

August 10, 2010

By Electronic Filing

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. ER10-1866-000
Errata to Filing to Revise Provisions concerning Guarantee and Margin
Assurance Payments and Rules for Implementation of Improved Reference
Levels for Generators that Are Not Able to Complete their Minimum Run
Time Within the Dispatch Day**

Dear Secretary Bose:

On July 21, 2010 the New York Independent System Operator, Inc. (“NYISO”) submitted proposed tariff revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) and Open Access Transmission Tariff (OATT) to revise provisions concerning guarantee and margin assurance payments and rules for implementation of improved reference levels for generators that are not able to complete their minimum run time within the dispatch day (“July 21 Filing”). It has since come to the NYISO’s attention that a few minor typographical and administrative errors were inadvertently made which require correction. The changes proposed herein do not alter the substance of the NYISO’s filing, but correct administrative errors and will more accurately reflect the tariff language approved by the NYISO stakeholders. Both clean and redlined versions of the proposed revised Sheets are attached to this transmittal letter.

Specifically the NYISO proposes to correct the following typographical and administrative errors:

- In Section 15.3.5.5 of the Services Tariff in the definition of the $RTMCPreg_i$ the parenthetical should read “(in \$/MW)” and not “(in MW);
- In Section 18.2.2.2 of the Services Tariff, in the second line of the definition SUC_{gh}^{DA} replace the word “into” with “in” and in the definition of $NASR_{gh}^{DA}$ insert the word “which” following the phrase “hour h”;
- In Section 18.4.2 of the Services Tariff in the definition of $NSUI_{gi}^{DA}$ delete the phrase “the hour that includes RTD interval” and replace with the word “hour”;
- In Section 26 of the OATT, in the definition of K_L^{loc} replace the word “summer” with the word “summed”;

The NYISO also proposes a change to Section 18.5.1 of the Services Tariff concerning a generator's eligibility for Bid Production Cost guarantee payment ("BPCG") in Supplemental Event Intervals. Section 18.5.1.3 was intended to reflect the agreement by the stakeholders that units would be eligible for a BPCG during Supplemental Event Intervals called to respond to an ISO emergency pursuant to Section 4.4.4.1.2 of the ISO Services Tariff and not otherwise.¹ Unfortunately, the Section as initially presented is confusing and inadvertently would extend eligibility to Limited Energy Storage Resources ("LESRs"). LESRs are Regulation Service-providing units that receive no Energy payment. As such they are completely ineligible for a BPCG, including a BPCG during Supplemental Event Intervals called to respond to an ISO emergency pursuant to Section 4.4.4.1.2 of the ISO Services tariff. The revised Section 18.5.1.3, listed below, accurately reflects unit eligibility during these events:

18.5.1.3 Additional Eligibility

Notwithstanding Section 18.5.1.2, a Supplier shall be eligible to receive a Bid Production Cost guarantee payment for a Generator, not a Limited Energy Storage Resource, producing energy during Supplemental Event Intervals occurring as a result of an ISO emergency under Section 4.4.4.1.2 of this ISO Services Tariff regardless of bid mode used for the day.

Effective Date

The NYISO respectfully requests that the Commission accept this errata to its July 21 Filing as containing ministerial corrections and accept the attached sheets for filing with the same effective date as the Commission assigns to the tariff revisions that the NYISO submitted on July 21, 2010. Although the requested effective date of September 30, 2010 is one week short of the sixty-day-prior notice period, the NYISO submits that a September 30, 2010 effective date remains appropriate because of the minor nature of these proposed changes. The Commission has discretion to waive the sixty day prior notice period and make tariff revisions effective before it closes when "good cause" is shown.² Good cause for such a waiver exists in this proceeding because the software implementing these tariff revisions is interrelated and tied together in one deployment scheduled for September 30, 2010. It would be impossible for the

¹ See the presentation made to the January 20, 2010 Management Committee at http://www.nyiso.com/public/webdocs/committees/mc/meeting_materials/2010-01-20/Agenda_04_Guaranteed_Payment_STR_at_MC_v3.pdf. The additional eligibility provision described above, while discussed with the stakeholders, was not originally included in the draft tariff language.

² See e.g., *California Independent System Operator Corp.*, 113 FERC ¶61, 287 at PP 48-50 (2005).

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NYISO to separate out portions of the software tied to tariff language that was assigned a different effective date. In addition, the ministerial changes proposed herein are consistent with the changes previously approved by NYISO stakeholders. The NYISO has also noticed its Market Participants to this filing in the same manner it provided notice of the original filing.

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 electric utility regulatory agency of New Jersey. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com. This is in accordance with 18 C.F.R. 35.2(e).

Communications and Correspondence

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

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Respectfully submitted,

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