s/ Mohsana Akter

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