

December 5, 2011

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

**Re: New York Independent System Operator, Inc., Compliance Filing  
Docket No. ER11-3881-\_\_\_\_\_**

Dear Ms. Bose:

The New York Independent System Operator, Inc. (“NYISO”), submits this compliance filing pursuant to the Commission’s October 20, 2011 *Order Conditionally Accepting Tariff Filing in Part, Denying Tariff Filing in Part, and Requiring Compliance Filing (“October Order”)*.<sup>1</sup> The *October Order* accepted and denied in part the NYISO’s filing proposing to revise its definition of Available Transfer Capability (“ATC”) and update its tariff provisions regarding its compliance with North American Energy Standards Board (“NAESB”) Wholesale Electric Quadrant (“WEQ”) Business Practice standards (“NAESB WEQ standards”).

This compliance filing proposes tariff revisions to the NYISO’s Open Access Transmission Tariff (“OATT”) to revise the definition of ATC as directed by P 17 of the *October Order*. Additionally, as directed by P 20 of the *October Order*, this filing provides a renewed justification of various existing waivers of the NAESB WEQ standards that continue to be warranted notwithstanding the change to the NYISO’s definition of ATC. This filing also identifies those waivers that are no longer necessary in light of that change. The NYISO is proposing to reflect these adjustments in the lists of applicable and inapplicable NAESB WEQ standards set forth in OATT Section 2.17 and in Section 5.1.2.6 of its Market Administration and Control Area Services Tariff (“Services Tariff”).

The NYISO requests an effective date of December 5, 2011 for the compliance modifications to update the definition of ATC and for those related to the NAESB WEQ standards adopted in Order No. 676-E.<sup>2</sup>

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<sup>1</sup>New York Independent System Operator, Inc., 137 FERC ¶ 61,069 (2011) (“*October Order*”).

<sup>2</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, *Final Rule*, 74 Fed. Reg. 63288 (Dec. 3, 2009), FERC Stats. & Regs. ¶ 31,299, 129 FERC ¶ 61,162 (2009).

## **I. LIST OF DOCUMENTS SUBMITTED**

The NYISO respectfully submits the following documents:

1. This filing letter;
2. A blacklined version of the proposed compliance modifications to Sections 1.1 and 2.17 of the OATT (“Attachment I”);
3. A clean version of the proposed compliance modifications to Sections 1.1 and 2.17 of the OATT (“Attachment II”);
4. A blacklined version of the proposed compliance modifications to Section 5.1.2.6 of the Services Tariff (“Attachment III”); and
5. A clean version of the proposed compliance modifications to Section 5.1.2.6 of the Services Tariff (“Attachment IV”).

## **II. BACKGROUND**

On June 24, 2011, as amended on August 17, 2011, the NYISO filed proposed tariff modifications under section 205 of the Federal Power Act to revise the definition of ATC in its OATT (“June Filing”). The NYISO had made that filing in response to the Commission’s September 16, 2010 order (“*September Order*”) that approved an interpretation by NERC of certain reliability standards.<sup>3</sup> The *September Order* indicated the NYISO should make revisions to its tariff to “harmonize” its tariff language and operations.<sup>4</sup>

The June Filing also proposed compliance modifications to update the OATT and Services Tariff to incorporate by reference the Version 002.1 NAESB WEQ standards which had been accepted in Order No. 676-E.<sup>5</sup> In compliance with Order No. 676-E, the NYISO proposed modifications to incorporate by reference the NAESB WEQ standards that it was subject to and to list those NAESB WEQ standards for which it had been granted waivers.<sup>6</sup>

In the *October Order*, the Commission directed that the NYISO modify the proposed definition of ATC by December 5, 2011. Additionally, the *October Order* found that because

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<sup>3</sup> *North American Electric Reliability Corp.*, 132 FERC ¶ 61,239 at P 20 (2010) (“*September Order*”).

<sup>4</sup> *Id.*

<sup>5</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, *Final Rule*, 74 FR 63288 (Dec. 3, 2009), FERC Stats. & Regs. ¶ 31,299, 129 FERC ¶ 61,162 (2009).

<sup>6</sup> *New York Independent System Operator, Inc.*, 133 FERC ¶ 61,246 (2010) (“*2011 Waiver Order*”).

the NYISO is now required to “calculate and post ATC on its external paths . . .”<sup>7</sup> it should reconsider previously granted waivers that were granted, in part, because at the time that waiver was granted, the “NYISO was not required to calculate ATC on any of its facilities. . . .”<sup>8</sup> Thus, the *October Order* did not accept the NYISO’s proposed modifications to the list of applicable and inapplicable NAESB WEQ standards in its tariffs. Instead, the Commission directed the NYISO to include in its compliance filing “the justification for any waivers it believes continue to be appropriate; and to identify any waivers that can no longer be justified and should be revoked . . . .”<sup>9</sup> The Commission also required the NYISO to submit tariff modifications reflecting the results of its re-evaluation, along with the revised ATC definition.

### **III. PROPOSED COMPLIANCE REVISION TO THE DEFINITION OF “ATC”**

The *October Order* rejected the NYISO’s proposed revised definition of ATC and directed a further modification to make it “consistent with the definition used by NERC and . . . also enable NYISO to continue to use its financial model for its internal interfaces.”<sup>10</sup> In accordance with P 17 of the *October Order*, the NYISO revises the definition of Available Transfer Capability, as directed by the Commission, to state that ATC is: “A measure of the Transfer Capability remaining in the physical transmission network for further commercial activity, over and above already committed uses, calculated using the methodology described in Attachment C in the OATT.”

### **IV. PROPOSED COMPLIANCE REVISIONS BASED ON THE NYISO’S RE-EVALUATION OF NAESB WEQ STANDARD WAIVERS**

#### **A. THE NYISO’S COMMISSION-APPROVED TRANSMISSION MODEL CONTINUES TO DIFFER SUBSTANTIALLY FROM THE PRO FORMA OATT TRANSMISSION MODEL THAT MOST NAESB WEQ STANDARDS ARE BASED ON**

In its prior waiver requests the NYISO has explained that its Commission-approved transmission model differs substantially from the model contemplated by the Order No. 890 *pro forma* OATT in many significant respects. The Commission has on multiple occasions recognized these distinctions, granted the NYISO waivers from NAESB WEQ standards that are intended and structured to apply the *pro forma* OATT transmission model,<sup>11</sup> and confirmed that

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<sup>7</sup> *October Order* at P 16.

<sup>8</sup> *Id.* at P 20

<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at P 17.

<sup>11</sup> See *New York Independent System Operator, Inc.*, 133 FERC ¶ 61,246 at P 25 (2010); *New York Independent System Operator, Inc.*, 127 FERC ¶ 61,005 at P 7 (2009); *New York Independent System Operator, Inc.*, 125 FERC ¶ 61,275 at P 15 (2008); *New York Independent System Operator, Inc.*,

the NYISO may continue to use its model.<sup>12</sup> The Commission has also approved numerous waivers of NAESB WEQ standards for other Independent System Operators and Regional Transmission Organizations (“ISOs/RTOs”) that administer markets similar to the NYISO’s and that employ transmission models substantially different from those contemplated by the *pro forma* OATT.<sup>13</sup>

As stated in the NYISO’s prior waiver requests, the fundamental difference between the NYISO and the *pro forma* transmission models is that the NYISO’s system does not provide for separate “express” or “explicit” reservations of transmission capacity. Instead, transmission service is scheduled in tandem with the scheduling of energy transactions as part of the NYISO’s centralized, bid-based, economic dispatch algorithms. This is true for both the NYISO’s internal and external interfaces. Thus, for example, the NYISO transmission model does not provide for pre-selection of time periods or contract paths for any form of transmission service. Additionally, the *pro forma* OATT Point-to-Point and Network Integration Transmission Services provisions have been revised substantially to reflect the location based marginal pricing (“LBMP”) context of those offerings. Thus, the NYISO’s tariffs do not include many rules and concepts that the NAESB WEQ standards are designed to implement, including, for example, roll-overs of transmission reservations, resales or reassignments of transmission reservations, redirects, conditional firm service, or conditional curtailment options. Additionally, the Commission has found that many of the OASIS posting regulations are “incompatible with the transmission services” that the NYISO provides pursuant to its tariffs and has granted waivers.<sup>14</sup>

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121 FERC ¶ 61,036 at P 9 (2007); *New York Independent System Operator, Inc.*, 117 FERC ¶ 61,197 at PP 15-17 (2006).

<sup>12</sup> See, e.g., *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 at P 13 (2008) (conditionally approving NYISO’s Order No. 890 compliance filing and acknowledging the substantial differences between the NYISO’s tariffs and the *pro forma* OATT related to the NYISO’s transmission model). The Commission also recognized that many ISOs and RTOs use financial reservation models instead of the *pro forma* OATT transmission model and noted that the Commission did not intend to “upset” those market designs. See *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs., Regulations Preambles ¶ 31,241 at PP 158, 603 (2007) (Order No. 890); *order on reh’g*, Order No. 890-A, FERC Stats. & Regs., Regulations Preambles ¶ 31,261 (2007) (Order No. 890-A); *order on reh’g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh’g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) (“Order No. 890”).

<sup>13</sup> The Commission has granted waivers from many NAESB WEQ standards to both CAISO and ISO-NE because of the differences between their market designs and transmission models and the structures contemplated by the *pro forma* OATT. See, e.g., *ISO New England, Inc.*, 133 FERC ¶ 61,215 (2010) (granting waiver from several inapplicable WEQ-001 and WEQ-008 standards); *California Independent System Operator, Corp.*, 125 FERC ¶ 61,380 at P 7 (2008) (granting the CAISO waivers of WEQ-001, WEQ-002, WEQ-003, WEQ-008 and WEQ-013) (“CAISO NAESB Waiver Order”).

<sup>14</sup> See *New York Independent System Operator, Inc.*, 133 FERC ¶ 61,208 (2010) (“December 2010 OASIS Waiver Order”). The NYISO has also been granted waivers from 18 C.F.R. §: 37.2(b); 37.6(a)(1) (to the extent it requires NYISO to post information relating to transmission services as contemplated in the *pro forma* OATT), 37.1(a)(4), 37.1(a)(5) (to the extent it requires posting of

The Commission has found that the NYISO's services are consistent with or superior to the *pro forma* OATT requirements<sup>15</sup> and has authorized the NYISO to provide them in lieu of the *pro forma* OATT's model.<sup>16</sup> The fact that the Commission has held that the NYISO must calculate "ATC" for its external interfaces does not change the fact that the NYISO continues to use a Commission-approved economic transmission model for providing transmission service for both internal and external transactions. Consequently, because the NYISO continues to use its alternative transmission model the continuation of most of its established waivers from the NAESB WEQ standards is warranted. Requiring the NYISO to comply with NAESB WEQ standards based on the *pro forma* OATT transmission model would impose requirements that are not necessary to arrange for transmission service in the NYISO's markets, and would impose a needless financial burden on the NYISO's customers while providing them with no benefits.

## **B. REJUSTIFICATION OF WAIVER FROM INAPPLICABLE NAESB WEQ STANDARDS**

In December 2010, the Commission granted the NYISO's request for waiver of the following version 002.1 NAESB WEQ standards adopted in 676-E, principally because of the NYISO's use of a market system and transmission model that differs from that contemplated under Order No. 890.<sup>17</sup>

- WEQ-001, Version 002.1, Standards 001-2 through 001-012, *et seq.*, 001-13.1.3(b), 001-13.1.3(c), 001-14, *et seq.*, through 001-22, *et seq.*, and Appendices 001-A, 001-B, and 001-D;

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information related to historical transmission service requests); 37.6(b)(2)(iii); 37.6(c)(1), 37.6(c)(2) (to the extent it requires posting information related to transmission services as contemplated in the *pro forma* OATT), 37.6(c)(3)-(5); 37.6(d)(1)-(5); 37.6(e)(1)-(3); 37.6(f); 37.6(g)(1)-(4); 37.6(i)(1)-(4); 37.6(j)(1)-(2); and 38.2(1)-(3), (11). *See New York Independent System Operator, Inc.*, 130 FERC ¶ 61,104 (2010) ("*February 2010 OASIS Waiver Order*"); *New York Independent System Operator, Inc.*, 94 FERC ¶ 61,215 (2001) ("*2001 OASIS Waiver Order*"); *Central Hudson Gas & Electric Corp.*, 88 FERC ¶ 61,253 (1999) ("*1999 OASIS Waiver Order*"). The Commission has also largely granted a request for waivers of certain ancillary OASIS regulations, including waivers of specific sections of the Standards and Communications Protocols Documents and the Uniform Business Practices Standards. *See* 2001 OASIS Waiver Order at 61,794. Most recently, the Commission granted the NYISO's request for waivers from 18 C.F.R. § 37.6(b)(1), 37.6(b)(2)(i-iii) and 37.6(b)(3)(i-iii), with respect to its internal Interfaces which the Commission has found are not ATC Paths. *See New York Independent System Operator, Inc.*, 133 FERC ¶ 61,208 (2010).

<sup>15</sup> *See, e.g., New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 at P 13 (2008) (finding "that NYISO's proposed deviations from the *pro forma* OATT... [are] consistent with or superior to the *pro forma* OATT..."), *New York Independent System Operator, Inc.*, 125 FERC ¶ 61, 274 at P 13 (2008) (same).

<sup>16</sup> *See supra* n. 12.

<sup>17</sup> 2011 Waiver Order at P 25.

- WEQ-002, Version 002.1;
- WEQ-003, Version 002.1;
- WEQ-004, Version 002.1, Standards 004-3, 004-3.1, 004-8.2, 004-11.1(a), 004-18, *et seq.*, and Appendices 004-A, and 004-C, to the extent they govern express transmission reservations; and
- WEQ-013, Version 002.1.

In compliance with the *October Order*, the NYISO has re-evaluated all of these waivers and determined that most of them continue to be warranted, because as explained above, the NYISO has concluded that they are not applicable to its transmission model and market system. Although the NYISO calculates and posts ATC for certain external transactions, those transactions are scheduled and settled utilizing the NYISO's Commission-approved transmission model. Thus, as explained in Section IV.C below, waiver of the following NAESB WEQ standards continues to be justified:

- WEQ-001, Version 002.1, Standards 001-2 through 001-012, *et seq.*, 001-13.1.3(b), 001-13.1.3(c), 001-14.2, *et seq.*, 001-15.2.1, *et seq.*, 001-17.5 through 001-22, *et seq.*, and Appendices 001-A, 001-B, and 001-D;
- WEQ-002, Version 002.1;
- WEQ-003, Version 002.1;
- WEQ-004, Version 002.1, Standards 004-3, 004-3.1, 004-8.2, 004-11.1(a), 004-18, *et seq.*, and Appendices 004-A, and 004-C, to the extent they govern express transmission reservations; and
- WEQ-013, Version 002.1.

The NYISO's re-evaluation has determined that waiver is no longer necessary for the following NAESB WEQ Standards, as further explained in Section IV.D below.

- WEQ-001, Version 002.1, Standards 001-14.1, *et seq.*, 001-15.1, *et seq.*, 001-16.1, 001-17.1 through 001-17.4, *et seq.*

In compliance with P 20 of the *October Order*, the NYISO is submitting modified versions of OATT Section 2.17 and Services Tariff Section 5.1.2.6, which are consistent with its re-justified waiver of inapplicable NAESB WEQ standards.

## C. EVALUATION OF INDIVIDUAL NAESB WEQ STANDARDS

### 1. WEQ-001

The NYISO currently has waiver of many WEQ-001 standards that impose obligations to perform certain actions relevant only to the *pro forma* OATT model. The NYISO is currently exempt from the obligations to: (1) allow entities to register on the OASIS site; (2) have processes regarding interactions for negotiating transmission service; (3) have OASIS Data Templates that allow the coupling of ancillary service arrangements with the purchase of transmission service; (4) have certain path naming conventions defined in the Standards and Communications Protocol Data Dictionary; (5) have requirements for dealing with multiple identical transmission service requests, redirects, resales, and transfers. Continued waiver is justified because these standards were designed for and are applicable to the *pro forma* OATT transmission model, but are not relevant to the NYISO's model. Additionally, the vast majority of these standards do not impose obligations related to the posting of ATC, and thus the rationale for the NYISO's waivers from them are not impacted by the Commission's determination that the NYISO must calculate ATC for its external interfaces. As further explained below, most of the NAESB WEQ-001 standards do not relate to ATC postings. Only WEQ-001-13 through WEQ-001-19 have any connection to ATC, and for a number of those standards there continues to be ample justification for continuing the NYISO's existing waivers.

- **WEQ-001-2, *et seq.* (Attribute Values Defining the Period of Service)** - The NYISO does not accept express transmission reservations as contemplated in the *pro forma* OATT, so this standard requiring the use of terminology relevant only to express transmission reservation service should not apply to it.
- **WEQ-001-3, *et seq.* (OASIS Registration Procedures)** - The NYISO does not accept express transmission reservations as contemplated in the *pro forma* OATT or schedule transactions along contract paths. Because this standard imposes requirements relevant only to the posting of contract path data associated with express transmission reservations, a waiver continues to be appropriate.
- **WEQ-001-4, *et seq.* (On-Line Negotiation and Confirmation Process)** - The NYISO does not utilize the kinds of negotiation or confirmation procedures used in the *pro forma* OATT model, so this standard concerning the negotiation process for express transmission reservations is inapplicable.
- **WEQ-001-5, *et seq.* (Procurement of Ancillary Services)** - This standard is inapplicable because it governs the posting of ancillary services information as relevant to express transmission reservations. The NYISO procures ancillary services through its centralized, co-optimized, bid-based economic dispatch and does not utilize express transmission reservations. Thus, this standard continues to be inapplicable.

- **WEQ-001-6, et seq. (Pathnaming Standards)** - This standard governs path-naming standards and is inapplicable to the NYISO because it does not accept express transmission reservation requests, or grant transmission service, tied to particular paths.
- **WEQ-001-7, et seq. (Next Hour Market Service)** - This standard is inapplicable because it concerns “Next Hour Market Service” a service that transmission providers are not required to offer under the *pro forma* OATT and that is not provided for in the NYISO OATT or offered under the NYISO’s transmission model.
- **WEQ-001-8, et seq. (Requirements for Dealing with Multiple, Identical Transmission Service Requests) and WEQ-001-A (Appendix A - Standard Examples)** - These standards govern the treatment of multiple identical transmission service requests. They are inapplicable to the NYISO’s system because it does not require customers to submit express requests for transmission service and thus does not require procedures for handling multiple identical requests.
- **WEQ-001-9, et seq. (Requirements for Dealing with Redirects on a Firm Basis), WEQ-001-10, et seq. (Requirements for Dealing with Redirects on a Non-Firm Basis) and WEQ-001-B (Appendix B - Redirect Standards Examples)** - These standards relate to “redirects” on a Firm and Non-Firm basis. The NYISO’s transmission model does not provide for “redirects” because they have to do with modifications to express transmission reservations.<sup>18</sup> Indeed, the NYISO OATT does not include the tariff provisions that these standards are intended to implement.<sup>19</sup> Therefore, these NAESB WEQ standards should not apply to the NYISO.
- **WEQ-001-011, et seq. (Resales) and WEQ-001-012 et seq., (Transfers)** - These standards govern resales and transfers of point-to-point transmission reservations. The NYISO’s system does not support such requests and thus does not support resales or transfers of them. Indeed, the NYISO OATT does not include the tariff provisions that these standards are intended to implement.<sup>20</sup>
- **WEQ-001-13.1.2 (Standards of Conduct Link)** - This standard mandates the posting of information required to be provided pursuant to the Standards of Conduct for Transmission

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<sup>18</sup> See Available Transfer Capability Implementation Document at 4, *available at* <[http://www.nyiso.com/public/webdocs/market\\_data/power\\_grid\\_info/CurrentAvailableTransferCapabilityImplementationDocumentATCID.pdf](http://www.nyiso.com/public/webdocs/market_data/power_grid_info/CurrentAvailableTransferCapabilityImplementationDocumentATCID.pdf)> (“ATCID”).

<sup>19</sup> See *New York Independent System Operator, Inc.*, Docket No. ER11-2459-000, Letter Order (issued February 2, 2011) (accepting the NYISO’s proposal to eliminate the *pro forma* redirect provisions from its OATT).

<sup>20</sup> See *New York Independent System Operator, Inc.*, Docket No. ER09-984-000, Letter Order (issued June 5, 2009) (accepting the NYISO’s proposal to eliminate vestigial *pro forma* re-assignment provisions from its OATT).



Providers. The NYISO, as an ISO, is exempt from 18 C.F.R. Part 358 and there is thus no reason for it to post Standards of Conduct related information.

- **WEQ-001-13.1.3(b) and (c) (Performance Metrics Link)** - These standards require the NYISO to provide links to transmission service request metrics information as required by the OASIS regulations.<sup>21</sup> The NYISO has waivers of the underlying OASIS regulations and that these standards relate to because: (1) it does not have an express transmission service request process and therefore does not have any grants or denials of service to report; and (2) it continuously redispatches the transmission system to meet load and support requests for firm transmission service using its bid-based, security-constrained economic dispatch/redispatch process and does not offer the more limited redispatch services found in the *pro forma* OATT.
- **WEQ-001-14.2.1 through 14.2.3.2, WEQ-001-15.2.1 through 15.2.3.5, and WEQ-001-17.5.1 through 17.6.6** - These ATC related standards require the NYISO to post, using the OASIS Data templates defined in WEQ-002: (1) “zero ATC narratives”; (2) “ATC change narratives”; and (3) actual daily peak load and final forecasted system-wide load. While the NYISO is not requesting continued waiver of the obligations to post this information, as explained in Section IV.D below, it is requesting continuation of the waiver of the requirement that such information be posted using the OASIS Data Templates. As explained in Section IV.C.2 below, those templates were designed for express transmission reservation systems and include features, and impose requirements that are mostly irrelevant to the NYISO’s model. The Commission recognized that the differences in the NYISO’s model justified excusing it from using the OASIS Data Templates designed for the *pro forma* OATT system. Requiring the NYISO to adopt the standard OASIS Data Templates solely for the limited purposes of these NAESB WEQ standards would serve no purpose, and therefore would impose needless efforts and costs.
- **WEQ-001-18 (Postback Requirements) and WEQ-001-D (Postback Conditions for Use in Calculation of ATC or AFC, as Appropriate)** - These standards continue to be inapplicable to the NYISO because it requires the incorporation of “Postbacks” of redirected services in its ATC postings. Because the NYISO does not use express transmission reservations, it does not release unscheduled service, provide for annual transmission reservations, or redirect transmission service. Accordingly, the NYISO does not have Postbacks to incorporate in its ATC postings, as further explained in the NYISO’s Available Transfer Capability Implementation Document (“ATCID”).<sup>22</sup> Therefore, the fact that the NYISO calculates and posts ATC for external interfaces does not affect the justification for waiver from this standard.

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<sup>21</sup> See *February 2010 OASIS Waiver Order* at P 18.

<sup>22</sup> See ATCID at 4 (stating that “the ISO’s financial reservation based transmission system does not provide for ‘redirects’ ... therefore [it] does not support ‘postbacks’ of such ‘redirects’”).

- **WEQ-001-19 (Grandfathered Agreements)** - This standard addresses the treatment of grandfathered agreements that are included in the Existing Transmission Commitments (“ETC”) component of ATC calculations. The NYISO does not make express transmission reservations in connection with grandfathered transmission arrangements. As indicated in the NYISO’s ATCID, the NYISO assigns zero values for the variables associated with grandfathered agreements in its ETC.<sup>23</sup> Therefore, the fact that the NYISO calculates and posts ATC for its external interfaces does not affect the justification for waiver from this standard.
- **WEQ-001-20 (Rollover Rights)** - This standard requires the posting of information relevant to rollover rights upon approving a Long-Term Firm Point-to-Point request with rollover rights. The NYISO OATT has never included provisions supporting such roll-overs because it does not provide express transmission reservations. Accordingly, the NYISO does not have information to post pursuant to this standard and its existing waiver should be continued.<sup>24</sup>
- **WEQ-001-21 (Granting and Managing a CCO Reservation)** - This standard requires the posting of information regarding granting and managing “Conditional Curtailment Options.” The NYISO OATT does not include conditional firm service provisions. Accordingly, Conditional Curtailment Options are not relevant under the NYISO OATT and waiver continues to be justified.<sup>25</sup> Additionally, waiver is supported by the language of Appendix 001-C to WEQ-001, which provides that Conditional Firm Service-related requirements do not apply to ISOs/RTOs that administer real-time energy markets.
- **WEQ-001-22 (Information to Audit Usage of CBM)** - This standard requires the posting of all scheduled uses of Capacity Benefit Margin (“CBM”) and curtailments of these schedules. As recognized in Attachment C of the NYISO OATT, the NYISO does not set-aside transmission capacity as CBM, so CBM is not relevant within the NYISO’s market design.<sup>26</sup>

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<sup>23</sup> See *id.* at 5 (explaining that “the ISO assigns zero values to the  $GF_f$  or  $GF_{nf}$  terms in the firm and non-firm ATC calculations”).

<sup>24</sup> See *id.* at 5 (noting that “the ISO’s Commission-approved ...[OATT] does not include a rollover rights provisions. Accordingly the ISO does not track  $ROR_f$ ”). See also *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 at PP 12-13 (2008) (Accepting the NYISO’s Order No. 890 compliance filing which explained that the *pro forma* OATT roll-over provision was never included in the NYISO OATT).

<sup>25</sup> The Commission found that it was unnecessary for ISOs/RTOs administrating real-time energy markets to adopt these provisions. See Order No. 890 at P 158; see also *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 at P 13 (2008) (same); *New York Independent System Operator, Inc.*, 125 FERC ¶ 61,274 at P 11 (2008) (same).

<sup>26</sup> Section 9.7 of Attachment C to the NYISO’s OATT provides that the NYISO “shall not set aside transmission capacity as CBM”; see also Capacity Benefit Margin Implementation Document at 1, available at <  
[http://www.nyiso.com/public/webdocs/market\\_data/power\\_grid\\_info/CurrentCBMImplementationDocu](http://www.nyiso.com/public/webdocs/market_data/power_grid_info/CurrentCBMImplementationDocu)

Therefore, the fact that the NYISO calculates and posts ATC for its external interfaces does not affect the justification for waiver from this standard.

## 2. WEQ-002

The Commission should continue the NYISO's waiver of WEQ-002 (OASIS Standards and Communication Protocols (S&CP)) for the same reasons it has granted waiver in the past. The NYISO's OASIS, known as the Market Information System, provides its customers with market, transmission, and operational information through automated processes which post the data in CSV, HTML and PDF formats. The data is updated automatically and made available to all customers at the same time. The NYISO's OASIS provides customers all information necessary to participate in the NYISO's markets. The NYISO's OASIS does not use the OASIS Data Templates and the NYISO has received waiver of the requirements to utilize such templates, because they are designed for the *pro forma* OATT transmission model. As the Commission has found:

[t]he NY ISO OASIS differs extensively from the standard OASIS design. First, the New York model does not require transmission service reservations. Instead of using OASIS ... templates for making transmission reservations, the NY ISO has adopted a series of templates that support: Energy Supplier Bidding; Load Serving Entity load forecast and load bid functions; and Transmission Service request for bilateral transaction scheduling. Second, the NY ISO OASIS contains functions to enable transmission customers to submit schedules to the NY ISO identifying transactions and purchases of energy and ancillary services in the LBMP markets, and state whether they agree to pay congestion rents to acquire firm service.<sup>27</sup>

WEQ-002 provides the processes, including templates, through which entities comply with the obligations for providing and obtaining express transmission reservations, as set forth in WEQ-001. Specifically, this standard establishes requirements on network architecture, information access, interface, and performance requirements that were designed for express transmission reservation systems and are thus inapplicable to the NYISO. As explained in prior waiver requests, the content in the NYISO site differs from the Commission's templates in that it is designed to support the NYISO's market design and transmission model.<sup>28</sup> Further, the NYISO has received waivers of the relevant OASIS regulations dealing with the reservation process. Therefore the NYISO submits that continued waiver of this requirement is justified. Specifically, the NYISO seeks continued waiver of the WEQ-002 standards as follows:

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mentCBMID.pdf> (stating that "the ISO shall not set aside transmission capacity as CBM when calculating ATC or otherwise in developing SCUC and RTS market schedules").

<sup>27</sup> 1999 OASIS Waiver Order at 5-6, *see also* 2001 OASIS Waiver Order at 3-5 (accepting a renewed request for waiver).

<sup>28</sup> 1999 OASIS Waiver Request at 4-10, and Affidavit of Dean J. Chapman P.E. at 9-11.

- **WEQ-002-2, et seq. (Network Architecture Requirements)** - This standard requires compliance with certain Internet connectivity requirements and support for specific Internet tools, both for use over the Internet and private connections between users and OASIS Nodes. Waiver of this requirement is justified because, as the Commission has recognized, the NYISO does not use the OASIS Data Templates due to the differences between the *pro forma* OATT model and the NYISO's model.
- **WEQ-002-3, et seq. (Information Access Requirements)** - This standard concerns the procedures for providing access to information through the use of the OASIS Node. The standard contains provisions on how users may access information on OASIS, registration and login requirements, and user interaction procedures. For example, WEQ-002-3.4(i) requires all posting and updating of transmission service information, as well as all user logins, disconnects, download requests, service requests and all other transactions to be time stamped and stored in an OASIS audit log. WEQ-002-3.6(b) and (c) require customers to submit a request to purchase or resell service through the OASIS Node. Waiver of these requirements is justified because, as the Commission has recognized, the NYISO does not use the OASIS Data Templates due to the differences between the *pro forma* OATT model and the NYISO's model.
- **WEQ-002-4, et seq. (Interface Requirements)** - This standard: (1) establishes procedures for providing information to users through the OASIS Data Templates, as described in the WEQ-002-4.3, *et seq.*, and the Data Element Dictionary in WEQ-003; (2) includes requirements on the use of certain OASIS Node naming conventions, certain script names in the OASIS Data Templates, the Data Element Dictionary and processes for the construction of OASIS Data Templates; and (3) concerns the procedures for general postings on OASIS for information that does not require the use of a standard template. Waiver of these requirements is justified because, as the Commission has recognized, the NYISO does not use the OASIS Data Templates due to the differences between the *pro forma* OATT model and the NYISO's model. Waiver of these standards is also appropriate because the NYISO is exempt from 18 C.F.R. Part 358, Standards of Conduct for Transmission Providers.
- **WEQ-002-5, et seq. (Performance Requirements)** - This standard establishes performance requirements for the OASIS Nodes. The standards set forth certain specifications to be met for security, sizing, response to user queries, availability, backup and other performance requirement parameters for the OASIS Nodes. Because these parameters are applicable to the OASIS Node and OASIS Data Templates, waivers of these requirements are justified because, as the Commission has recognized, the NYISO does not use the OASIS Data Templates due to the differences between the *pro forma* OATT model and the NYISO's model.

### 3. WEQ-003

The Commission should continue the NYISO's waiver of WEQ-003 (OASIS S&CP Data Dictionary) for the same reasons it has granted waiver in the past. WEQ-003 includes a list of

technical data element definitions, “element names,” and file formats to be used in relation to the OASIS Data Templates. These were designed with the *pro forma* OATT system in mind that, as explained above, is not relevant under the NYISO’s model. The 2008, 2009 and 2010 Waiver Orders granted the NYISO’s request for a waiver of WEQ-003 to the extent that it applied to express transmission reservations. The NYISO submits that continued waiver is justified on the same grounds, and to the same extent, as past waivers.

#### **4. WEQ-004**

The NYISO has previously been granted, and seeks continued waiver, of several WEQ-004 standards that are inapplicable to its market design and transmission model. Specifically, waiver of WEQ-004-3, *et seq.*, WEQ-004-8.2, WEQ-004-11.1(a), WEQ-004-18 and WEQ-004 Appendix A and Appendix C continues to be justified. These WEQ-004 standards are unaffected by the revised definition of ATC as they establish requirements related to the use of express transmission reservations in the interchange process that are not relevant to the NYISO, because it does not receive or support such reservation requests. Further WEQ-004-018, requires the setting aside of capacity for CBM to support energy imports but the NYISO does not set-aside transmission capacity as CBM. Consequently, waiver of these requirements continues to be appropriate.

#### **5. WEQ-013**

Continued waiver of WEQ-013 (Business Practices for OASIS Implementation Guide) is justified on the same basis and for the same reasons waiver has been granted in the past. The *October Order*’s modifications to the definition of ATC in the NYISO OATT does not affect the NYISO’s waiver of this standard which establishes an OASIS Implementation Guide. The OASIS Implementation Guide outlines the basic OASIS transaction processes and provides additional requirements and guidance for processing specific types of business transactions in the implementation of OASIS, pursuant to WEQ-001, WEQ-002 and WEQ-003. This standard is inapplicable to the NYISO because it provides the processes for transmission service requests, secondary market requests, renewals of expiring transmission contracts, redirects, and resales, which are all processes that do not exist under the NYISO’s system.

### **D. NAESB WEQ STANDARDS FOR WHICH WAIVERS ARE NO LONGER NECESSARY**

The NYISO’s re-evaluation of its existing waivers of NAESB WEQ standards identified some standards for which waiver is no longer necessary. Specifically, the NYISO has identified the following as standards for which waiver is no longer appropriate:

- **WEQ-001-14.1 through WEQ-001-14.2 (Zero ATC Narrative)** - This standard requires the posting of narratives associated with yearly or monthly ATC values when such posted firm or non-firm ATC remains unchanged at a value of zero for six months or longer;

- **WEQ-001-15.1 through 001-15.2 (ATC Change Narrative)** - This standard requires the posting of a narrative explanation of a change in monthly or yearly ATC values on constrained Post Paths where such change is the result of a 10 percent or greater change in the related posted Total Transfer Capability;
- **WEQ-001-16, et seq. (ATC or AFC Methodology Questions)** - This standard requires the posting of responses to questions regarding ATC, including estimates of response time;
- **WEQ-001-17.1 through WEQ-001-17.4.3 (Actual and Forecasted Load)** - This standard requires the posting of actual daily peak load and final forecasted system-wide load.

As the *October Order* found, for transactions on the NYISO's external interfaces, the NYISO is required to calculate and post ATC. Therefore, the NYISO does not seek continued waiver of these standards. However, the NYISO does seek to continue its waiver of the requirements in these standards that obligate the posting of such information using OASIS Data Templates, as further explained in Section IV.C.1 above.<sup>29</sup> The NYISO has already been, posting the information required by WEQ-001-14, WEQ-001-15, WEQ-001-16 and WEQ-001-17 and will continue to do in the future.

## **V. EFFECTIVE DATES AND REQUEST FOR WAIVER**

The NYISO requests that the proposed compliance modifications be made effective as of the date of this compliance filing, *i.e.*, December 5, 2011.

To the extent necessary, the NYISO requests waiver of the Order No. 676-E requirement to make the compliance tariff modifications to comply with the Version 002.1 NAESB WEQ standards for which it no longer requires waiver effective as of April 1, 2011. Even though the NYISO believes it has satisfied the requirements of those standards for past periods, a waiver of the April 1, 2011 date is warranted. Waiver is justified because the NYISO had received waiver from several standards with which the NYISO has determined are no longer necessary. The *October Order* did not indicate that the NYISO would be retroactively subject to any NAESB WEQ standards to the extent that it determined that waivers were no longer necessary. Establishing a prospective effective date for the elimination of previously granted waivers would also avoid unnecessary complexities in the administration of compliance tracking for the period between April 1, 2011 and the date of this filing. Therefore, the NYISO requests an effective date of December 5, 2011 for its proposed compliance tariff revisions.

## **VI. SERVICE**

This filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). In addition, the NYISO will e-mail an electronic link to this filing to the official representative of each party to

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<sup>29</sup> Specifically, the NYISO requires continued waiver of WEQ-001-14.2.1 through 14.2.3.2, WEQ-001-15.2.1 through 15.2.3.5, and WEQ-001-17.5.1 through 17.6.6.

Kimberly D. Bose, Secretary

December 5, 2011

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this proceeding, 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.

## **VII. CONCLUSION**

WHEREFORE, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this compliance filing, accept for filing the proposed compliance tariff amendments and grant its request for continued waivers, effective as of December 5, 2011.

Respectfully submitted,

*Ted J. Murphy*

Counsel for the

New York Independent System Operator, Inc.

cc: Michael A. Bardee  
Gregory Berson  
Connie Caldwell  
Anna Cochrane  
Jignasa Gadani  
Lance Hinrichs  
Jeffrey Honeycutt  
Michael Mc Laughlin  
Kathleen E. Nieman  
Daniel Nowak  
Rachel Spiker

## **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 5<sup>th</sup> day of December, 2011.

/s/ Joy A. Zimmerlin

Joy A. Zimmerlin  
New York Independent System Operator, Inc  
10 Krey Blvd.  
Rensselaer, NY 12114  
(518) 356-6207