

New York Independent System Operator, Inc.) **Docket No. ER11-_____**

² *Id.*

I. COMMUNICATIONS

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II. BACKGROUND

A. THE NYISO'S FINANCIAL RESERVATION BASED TRANSMISSION SYSTEM

In its prior waiver requests the NYISO has explained that its Commission-approved “financial reservation” transmission model differs substantially from the “physical reservation” model contemplated by the Order No. 890 *pro forma* Open Access Transmission Tariff. The NYISO’s financial reservation model for New York Control Area (“NYCA”) transactions uses location based marginal pricing (“LBMP”) to manage congestion and to operate bid-based spot markets. With the exception of Pre-Scheduled Transaction Requests,³ transactions over Scheduled Lines,⁴ and grandfathered transactions, the NYISO’s system does not use express reservations of transmission service. Instead, customers schedule transmission service implicitly when they submit spot market energy schedules or arrange for bilateral transactions. Customers may schedule transactions between any two points so long as doing so is not

³ Pre-Scheduled Transaction Requests can be submitted in the Day-Ahead Market up to 18 months in advance of the Dispatch Day. *See* Services Tariff Section 4.2.1. For the most part the Pre-Scheduled Transaction Request procedure has gone unused since its adoption and the NYISO has made a Section 205 filing proposing modifications to remove these provisions from its tariffs, which is currently pending before the Commission. *See, New York Independent System Operator, Inc.*, Docket No. ER10-2517-000, Proposed Tariff Amendments to Eliminate Tariff Provisions Concerning Pre-Scheduled Transaction Capability (filed September 1, 2010).

⁴ Scheduled Lines allow for Advanced Reservations, but with one exception, other RTOs/ISOs are responsible for Advance Reservation requests over such lines. *See* Services Tariff Attachment N Section 29.2.

inconsistent with a security-constrained economic dispatch. All desired uses of the transmission system are scheduled to the extent that customers are willing to pay congestion charges, which can be hedged using financial rights.

The NYISO continuously redispatches resources connected to the NYCA grid on a security-constrained least-cost basis. Both the Point-to-Point and Network Integration Transmission Service provisions of the *pro forma* OATT have been substantially revised in order to reflect the fact that these services are offered in a LMBP context. The Commission has authorized the NYISO to provide financial transmission rights in lieu of physical transmission service for NYCA transactions in NYISO markets,⁵ finding that the NYISO's services are consistent with or superior to the *pro forma* requirements.⁶

B. THE NYISO'S EXISTING WAIVERS

Order No. 676-E amends the Commission's regulations to incorporate by reference the version 002.1 NAESB WEQ standards at 18 C.F.R. § 38.2. Earlier versions of these standards were previously incorporated by reference under the Order No. 676 series of orders.⁷ The Commission's policy has been to require public utilities to implement the standards, but allow

⁵ 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 use of a financial reservation model). The Commission also recognized that many ISOs and RTOs use the financial reservation models instead of the physical reservation model of the *pro forma* OATT 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").

⁶ 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).

⁷ *Standards for Business Practices and Communications Protocols for Public Utilities*, Order No. 676, 71 FR 26,199 (May 4, 2006), FERC Stats & Regs., Regulations Preambles ¶ 31,216 (Apr. 25, 2006), *reh'g denied*, Order No. 676-A, 116 FERC ¶ 61,255 (2006), Order No. 676-B, 72 FR 21,0295 (Apr. 30, 2007), FERC Stats. & Regs., Regulations Preambles ¶ 31,246 (Apr. 19, 2007), Order no. 676-C, 73 FR 43,848 (July 29, 2008), FERC Stats. & Regs., Regulations Preambles ¶ 31,274 (July 21, 2008), Order no. 676-D, *granting clarification and denying reh'g*, 124 FERC ¶ 61,317 (2008).

them to apply for waivers of inapplicable NAESB WEQ standards.⁸ The NYISO has previously submitted multiple requests for waivers of NAESB WEQ standards, which the Commission granted. Specifically:

- In April 2009, the Commission granted the NYISO's request for waivers of certain OASIS-related NAESB WEQ standards adopted in Order No. 676-C governing resales and transfers of traditional Point-to-Point transmission reservations.⁹
- In December 2008, the Commission granted the NYISO's request for waivers of various WEQ OASIS standards and to the Coordinate Interchange standard ("WEQ-004"), which were modified by Order No. 676-C, and from which the NYISO had previously been granted waiver.¹⁰
- In October 2007, the Commission accepted the NYISO's request for waivers of certain revisions to WEQ-004.¹¹
- In June 2006, the Commission granted the NYISO's request for waivers of certain WEQ OASIS standards and of WEQ-004.¹²

The Commission has repeatedly held that these NAESB WEQ standards are inapplicable to the NYISO because of the differences between its financial reservation model and the physical reservation model contemplated in Order No. 890. The Commission has also approved numerous requests for waivers of NAESB WEQ standards for other ISOs/RTOs with similar financial reservation-based markets.¹³

The Commission has found that many of the OASIS posting regulations are "incompatible with the transmission services provided under the NYISO's current tariff" and

⁸See Order No. 676-E at P 130.

⁹ *New York Independent System Operator, Inc.*, 127 FERC ¶ 61,005 at P 7 (2009) ("2009 Waiver Order").

¹⁰ *New York Independent System Operator, Inc.*, 125 FERC ¶ 61,275 at P 15 (2008) ("2008 Waiver Order").

¹¹ *New York Independent System Operator, Inc.*, 121 FERC ¶ 61,036 at P 9 (2007) ("2007 Waiver Order").

¹² *New York Independent System Operator, Inc.*, 117 FERC ¶ 61,197 at PP 15-17 (2006) ("2006 Waiver Order").

¹³ See, e.g., *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").

has granted waivers from many OASIS regulations.¹⁴ Further, in 2009, the Commission's Division of Audits in the Office of Enforcement conducted an audit of the NYISO's compliance with the OASIS regulations under 18 C.F.R. § 37.6, which confirmed, with minor exceptions that the NYISO has since resolved, the NYISO's compliance with the OASIS regulations from which it did not have waivers at the time of the audit.¹⁵ Additionally, the NYISO has a pending request for waivers of the Commission's OASIS regulations regarding posting of available transfer capability ("ATC") (*i.e.*, 18 C.F.R. §§ 37.6(b)(1), 37.6(b)(2)(i-ii), and 37.6(b)(3)(i-iii)).¹⁶ Most recently the Commission provisionally accepted the NYISO's position that the NYISO's internal transmission interfaces do not constitute "Posted Paths" as defined in the OASIS regulations, but also noted that the NYISO's external transmission interfaces appear to constitute "control area to control area interconnections" and as such seem to be Posted Paths.¹⁷

III. REQUEST FOR WAIVERS

The NYISO is requesting renewed waivers of certain NAESB WEQ standards that were revised, or updated by Order No. 676-E and with respect to which the NYISO has previously been granted waivers. The NYISO is also requesting additional waivers of both newly adopted and existing NAESB WEQ Standards.

¹⁴ Specifically, the NYISO has been granted waivers from the following Part 37 regulations, 18 C.F.R. §: 37.2(b); 37.6(a)(1), (4)-(5); 37.6(b)(2)(iii); 37.6(c)(1)-(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) ("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.

¹⁵ *Audit of Open Access Same-Time Information System Requirements at New York Independent System Operator, Inc.*, Docket No. PA08-14-000 (August 22, 2008).

¹⁶ The Commission deferred action on the request until after it issues an order on the North American Electric Corporation's petition for approval of an interpretation of Reliability Standards MOD-001-1 and MOD-029-1. The Commission issued an order approving that petition on September 16, 2010. *North American Electric Reliability Corp.*, 132 FERC ¶ 61,239 (2010) ("MOD Interpretation Order").

¹⁷ MOD Interpretation Order at P 23.

As with prior Commission orders addressing NAESB standards, Order No. 676-E allows utilities to apply for waivers of any approved standards.¹⁸ The Commission has held that utilities that have received waivers in the past must re-apply for new waivers whenever new standards are added or relevant standards are modified.¹⁹ For its request for waivers of standards for which the NYISO has previously received waivers, in section A below, the Commission should grant the requests under Order No. 676's "simplified procedure"²⁰ because the facts and circumstances that justified the NYISO's prior waivers have not changed.²¹

Where utilities are seeking a waiver from a newly adopted standard or seeking a first time waiver of an existing standard, they are required to explain why the waiver should be granted. For the request for waivers of newly adopted standards or existing standards for which the NYISO seeks broader waivers, the NYISO provides an explanation for why waiver is justified in sections B and C, below.

A. REQUEST FOR RENEWED WAIVERS

The NYISO submits that it should be granted renewed waivers of the version 002.1 standards for which the NYISO received waivers for prior versions. While some of the standards have been modified for version 002.1, none of the modifications alter the fact that the standards were designed for transmission providers that offer physical reservation transmission service and thus are not relevant to the NYISO. If the Commission were to depart from its precedent and require the NYISO to comply with any of these standards, neither the NYISO's

¹⁸ Order No. 676-E at P 130.

¹⁹ See Order No. 676-B at P 22.

²⁰ Order No. 676 at P 79.

²¹ To the extent that the Commission deems necessary, the NYISO reaffirms that the facts and circumstances underlying the following orders have not changed: the September 17, 1999 order in Docket No. EL99-77-000 (*i.e.*, the 1999 OASIS Waiver Order); the February 26, 2001 order in Docket No. EL01-24-000 (*i.e.*, the 2001 OASIS Waiver Order); the February 12, 2010 order in Docket No. ER10-424-000 (*i.e.*, the 2010 OASIS Waiver Order); the November 16, 2006 order in Docket No. ER06-1094-004 (*i.e.*, the 2006 Waiver Order); the October 18, 2007 order in Docket No. ER07-995-000 and -001 (*i.e.*, the 2007 Waiver Order), the December 5, 2008 order in Docket No. ER09-11-000 (*i.e.*, the 2008 Waiver Order); and the April 2, 2009 order in Docket No. ER09-643-000 (*i.e.*, the 2009 Waiver Order).

customers, nor the Commission itself, would receive any useful or relevant information and unnecessary compliance burdens would be placed on the NYISO.

The NYISO respectfully requests waivers of the following WEQ-001, WEQ-002, WEQ-003, and WEQ-013 standards to the same extent that it was granted waivers by the 2008²² and 2009²³ Waiver Orders, as follows:

- **WEQ-001-2, *et seq.* (Attribute Values Defining the Period of Service)** - The NYISO does not accept physical transmission reservations and waiver should be granted because this standard establishes OASIS posting requirements and requires transmission providers to use terminology relevant only to physical transmission reservation service.
- **WEQ-001-3, *et seq.* (OASIS Registration Procedures)** - The NYISO does not accept physical transmission reservations or schedule transactions along contract paths and therefore waiver should be granted of this standard governing the posting of contract path data associated with physical transmission reservation service.
- **WEQ-001-4, *et seq.* (On-Line Negotiation and Confirmation Process)** - This standard deals with the negotiation process for physical reservations. Waiver of this standard should be granted because the NYISO's financial reservation model does not include the kinds of negotiation or confirmation procedures used in physical reservation models. The NYISO also has waivers of the underlying OASIS posting requirements involving physical transmission reservations.
- **WEQ-001-5, *et seq.* (Procurement of Ancillary Services)** - This standard relates to requirements in the Commission's OASIS regulations governing the posting of ancillary services information. Waiver of this standard should be granted because the NYISO procures ancillary services through the market and it has been granted waivers from the underlying OASIS regulations.
- **WEQ-001-6, *et seq.* (Pathnaming Standards)** – The NYISO has been previously granted waiver of this standard that governs pathnaming standards. These standards are inapplicable to the NYISO because it does not accept physical transmission reservation requests, or grant transmission service, tied to particular paths (except for certain external transactions).
- **WEQ-001-7, *et seq.* (Next Hour Market Service)** - This standard governs standards for "Next Hour Market Service," a voluntary service that is not offered under the NYISO's financial reservation system and from which the NYISO has been previously granted waiver.

²² See 2008 Waiver Order at P 15.

²³ See 2009 Waiver Order at P 7.

- **WEQ-001-8, *et seq.* (Requirements for Dealing with Multiple, Identical Transmission Service Requests)** - Under the NYISO's financial reservation system there are no multiple, identical transmission service requests because the NYISO does not receive separate and express requests for transmission service. Therefore, the NYISO should be granted waiver from this standard.
- **WEQ-001-9, *et seq.* (Requirements for Dealing with Redirects on a Firm Basis) and WEQ-001-10, *et seq.* (Requirements for Dealing with Redirects on a Non-Firm Basis)** - The NYISO's system does not use redirect requests, which have to do with modifications to physical transmission reservations and thus waivers should be granted.
- **WEQ-001-011, *et seq.* (Resales) and WEQ-001-012 *et seq.*, (Transfers)** – These standards govern resales and transfer requests. Waivers should be granted as the NYISO's system does not use resales and transfer requests because transmission customers do not expressly reserve point-to-point transmission service and therefore do not have transmission service reservations to reassign.
- **WEQ-001-A (Appendix A - Standard Examples) and WEQ-001-B (Appendix B - Redirect Standards Examples)** - These appendices are relevant to the processing of multiple and identical transmission service requests and redirect requests. The NYISO does not use a physical transmission reservation system to facilitate transmission service requests and thus waivers should be granted.
- **WEQ-002-4.2.10 (Transactions Process), WEQ-002-4.2.11 (Reference Identifiers), and WEQ-002-4.2.12 (Linking of Ancillary Services to Transmission Services)** - These standards establish naming conventions and other procedural requirements related to the processing of physical transmission reservations which are not relevant under the NYISO's financial reservation model. This standard is not applicable to the NYISO's market as the Commission has recognized in its orders granting waivers of these standards and the underlying OASIS regulations.
- **WEQ-002-4.3, *et seq.* (Template Descriptions) and WEQ-002-4.4, *et seq.* (File Request and Download Examples)**²⁴ - These standards establish naming conventions and other procedural requirements related to the processing of physical transmission reservations which are not relevant under the NYISO's financial reservation model. These standards are not applicable to the NYISO's market as the Commission has recognized in its orders granting waivers of these standards and the underlying OASIS regulations.
- **WEQ-003, *et seq.* (OASIS Data Dictionary)** - This standard includes a list of technical data element definitions, "element names," and file formats which were designed with physical reservation systems in mind that are not relevant under the NYISO's financial reservation model. The 2008 Waiver Order granted the NYISO's request for a waiver of WEQ-003 to the extent that it applied to transmission reservations and the NYISO requests that it be granted a new waiver of WEQ-003 on the same grounds, and to the same extent, that it was granted waivers in the past.

²⁴ Note that the text of these standards was moved to WEQ-013-4.1 from which the NYISO has been previously granted waiver and for which it is requesting renewed waiver.

- **WEQ-004-3, *et seq.*, WEQ-004-8.2, WEQ-004-11.1(a), and WEQ-004 Appendix A and Appendix C** - These standards continue to establish requirements related to the use of physical transmission reservations in the interchange process that are not relevant to the NYISO because it does not receive or support physical transmission reservation requests. The NYISO respectfully requests waivers of these standards to the same extent that it was granted waiver in prior waiver orders.
- **WEQ-013-4.1, *et seq.* (Business Practices for OASIS Implementation Guide)** - The NYISO requests a renewed waiver of WEQ-013-4.1, *et seq.*, because its requirements are not relevant to the NYISO's financial reservation model. The NYISO submits that the Commission should renew the waiver because the facts and circumstances that justified the 2008 waiver have not changed.

B. REQUEST FOR WAIVERS OF NEWLY ADOPTED STANDARDS

The NYISO submits that it should be granted waivers of several new standards adopted in Order No. 676-E, because they are applicable only to transmission providers that offer physical reservation transmission service and thus are not relevant to the NYISO. Waivers of these standards is justified because they apply to physical reservation based transmission systems, not to the NYISO's financial reservation based system.

The NYISO, therefore, requests waivers of these new standards, as follows:

- **WEQ-001-2.5.10 (Generator Imbalance Service definition)** - The NYISO's Commission approved OATT does not have the *pro forma* OATT Schedule 9 Generator Imbalance provisions and thus this standard is inapplicable to the NYISO.
- **WEQ-001-4.7.1 through WEQ-001-4.7.3.5, WEQ-001-4.9.1 through WEQ-001-4.9.3, WEQ-001-4.10, *et seq.* and WEQ-001-4.12, *et seq.* (On-Line Negotiation and Confirmation Process - Negotiations Without Competing Bids)** - These standards add further details regarding the Online-Negotiation and Confirmation Process. As noted above, the Commission has granted the NYISO waivers of WEQ-001-4, and the underlying OASIS posting requirements involving physical transmission reservations because the NYISO's financial reservation transmission model does not have negotiations nor confirmations related to physical reservations. These standards only add further instructions regarding the handling of those processes and therefore, the NYISO submits that it should be granted waivers of these new standards for the same reasons it has received waivers of the other WEQ-001-4 standards.
- **WEQ-001-13.1.2 (Standards of Conduct Link)** - This standard mandates the posting information required to be provided pursuant to the Standards of Conduct for Transmission 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)** - The NYISO request waivers of these standards that require it to provide links to Transmission Service Request Metrics information required by 18 C.F.R. § 37.6(i) and Redispatch Costs information required by 18 C.F.R. § 37.6(j)(2). The Commission granted waivers of 18 C.F.R. §§ 37.6(i) and 37.6(j)(2) to the NYISO because: (1) it does not have a formal 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. Therefore, because the NYISO has been granted waivers of the underlying OASIS regulations, waivers of these standards should be granted.
- **WEQ-001-14, *et seq.* (Zero ATC Narrative), WEQ-001-15, *et seq.* (ATC Change Narrative), and WEQ-001-16, *et seq.* (ATC or AFC Methodology Questions)** - These new standards require posting of zero ATC narratives, additional ATC change narratives, and addressing ATC or AFC methodology questions. In the NYISO's system, ATC is used only as an instantaneous indication of the existence of uncongested transmission paths.²⁵ As the Commission observed in its September 16, 2010 order approving a NERC petition for interpretation of MOD-001-1 and MOD-029-1, the NYISO's internal paths are not ATC Paths and "reservations beyond one day in advance are not permitted" in the NYISO's system, "except on external interfaces."²⁶ Additionally, these standards require the posting of this information using the "systemdata" template, which the NYISO does not use. The NYISO has been granted waiver from WEQ-002-4.3, *et. seq.*, which defines the OASIS templates. Therefore, the NYISO submits that it should be granted waivers of these standards.²⁷
- **WEQ-001-17, *et seq.* (Actual and Forecasted Load)** - This standard requires the posting of actual daily peak load and final forecasted system-wide load using the OASIS systemdata templates. While the NYISO does post this information, it does not do so using the "systemdata" template. The NYISO has been granted waiver from WEQ-002-4.3, *et. seq.*, which defines the OASIS templates and therefore, waiver of this standard should be granted.²⁸

²⁵ As FERC has recognized, ATC postings in New York are advisory projections that are, with the exception of certain postings for external interfaces, calculated after the NYISO markets close, and transactions are scheduled, based on calculations performed by the NYISO's day-ahead and real-time market software. *See*, 1999 Waiver Order at 61,803. The NYISO therefore does not calculate ATC for periods further than one day ahead, except to the extent necessary to support Pre-Scheduled Transactions.

²⁶ MOD Interpretation Order at P 23 (2010). As explained in n. 3, the NYISO has made a filing under FPA Section 205 to eliminate its tariff provisions on Pre-Scheduled Transactions in Docket No. ER10-2517-000. If the Commission accepts those modifications the NYISO will no longer have "ATC Paths" and compliance with these requirements will no longer be necessary.

²⁷ In the alternative, if the Commission does not grant the NYISO full waivers of WEQ-001-14, *et. seq.*, and WEQ-001-15, *et. seq.* the NYISO requests waivers of WEQ-001-14.2.1, WEQ-001-14.2.2, WEQ-001-15.2.1, and WEQ-001-15.2.2. As explained above, these standards require use of the systemdata template, which the NYISO does not use, as it has been granted waiver from WEQ-002-4.3, *et. seq.*

²⁸ In the alternative, if the Commission does not grant the NYISO a full waiver of WEQ-001-17, *et. seq.*, the NYISO requests waivers of WEQ-001-17.5, *et. seq.*, WEQ-001-17.6, *et. seq.* As explained above these

- **WEQ-001-18 (Postback Requirements)** - This standard requires Transmission Providers to incorporate Postbacks of redirected services in its ATC postings. The NYISO's system does not use redirect requests. Therefore the NYISO does not have Postbacks to incorporate in its ATC postings and waiver should be granted.
- **WEQ-001-19 (Grandfathered Agreements)** - This standard requires Transmission Providers to identify the treatment of grandfathered agreements in the ETC component of its ATC/AFC calculations. While the NYISO has grandfathered transmission arrangements, as listed in Attachment L to its OATT, it does not make express physical transmission reservations in connection with them and does not account for grandfathered agreements as part of ETC. As recognized in Attachment C of the NYISO OATT, the NYISO does not set-aside transmission capacity as ETC.²⁹ The NYISO will, therefore, not have any information on grandfathered capacity reservations to identify in the ATC/AFC calculations and should be granted waiver of this standard.
- **WEQ-001-20 (Rollover Rights)** - This standard requires Transmission Providers to post information relevant to rollover rights upon approving a Long-Term Firm Point-to-Point request with rollover rights. The NYISO's Commission-approved OATT has never included the *pro forma* OATT rollover right provisions and does not provide for Long-Term Point-to-Point Transmission Service. Accordingly, the NYISO does not have information to post pursuant to this standard and should be granted waiver.
- **WEQ-001-21 (Granting and Managing a CCO Reservation)** - This standard requires Transmission Providers to post information regarding granting and managing a Conditional Curtailment Option. The NYISO's Commission-approved OATT does not include the *pro forma* OATT provisions for conditional firm service, because the Commission has found that it was unnecessary for ISOs/RTOs administering real-time energy markets to adopt those provisions.³⁰ Further, 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 RTOs and ISOs with real-time energy markets. The NYISO submits that the Commission should therefore grant waiver of this standard.
- **WEQ-001-22 (Information to Audit Usage of CBM)** - This standard requires Transmission Providers to post all scheduled use 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 and therefore CBM is not relevant within the NYISO's market design.³¹ The NYISO submits that the Commission should therefore grant waiver of this standard.

standards require the use of the systemdata template, which the NYISO does not use, as it has been granted waiver from WEQ-002-4.3, *et. seq.*

²⁹ Section 9.7 of Attachment C to the NYISO's OATT provides that the NYISO "shall not set aside transmission capacity as ETC when calculating ATC or otherwise in developing SCUC and RTS market schedules."

³⁰ See Order No. 890 at P 13.

³¹ Section 9.8 of Attachment C to the NYISO's OATT provides that the NYISO "shall not set aside transmission capacity as CBM when calculating ATC or otherwise in developing SCUC and RTS market schedules."

- **WEQ-001-D (Postback Conditions for Use in Calculation of ATC or AFC, as Appropriate)** - This standard provides a table identifying “potential Postback and the conditions for use by the Transmission Provider in the determination of firm and non-firm ATC or AFC.” As explained above for WEQ-001-18, the NYISO’s system does not use redirect requests. Therefore the NYISO does not have Postbacks to incorporate in its ATC postings, and the Commission should grant waiver of this standard.
- **WEQ-002-4.3.6.2.1 (Interface Requirements - Renewal Positions (rollover))** - As explained in the request for waiver of WEQ-001-20, the NYISO’s Commission-approved OATT has never included the *pro forma* OATT rollover right provisions. The NYISO therefore does not have information to post pursuant to this standard and should be granted waiver.
- **WEQ-002-4.3.6.2.2 (Interface Requirements - Conditional Curtailment Option Provisions)** - As explained in the request for waiver of WEQ-001-21, the NYISO’s Commission-approved OATT does not include the *pro forma* OATT provisions for conditional firm service, because the Commission has found that it was unnecessary for ISOs/RTOs administering real-time energy markets to adopt those provisions.³² Moreover, waiver is supported by the Appendix 001-C language, which provides that Conditional Firm Service-related requirements do not apply to RTOs and ISOs with real-time energy markets.
- **WEQ-004-18 (Coordinate Interchange for Capacity Benefit Margin)** - This standard requires “that all scheduled use of a Transmission Provider’s transmission capacity set-aside for Capacity Benefit Margin in support of energy imports into a load Balancing Authority Area served by the Transmission Provider shall be uniquely represented in all Requests for Interchange submitted to the IA.” As explained above in its request for waiver from WEQ-001-22, the NYISO does not set-aside transmission capacity as CBM. Consequently, a waiver of this requirement is appropriate.

C. REQUEST TO CONFIRM EXEMPTION FROM COMPLIANCE WITH IMPLEMENTATION STANDARDS OF SUBSTANTIVE STANDARDS FROM WHICH THE NYISO HAS WAIVERS

Though the NYISO has always understood that its existing waivers of the substantive NAESB WEQ OASIS requirements also excuse it from the standards providing the technical implementation rules for those requirements, it is requesting these expanded waivers to clarify its compliance obligations. Full waivers of WEQ-002 and WEQ-013 will clarify that the NYISO is exempt from both the standards that impose obligations to perform certain actions, as well as the standards that describe how certain obligations are to be performed.

³² See Order No. 890 at P 13.

The WEQ-002 standards provide the processes through which entities will comply with the obligations set forth in WEQ-001. To that end, the WEQ-002 standards establish requirements on network architecture, information access, interface, and performance requirements. Additionally, the WEQ-013 standards establish an OASIS Implementation Guide that outlines the basic OASIS transaction process, and provides additional requirements and guidance for processing specific types of business transactions in the implementation of OASIS. WEQ-013 provides the processes for transmission service requests, secondary market requests, renewals of expiring transmission contracts, redirects, and resales, all processes that do not exist under the NYISO's financial reservation transmission system.

The NYISO currently has waivers of many WEQ OASIS standards that impose obligations to perform certain actions relevant only to a physical reservation model. Specifically, the NYISO's waivers of most of WEQ-001³³ exempt the NYISO 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. Additionally, the NYISO has been granted waiver of WEQ-003, which establishes the OASIS Data Dictionary, and of certain WEQ-002 standards, primarily WEQ-002-4.3, *et seq.*, which provides the specifications for the Data Templates to be

³³ Specifically the NYISO has waivers of the following WEQ-001 standards: 001-2, *et seq.* ("Attribute Values Defining the Period of Service"); 001-3, *et seq.* ("OASIS Registration Procedures"); 001-4, *et seq.* ("On-Line Negotiation and Confirmation Process"); 001-5, *et seq.* ("Procurement of Ancillary Services"); 001-6, *et seq.* ("Pathnaming Standards"); 001-7, *et seq.* ("Next Hour Market Service"); 001-8, *et seq.* ("Requirements for Dealing with Multiple, Identical Transmission Service Requests"); 001-9, *et seq.* ("Requirements for Dealing with Redirects on a Firm Basis"); 001-10, *et seq.* ("Requirements for Dealing with Redirects on a Non-Firm Basis"); 001-011, *et seq.* ("Resales"); 001-012, *et seq.* ("Transfers"); 001-A ("Appendix A - Standard 8 Examples"); and WEQ-001-B ("Appendix B - Redirect Standards Examples").

used on the OASIS Node. The NYISO has also been granted waivers of many of the underlying OASIS regulations (see Section II.B, above).

The NYISO submits that due to its existing waivers of these standards, and the Commissions' OASIS regulations, full waivers of WEQ-002 and WEQ-013 are justified. Full waivers of WEQ-002 and WEQ-013 will not change the compliance obligations of the NYISO, but instead will resolve any possible ambiguity regarding the extent of the NYISO's existing compliance obligations.³⁴ Therefore, consistent with its existing WEQ OASIS waivers, the NYISO respectfully requests waiver of all of WEQ-002³⁵ and WEQ-013 for the reasons specified below:

- **WEQ-002-2, *et seq.* (Network Architecture Requirements)** - These standards set forth requirements for the architecture of OASIS Nodes. The standards require 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. Waivers of these requirements are justified by the NYISO's existing waivers of the obligations to use OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003).
- **WEQ-002-3, *et seq.* (Information Access Requirements)** - These standards concern 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. Waivers of these requirements are justified by the NYISO's existing waivers of WEQ-001-3, *et seq.*, which exempts the NYISO from the obligation that it allow entities to register on OASIS, as well as its exemption from the requirement to use OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003).

³⁴ The NYISO also notes that the Commission has granted the CAISO full waivers of WEQ-002 and WEQ-013. See CAISO NAESB Waiver Order at P 7; see also *See California Independent System Operator, Corp.*, 126 FERC ¶ 61,260 at P 39 (2009).

³⁵ Note that the NYISO already has been granted waivers of WEQ-002-4.2.10, WEQ-002-4.2.11 and WEQ-002-4.2.12, as well as all of WEQ-002-4.3.

- **WEQ-002-4, *et seq.* (Interface Requirements)**³⁶ - These standards: (1) establish 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) include 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) concern the procedures for general postings on OASIS for information that does not require the use of a standard template. Waivers of these requirements are justified by the NYISO's existing exemptions from compliance with the OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003). Additionally, waivers of these standards are 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)** - These standards establish 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 by the NYISO's existing waivers of the OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003).
- **WEQ-013, *et seq.* (Business Practices for OASIS Implementation Guide)**³⁷ - These standards establish an OASIS implementation Guide that outlines the basic OASIS transaction process, and provides additional requirements and guidance for processing specific types of business transactions in the implementation of OASIS. WEQ-013 provides the processes for transmission service requests, secondary market requests, renewals of expiring transmission contracts, redirects, and resales, all processes that do not exist under the NYISO's financial reservation transmission system. Granting a full waiver of WEQ-013, including the newly adopted standards, will clarify that the NYISO is exempt from both the WEQ OASIS standards imposing obligations to perform the functions and the corresponding and complementary standards directing how those obligations are to be performed. Therefore, consistent with its existing WEQ OASIS waivers, the NYISO respectfully requests waiver of WEQ-013.

³⁶ The NYISO notes that Version 002.1 contains two new WEQ-002-4 requirements (*i.e.*, WEQ-002-4.3.6.2.1 (Renewal Positions (rollover)) and WEQ-002-4.3.6.2.2 (Conditional Curtailment Option Provisions (CCO))) from which the NYISO should be granted waivers for the same reasons a full waiver of WEQ-002-4 is justified.

³⁷ The NYISO notes that it requests waivers of all of WEQ-013, including the new standards adopted in Version 002.1 (*i.e.*, WEQ-0013-2.2.1 and 2.2.2 (Accepted and Confirmed Status Restrictions), WEQ-0013-2.6.1.3 and 6.1.4 (Rollover Rights and Conditional Curtailment Option), WEQ-0013-2.6.8 through 2.6.8.2 (Transfer Requests), WEQ-013-3.3 through 3.3.2 (Systemdata Template), WEQ-013-3.4 through and 3.4.2 (Security Template), WEQ013-3.5 (Transoffering Template), WEQ013-3.6 (Transpost/Transupdate Template), WEQ013-3.7 (Transstatus Template), WEQ013-3.8 (Reduction Template), WEQ013-4.1.8 (Reservations Reductions Example)) consistent with the NYISO's existing WEQ OASIS waivers and because they are inapplicable to the NYISO's financial reservation model.

IV. CONCLUSION

WHEREFORE, the New York Independent System Operator, Inc. respectfully requests that the Commission grant the NYISO waivers of certain NAESB standards, as set forth herein.

Respectfully submitted,

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