

January 16, 2024

By Electronic Delivery

Honorable Debbie-Anne A. Reese, Esq., Acting Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: *New York Independent System Operator, Inc.*, Docket No. ER24-____-000;
Proposed Change to NYISO Working Capital Fund Rebalancing
Methodology**

Dear Acting Secretary Reese:

In accordance with Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), the New York Independent System Operator, Inc. (“NYISO”) respectfully submits proposed amendments to its Open Access Transmission Tariff (“OATT”).² The proposed revisions reduce the time period for determining each Customer’s required contribution to the Working Capital Fund from an annual evaluation to one that is conducted in six month intervals.

The NYISO respectfully requests issuance of an order by the Commission accepting the tariff revisions proposed in this filing to become effective on the day following the end of the standard sixty-day notice period (*i.e.*, March 17, 2024).

I. Documents Submitted

The NYISO respectfully submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the OATT (“Attachment I”); and
2. A blacklined version of the proposed revisions to the OATT (“Attachment II”).

¹ 16 U.S.C. § 824d.

² Capitalized terms not otherwise defined herein shall have the meaning specified in the OATT.

II. Background

The NYISO maintains a Working Capital Fund as required by Attachment V (Section 28) of the OATT.³ The Working Capital Fund is used to offset temporary imbalances in NYISO cash flow and to ensure the liquidity and stability of the NYISO-administered markets.⁴

Section 28.8 of Attachment V to the OATT currently provides for an annual rebalancing of Customer contributions to the Working Capital Fund based on a Customer's activity in the NYISO-administered markets during the prior calendar year.⁵ The annual rebalancing of the Working Capital Fund currently occurs in January, using data from the prior calendar year.⁶ In February of each year, the NYISO refunds or charges each Customer the difference between the Customer's prior share of the Working Capital Fund and the adjusted share calculated from this rebalancing.⁷ The NYISO also distributes a Customer's pro rata share of accrued interest earned on the Working Capital Fund with each refund or credit.⁸

III. Description of Proposed Tariff Revisions

The NYISO proposes to change the time period used to calculate a Customer's share of the Working Capital Fund from a calendar year period to a six-calendar-month period. To implement this change, the NYISO proposes to revise Section 28.8 of Attachment V to the OATT to provide for a semi-annual Working Capital Fund rebalancing that will occur in January and July of each year using Customer activity in the immediately preceding six calendar months. The NYISO will invoice for the refund or charge to reflect the updated shares of the Working Capital Fund in February and August of each year.

Use of a six-month period, rather than a calendar year, to calculate each Customer's share of the Working Capital Fund will yield benefits. First, it will result in each Customer's share of the Working Capital Fund reflecting more recent market activity levels, thereby producing a more equitable allocation of the Working Capital Fund. Second, it will facilitate more prompt refunds to Customers that exit from participation in the NYISO-administered markets. For example, under the current calendar year rebalancing methodology, a Customer that exited the markets in July 2023 would not receive a full refund of its contribution to the Working Capital

³ See OATT Section 28.

⁴ See OATT Section 28.1.

⁵ See OATT Section 28.8. Each Customer's contribution to the Working Capital Fund is based on the Customer's proportion of the gross amounts receivable and payable across the NYISO-administered markets.

⁶ *Id.* For example, the rebalancing conducted in January 2023 utilized data from calendar year 2022.

⁷ *Id.*

⁸ See OATT Section 28.5 (providing the NYISO Board of Directors the discretion to allow the NYISO to periodically distribute Customers' pro rata shares of accrued interest earned on the Working Capital Fund).

Fund until February 2025.⁹ Under the proposed six-month rebalancing methodology, the Customer would receive a partial refund in February 2024 and a full refund in August 2024.¹⁰ Finally, the NYISO intends to continue its past practice of providing interest distributions related to the Working Capital Fund contributions as part of each rebalancing. Under the proposed enhancements, Customers would receive such interest distributions every six months rather than once per year.

IV. Effective Date

The NYISO respectfully requests that the Commission accept the tariff revisions proposed in this filing to become effective on March 17, 2024 (the day following the end of the statutory 60-day notice period).

V. Stakeholder Process

The NYISO Management Committee unanimously approved the proposed enhancements to the Working Capital Fund rebalancing methodology on August 30, 2023. The NYISO Board of Directors approved the proposed revisions on October 17, 2023.

VI. Communications and Correspondence

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

Robert E. Fernandez, Executive Vice President, General Counsel &
Chief Compliance Officer
Karen G. Gach, Deputy General Counsel
Raymond Stalter, Director, Regulatory Affairs
*Amie Jamieson, Senior Attorney/Registered In-House Counsel
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-7678
Email: ajamieson@nyiso.com

*Person designated for receipt of service.

⁹ Such Customer would receive a partial refund in February 2024 reflecting a reduction in its market activity accounted in the rebalancing conducted in January 2024. The Customer would then receive a full refund in February 2025 reflecting its lack of market activity in calendar year 2024 that was accounted for in the rebalancing undertaken in January 2025.

¹⁰ Under the proposed enhancements, the rebalancing conducted in January 2024 would produce a partial refund reflecting the Customer's reduced level of market activity during the six-month period from July 2023 through December 2023. The subsequent rebalancing in July 2024 would result in a full refund to the Customer reflecting its lack of market activity during the six-month period from January 2024 through June 2024.

VII. Service

A complete copy of this filing will be posted on the NYISO's website at www.nyiso.com. The NYISO will send an electronic link to this filing to the official representative of each of its customers and each participant on its stakeholder committees. In addition, the NYISO will send an electronic copy of this filing to the New York State Public Service Commission and the New Jersey Board of Public Utilities.

VIII. Conclusion

The NYISO respectfully requests that the Commission accept the tariff revisions proposed in this filing to become effective on March 17, 2024.

Respectfully submitted,

/s/ Amie Jamieson

Amie Jamieson, Senior Attorney/Registered In-House Counsel
New York Independent System Operator, Inc.

cc: Janel Burdick
Emily Chen
Matthew Christiansen
Jignasa Gadani
Jette Gebhart
Leanne Khammal
Jaime Knepper
Kurt Longo
David Morenoff
Douglas Roe
Eric Vandenberg