

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**Demand Response Compensation in)
Organized Wholesale Energy Markets)**

Docket No. ER11-4338-000

**MOTION OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR TO DEFER
PROPOSED EFFECTIVE DATE OF TARIFF REVISIONS**

Pursuant to Rule 212 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (the “Commission”), 18 C.F.R. § 385.212 (2011), and 18 C.F.R. § 35.17(b) (2011), the New York Independent System Operator, Inc. (“NYISO”) hereby moves to defer and amend the effective date proposed in its August 19, 2011, compliance filing in this proceeding (“August 19 Filing”). The NYISO further requests that the Commission allow the NYISO to propose a new effective date after the Commission has issued an order on the August 19 Filing.

I. BACKGROUND

The Commission issued Order No. 745 on March 15, 2011.¹ In that Order, the Commission addressed the compensation of demand response providers in the organized wholesale markets. The NYISO submitted its compliance filing on August 19, 2011, and proposed several tariff revisions designed to implement the Commission’s directives. The NYISO also proposed to make these changes effective by March 31, 2012, a date that the NYISO believed would allow sufficient time for the Commission’s review and for the NYISO

¹ See *Demand Response Compensation in Organized Wholesale Energy Markets*, Order No. 745, 134 FERC ¶ 61, 187 (Mar. 15, 2011), *reh’g denied*, 137 FERC ¶ 61, 215 (Dec. 15, 2011).

staff to develop and test the software modifications needed to fully implement the compliance proposal.

While work on the implementing software has progressed, the Commission has not yet acted on the compliance filing. The NYISO notified the Commission by letter dated February 14, 2012, (“February 14 Letter”) that it would be suspending work on the software needed to support the August 19 Filing in order to avoid delays to the deployment of other software on schedule for implementation in March.²

II. MOTION TO DEFER AND AMEND

As explained in the NYISO’s February 14 Letter, Commission action on the compliance filing by February 16, 2012, was necessary to permit the NYISO to implement its proposed tariff modifications on the originally-proposed March 31 effective date. Without direction from the Commission by mid-February, the NYISO’s other software commitments would require it to set aside the Order No. 745 system modifications. That date having passed, the NYISO has now stopped work on these modifications while it awaits the Commission’s order on the August 19 Filing. Thus, the originally-proposed effective date is no longer feasible.³

The NYISO also recognizes that the Commission may not accept all of the tariff modifications described in the compliance filing, and that the Commission may require the NYISO to revise and re-submit some elements of its compliance proposals. Given these

² New York Independent System Operator, Inc., Letter to Secretary Bose, Docket No. ER11-4338-000 (February 14, 2012).

³ The Commission in the past has recognized the complexities involved in determining effective dates that depend on the progress of software development programs. The Commission has provided flexibility when necessary to achieve the orderly functioning of the markets. *New York Independent System Operator, Inc.*, Order Conditionally Accepting Proposed Tariff Revision and Granting Waiver, 134 FERC ¶ 61, 186 (2011); *New York Independent System Operator, Inc.*, Order Granting Deferral of Effective Dates and Waivers, 135 FERC ¶ 61, 256 (2011).

uncertainties about the final design of the program, the NYISO is not able at this juncture to propose an alternative effective date. The NYISO notes that its software development staff are working on several additional projects on a schedule that extends through the current year and into the next. As with Order No. 745, this schedule is driven by a combination of Commission deadlines and Market Participant expectations. Even if the Commission were to accept the NYISO's compliance filing without modification, the NYISO would now need to rework the deployment of the supporting software into this existing schedule. If modifications are required, the NYISO will need to plan for both new software development and deployment activities.

For these reasons, the NYISO respectfully requests that the Commission defer the effective date of the NYISO's compliance proposals until such time as the NYISO can establish a schedule for any software development that may be needed to meet the Commission's requirements and for testing and deployment in the context of the NYISO's other software commitments. Should the Commission grant this motion, the NYISO would set an effective date linked to the actual deployment schedule and report to the Commission and Market Participants on that schedule in a subsequent compliance filing.

III. CONCLUSION

For the reasons stated above, the NYISO asks the Commission to defer the March 31, 2012, effective date. The NYISO further requests that the Commission permit the NYISO to propose a new effective date after (1) the Commission issues its order on the August 19 Filing, and (2) the NYISO assesses the impact of that order on its software development resources and establishes a revised schedule for the software deployment needed to support the Order No. 745 tariff modifications.

Respectfully submitted,

/s/ Elizabeth A. Grisaru

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Date: February 23, 2012

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 23rd day of February, 2012.

/s/ Joy A. Zimmerlin

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