

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 May 10, 2011 to May 18, 2011. This deferral of the effective date is necessary because the NYISO has determined that it will need additional time to ensure the functionality of the software revisions upon which these tariff revisions depend.

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 the revised tariff provisions. Subsequently, the Commission approved the deferral of the

¹ 18 C.F.R. 385.212 (2008)

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

effective date to May 10, 2011.³ This deferral was based on the fact that delays in the testing of software needed to support both the enhanced shortage pricing rules and changes in cross-border transaction scheduling prevented the NYISO from implementing the new shortage pricing rules. At the same time, the NYISO also requested a delay in the effective date of the interregional transaction scheduling proposals due to the same concerns with the software.⁴ The Commission conditionally accepted those proposals and granted the waiver of the effective date.⁵

Since the February 4 order in this docket, the NYISO staff has been working on the rollout and testing of the software changes needed to implement enhanced shortage pricing and interregional transaction scheduling. However, the NYISO has determined that, due to the complexity of the many changes to internal systems and processes involved in deploying these programs, additional time should be taken in order to fully prepare for this software implementation. Issues encountered in the NYISO's initial verification testing on this software have now been resolved, and the NYISO is confident that it will meet this new deployment date.

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 May 10 to May 18, 2011. The NYISO's judgment is that the additional eight days will permit it to complete the testing and preparation for deploying the software necessary to support these revisions.⁶ The NYISO believes the additional time will enable it to ensure complete software functionality, with

³ *New York Independent System Operator*, Order Granting Waiver, Docket No. ER11-2454, 135 FERC 61,072 (April 25, 2011).

⁴ *New York Independent System Operator, Inc.*, Letter to Kimberly D. Bose re: Request for Temporary Waiver, Docket No. ER11-2547-000 (March 9, 2011).

⁵ *New York Independent System Operator*, Order Conditionally Accepting Proposed Tariff Revisions and Granting Waiver, Docket No. ER11-2547-000 (March 14, 2011), 134 FERC ¶ 61,186.

⁶ The NYISO has made a parallel request to defer the effective date of the interregional transaction scheduling tariff changes in Docket No. ER11-2547-000.

no adverse impact to Market Participants. The NYISO has and will continue to provide regular updates on the status of this project to Market Participants.

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.⁷

Although the Commission has previously accepted requests to defer effective dates that were not submitted as formal tariff amendments,⁸ 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.⁹

At the present time, it is not possible to present this issue to the Management Committee before May 10, the currently effective implementation date. As noted above, the NYISO has kept Market Participants apprised of its progress. 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

⁷ 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 *Independent System Operator, Inc., Re: Deferment of Tariff Changes*, Docket No. ER08-1422-001 (February 24, 2009).

⁸ Both the NYISO and the Midwest ISO's motions to defer effective dates, referenced in footnote 7, *supra*, included a request for waiver of the Commission's filing requirements similar to the waiver request included in this motion.

⁹ 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.

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 enhanced shortage pricing rules to May 18, 2011, grant any necessary waivers, and make the request effective as of the date of this filing.

Respectfully submitted,

/s/ Elizabeth A. Grisaru

Elizabeth A. Grisaru, Esq.

Whiteman Osterman & Hanna LLP

Counsel to the New York State Independent
Operator, Inc.

One Commerce Plaza

Albany, New York 12260

Mail to: egrisaru@woh.com

May 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 May, 2011.

/s/ Joy Zimmerlin

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