

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. ER11-2454-000

MOTION OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
TO DEFER EFFECTIVE DATE OF PREVIOUSLY ACCEPTED TARIFF REVISIONS AND
REQUEST FOR WAIVER

Pursuant to Rule 212 of the Commission’s Rules of Practice and Procedure,¹ the New York Independent System Operator, Inc. (“NYISO”) respectfully requests that the Commission defer the effective date of the tariff revisions that were accepted by the Commission in this proceeding from March 15, 2011 to the earlier of May 10, 2011 or a date to be specified two weeks in advance but no earlier than April 26, 2011. The deferral is necessary because the NYISO has determined that it will be unable to implement the software revisions, upon which these tariff revisions depend, until April 26, 2011 at the earliest but no later than May 10, 2011.

I. Background

In its February 4, 2011 letter order in this proceeding,² the Commission accepted the NYISO’s proposed revisions to its Market Administration and Control Area Services Tariff and its Open Access Transmission Tariff to modify the existing demand curves associated with its regulation and operating reserves markets in order to better reflect the value of energy during shortage conditions and improve consistency between the tariff and operational practices (“enhanced shortage pricing”).

The February 4 letter order granted the NYISO’s request for a March 15, 2011 effective date for its revised tariff provisions. The software supporting these enhanced shortage pricing

¹ 18 C.F.R. 385.212 (2008)

² *See Re: Revised Provisions to Enhance Shortage Pricing*, Docket No. ER11-2454 (February 4, 2011) (“February 4 Letter Order”).

revisions is, however, integrated with, and dependent upon, another set of software changes supporting the implementation of the NYISO's proposed enhanced interregional transaction scheduling ("EITC") tariff revisions. The NYISO anticipated implementing these revisions, awaiting Commission approval in Docket ER11-2547-000, on March 15, 2011 as well.

The NYISO has recently determined that it will not be able to implement the EITC functionality on March 15, 2011, and as a consequence will also not be able to implement enhanced shortage pricing, as the software for the latter is integrated with the software for the former. In performing quality assurance testing of its EITC software, the NYISO has determined that the software requires additional testing to verify that it is adequately performing its functions. The NYISO expects to complete the work necessary to verify the functionality of the software in time to implement the EITC software no later than May 10, 2011 and possibly as early as April 26, 2011.

The Commission has consistently recognized that the implementation of new market software can be complex and that unexpected implementation delays will sometimes be unavoidable. The Commission has previously agreed to defer the implementation date of software, and the effective date of related tariff provisions, when necessary to ensure software is implemented properly.³

The NYISO expects to complete verification of the functionality of the EITC software by May 10, 2011. The NYISO may be able, however, to finish its work as early as April 26, 2011. Once the EITC software has been verified as functioning appropriately, the NYISO will be able to implement the shortage pricing enhancements accepted by the Commission in this docket.

³ See: *Midwest Independent System Operator, Inc.* 110 FERC ¶ 61,169 (2005) (accepting motion to defer the implementation of new market software and related tariff revisions). See also *Re: Deferment of Tariff Changes*, Docket No. ER08-1522 (February 24, 2009).

Consequently, the NYISO is requesting an effective date of the earlier of May 10, 2011 or a date to be specified two weeks in advance of actual implementation but no earlier than April 26, 2011.

II. Motion and Request for Waiver

The NYISO respectfully requests that the Commission defer the effective date of the previously accepted tariff revisions related to its enhanced shortage pricing from March 15, 2011 to the earlier of May 10, 2011 or a date to be specified two weeks in advance but no earlier than April 26, 2011. The NYISO's judgment is that this is the earliest it will reasonably be able to implement the EITC enhancements mentioned earlier, and, as a consequence, the enhanced shortage pricing software that depends on them.

Although the Commission has previously accepted requests to defer effective dates that were not submitted as formal tariff amendments,⁴ the NYISO respectfully requests a waiver of the requirements set forth in Part 35 of the Commission's regulations to the extent that they are deemed to be applicable. If the Commission were to conclude that this request was subject to Part 35, the NYISO would arguably not be able to make this request without first obtaining the approval of its stakeholder Management Committee.⁵

In this instance, the NYISO only recently realized that it would be unable to implement enhanced shortage pricing on the originally anticipated schedule. It is not possible to present this issue to the Management Committee before March 15, 2011, the currently effective implementation date. The NYISO has verbally informed the members of its Business Issues

⁴ Both the NYISO and the Midwest ISO's motions to defer effective dates, referenced in footnote 3, *supra*, included a request for waiver of the Commission's filing requirements similar to the waiver request being included in this motion.

⁵ See: Article 19.1 of the NYISO's *Independent System Operator Agreement* which normally requires NYISO Board and Management Committee approval before the NYISO may file a tariff revision under Section 205 of the Federal Power Act.

Committee and Management Committee of the need to delay the effective date of both enhanced shortage pricing and EITC and has received no objections. Under the circumstances, and given the wholly administrative nature of the deferral, the NYISO believes that it would be appropriate for the Commission to waive Part 35, to the extent applicable, so that the NYISO may correct what is now an inaccurate effective date as soon as reasonably possible. For the same reason, the NYISO requests a waiver of any other notice or filing requirement that the Commission may conclude is applicable to this request.

III. Service

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

IV. Conclusion

Wherefore, for the foregoing reasons, the New York Independent System, Operator, Inc. respectfully requests that the Commission accept its request to defer the effective date of the accepted tariff revisions related to enhanced shortage pricing until the earlier of May 10, 2011 or a date to be specified two weeks in advance of implementation but no earlier than April 26, 2011, grant any necessary waivers, and make the request effective as of the date of this filing.

Respectfully submitted

/s/Mollie Lampi
Mollie Lampi

March 9, 2011

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 9th day of March, 2011.

/s/ Joy Kimberlin

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