

June 19, 2013

**By Electronic Delivery**

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *New York Independent System Operator, Inc.*, Initial Compliance Filing, Docket No. ER12-360-001 and Request for Shortened Comment Period and Expedited Action by July 1, 2013**

Dear Ms. Bose:

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits this initial compliance filing in response to the Commission’s June 6, 2013 *Order Conditionally Accepting Proposed Tariff Revisions* in the above-captioned proceeding (“June 2013 Order”).<sup>1</sup> This initial compliance filing addresses the directive in Paragraph 90 of the June 2013 Order that the NYISO “describe in detail how the proposed revised definition of Locality is ‘necessary to ensure that any future configuration of a new capacity zone is correctly accounted for in load forecasts and to allow for the accommodation of nested zones,’ and provide an example in a compliance filing . . . .” The NYISO will address all of the June 2013 Order’s other directives in a subsequent compliance filing that will be made within the thirty days allowed by the Commission.

The NYISO also respectfully requests that Commission establish a shortened comment period on this filing and expeditiously issue an order accepting it. The NYISO has separately proposed a revision to the definition of “Locality” in Section 2.12 of its Market Administration and Control Area Services Tariff (“Services Tariff”), *i.e.*, the provision addressed by Paragraph 90 of the June 2013 Order, in pending Docket No. ER13-1380-000.<sup>2</sup> The NYISO has requested that the Commission act expeditiously to accept the tariff revisions proposed in Docket No. ER13-1380-000 by July 1, 2013, or as soon as possible thereafter, and in no event later than July 18, 2013.<sup>3</sup> The NYISO is therefore seeking a shortened comment period and expedited action in

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<sup>1</sup> *New York Independent System Operator, Inc.*, 143 FERC ¶ 61,217 (2013).

<sup>2</sup> See *New York Independent System Operator, Inc., Proposed Tariff Revisions to Establish and Recognize a New Capacity Zone and Request for Action on Pending Compliance Filing* (filed April 30, 2013) (“April 30 Filing”) at 13.

<sup>3</sup> See *New York Independent System Operator, Inc., Response to Request for Additional Information Concerning Proposed Tariff Revisions to Establish and Recognize a New Capacity Zone, Request for Shortened Notice Period and Request for Expedited Action*, Docket No. ER13-1380-000 (filed June 12, 2013) (June 12 Filing) at 2; see also, *Technical Amendment to June 12, 2013 Filing* (filed

this filing so that the Services Tariff will have a single clear, complete, and Commission-accepted definition of “Locality” as soon as practicable.

## I. BACKGROUND

In its June 29, 2012 compliance filing,<sup>4</sup> the NYISO proposed revisions, underscored and in bold below, to the Services Tariff’s definition of “Locality”<sup>5</sup>:

**Locality:** A single LBMP Load Zone or set of adjacent LBMP Load Zones within one Transmission District **or a set of adjacent Transmission Districts (or a portion of a Transmission District(s))** within which a minimum level of Installed Capacity must be maintained, **and as specifically identified in this subsection to mean (1) Load Zone J and (2) Load Zone K.**

In the June 2012 Filing, the NYISO stated that this revision was necessary to ensure that any future configuration of a New Capacity Zone (“NCZ”),<sup>6</sup> including where an NCZ encompasses more than one Load Zone, is correctly accounted for in the NYISO’s Load forecasts performed pursuant to Services Tariff Section 5.<sup>7</sup> The NYISO had intended to, but inadvertently did not, include this revision in its November 7, 2011 compliance filing in this proceeding.<sup>8</sup>

In their *Motion to Intervene and Protest* in this proceeding, the New York Transmission Owners (the “NYTOs”) objected to the proposed insertion of the phrase “or a set of adjacent Transmission Districts (or a portion of a Transmission District(s)),” arguing that the NYISO instead should be required to “strike unnecessary and confusing references to Transmission Districts in the definition.”<sup>9</sup> They also argued that “[p]ermitting Localities to consist of any combination of adjacent Load Zones ‘could have been accomplished quite simply, by striking the phrase ‘within one Transmission District.’”<sup>10</sup>

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June 14, 2013). When this filing refers to NYISO’s request for Commission action “on the April 30 Filing,” it should be understood to refer to the April 30 Filing as formally amended by the June 12 Filing and the *Technical Amendment* thereto filed on June 14, 2013.

<sup>4</sup> *New York Independent System Operator, Inc.’s Further Compliance Filing*, Docket No. ER12-360-000 (filed June 29, 2012) (the “June 2012 Filing”) at 14.

<sup>5</sup> See Services Tariff Section 2.12 at definition of “Locality.”

<sup>6</sup> Capitalized terms that are not otherwise defined herein shall have the meaning specified in the Services Tariff.

<sup>7</sup> June 2012 Filing at 13-14.

<sup>8</sup> *New York Independent System Operator, Inc.’s Compliance Filing*, Docket No. ER12-360-000 (filed November 7, 2011).

<sup>9</sup> *Motion to Intervene and Protest of the New York Transmission Owners* (filed July 20, 2012) (the “NYTO Protest”) at 26-27.

<sup>10</sup> *Id.* at 26.

In the April 30 Filing in Docket No. ER13-1380-000, the NYISO submitted proposed tariff revisions to establish and recognize a specific NCZ, the creation of which necessitated an additional change to the definition of “Locality.” Because the NCZ will be a new Locality, the NYISO proposed to revise the definition by adding the language underscored and in bold below:

**Locality:** A single LBMP Load Zone or set of adjacent LBMP Load Zones within one Transmission District or a set of adjacent Transmission Districts (or a portion of a Transmission District(s)) within which a minimum level of Installed Capacity must be maintained, and as specifically identified in this subsection to mean (1) Load Zone J; and (2) Load Zone K; **and (3) Load Zones G, H, I, and J (collectively the “G-J Locality”).**<sup>11</sup>

In its June 2013 Order, the Commission found that the NYISO had “not explained how adding its proposed Transmission District language to the definition of Locality comports with the rule that a Locality cannot be smaller than a load zone.”<sup>12</sup> It also found that NYISO had “not fully explained how the proposed definition of Locality allows for the accommodation of nested zones” or “how its proposed new references to Transmission Districts relate to load forecasts.”<sup>13</sup> The Commission therefore directed the NYISO to make a compliance filing to “describe in detail how the proposed revised definition of Locality is ‘necessary to ensure that any future configuration of a new capacity zone is correctly accounted for in load forecasts and to allow for the accommodation of nested zones,’ and provide an example . . . .”<sup>14</sup>

## II. DESCRIPTION OF PROPOSED COMPLIANCE TARIFF REVISION

After reviewing Paragraph 90 of the June 2013 Order, and the *NYTOs Protest*, the NYISO has re-considered the revision to the Services Tariff of “Locality” that it proposed in the June 2012 Filing. The NYISO no longer believes that including “Transmission Districts” in the definition of “Locality” is necessary to ensure that any future NCZ configuration is correctly accounted for in load forecasts or to allow for the accommodation of nested zones. Instead, it would be both accurate and clearer, as originally suggested by the NYTOs,<sup>15</sup> to delete all references to “Transmission Districts” from the definition of “Locality.”

Accordingly, in response to the June 2013 Order, the NYISO now proposes to further revise the definition of “Locality” to remove both: (i) the phrase referencing “Transmission Districts” that it proposed in its June 2012 Filing; and (ii) the phrase “within one Transmission District,” which is included in the currently “effective” definition of Locality and which was not addressed by the June 2012 Filing. Attachment I to this filing is a blacklined version, and Attachment II is a clean version, of the modifications to Services Tariff Section 2.12. These changes are set out below using the form of the eTariff base document, with the changes to the

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<sup>11</sup> April 30 Filing at 13, and Attachments VII and VIII.

<sup>12</sup> June 2013 Order at P 90.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *NYTO Protest* at 27.

definition proposed in the June 2012 Filing shown in double strikethrough (because the NYISO is no longer proposing to include them in the definition, and changes to the currently “effective” definition shown in single strikethrough (as explained herein, for clarity).<sup>16</sup> The changes are directly in response to the Commission’s directive that the NYISO provide clarity and additional explanation to its proposed revisions.

**Locality:** A single LBMP Load Zone or set of adjacent LBMP Load Zones ~~within one Transmission District or a set of adjacent Transmission Districts (or a portion of a Transmission District(s))~~ within which a minimum level of Installed Capacity must be maintained, and as specifically identified in this subsection to mean: (1) Load Zone J; (2) Load Zone K; and (3) Load Zones G, H, I, and J (collectively the “G-J Locality”).

The NYISO believes that these proposed compliance tariff revisions are fully consistent with the June 2013 Order.<sup>17</sup> The revised compliance proposal is clearer than that proposed in the June 2012 Filing but still achieves that filing’s goal. It is also consistent with the Services Tariff requirement that “[t]he boundary of the New Capacity Zone may encompass a single constrained Load Zone or group of Load Zones,”<sup>18</sup> because it will ensure that a Locality cannot be smaller than a Load Zone. In addition, it will be sufficient to ensure that any future configuration of an NCZ, including where an NCZ encompasses more than one Load Zone, is correctly accounted for in Load forecasts performed pursuant to Section 5 of the Services Tariff, because the Services Tariff requires the use of a Locality’s forecasted peak data and not Transmission District peak data to calculate Locality obligations.<sup>19</sup>

Thus, the NYISO requests that the Commission accept the revision to the definition of Locality to delete the phrase “within one Transmission District” instead of the addition of the phrase “or a set of adjacent Transmission Districts (or a portion of a Transmission District(s))” proposed in the June 2012 Filing.

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<sup>16</sup> Pursuant to the Commission’s eTariff filing requirements, the April 30 Filing’s proposed changes to the definition of “Locality” are incorporated into the “base” tariff language presented above and in Attachments to this filing, and the incremental changes proposed in this filing are marked on the base version. As noted above and further described in Section IV below, the April 30 Filing requests that the Commission accept the revisions to the Services Tariff Section 2.12 definition of “Locality” proposed therein by July 1, 2013, or as soon thereafter as practicable but no later than July 18, 2013. That acceptance date coincides with the requested acceptance date for the revisions proposed herein.

<sup>17</sup> The Commission has previously authorized the NYISO to include limited, but necessary, changes in compliance filings that were not expressly directed by the Commission but that were necessary to clarify or implement a Commission directive. *See New York Independent System Operator, Inc.*, 125 FERC ¶ 61,206 (2008), *reh’g*, 127 FERC ¶ 61,042 (2009).

<sup>18</sup> *See* Services Tariff Section 5.16. 2 which requires that “[t]he boundary of the New Capacity Zone may encompass a single constrained Load Zone or group of Load Zones.

<sup>19</sup> *See* Services Tariff Section 5.11.4. Separately, the Services Tariff specifies that the NYCA peak Load is to be computed using Transmission District peak Loads on the date and at the same time as the NYCA peak Load (*i.e.*, on a coincident basis.) *See* Services Tariff Section 5.11.1.

### III. EXAMPLE DEMONSTRATING THAT NYISO LOAD FORECASTS WILL PROPERLY ACCOUNT FOR POTENTIAL FUTURE NCZ CONFIGURATIONS

The June 2013 Order also required the NYISO to provide an example demonstrating how its proposed revised definition of “Locality” is “necessary to ensure that any future configuration of a new capacity zone is correctly accounted for in load forecasts and to allow for the accommodation of nested zones.”<sup>20</sup> As stated above, the NYISO has concluded that the proposed tariff revision included in the June 2012 Filing was not necessary for either of those purposes. The NYISO offers the following example to demonstrate that the further revisions proposed in this compliance filing are appropriate. It demonstrates that the Locality peak Load, regardless of whether a Locality consists of one or more Load Zones, presently is and will be determined based on the peak of the Locality, and that the Locality peak is distinct from Transmission District peak, even if the Transmission District is located wholly or partially within the Locality.

NYCA Transmission Districts	NYCA Peak MW (By Transmission District) (Coincident)	Locality Peaks - MW (By portion of Transmission District in the Locality) (Non-Coincident)		
		Zone J	Zone K	Zones G-J
Central Hudson	1,097.5	11,485.0	5,514.6	1,100.0
Consolidated Edison	13,370.8			13,375.0
Long Island Power Authority	5,448.9			
National Grid	6,821.3			
New York Power Authority	589.3			
New York State Electric & Gas	3,113.4			377.0
Orange & Rockland	1,171.7			1,175.0
Rochester Gas & Electric	1,665.7			
<b>Total</b>	<b>33,278.6</b>	<b>11,485.0</b>	<b>5,514.6</b>	<b>16,027.0</b>

All forecasts for this example except the G-J Locality Peak column are from the 2013 Installed Capacity Forecast.<sup>21</sup> The values in the G-J Locality column are for illustration purposes of this filing.

In accordance with the Services Tariff, each Transmission District forecast peak is its expected MW Load on the date and time coincident with the NYCA peak, and each Locality peak has a unique peak (based on its own unique date and hour of occurrence.) That is the reason the Locality peak is referred to as non-coincident; *i.e.*, non-coincident with the NYCA peak.

Some Transmission Districts are contained in a single Load Zone, and others are in multiple Load Zones or in parts thereof. A Transmission District wholly or partly in a Locality

<sup>20</sup> June 2013 Order at P 90.

<sup>21</sup> The 2013 Installed Capacity Forecast is available at [http://www.nyiso.com/public/webdocs/markets\\_operations/market\\_data/icap/Announcements/Info\\_and\\_Announcements/Info\\_and\\_Announcements/2013\\_ICAP\\_Final.pdf](http://www.nyiso.com/public/webdocs/markets_operations/market_data/icap/Announcements/Info_and_Announcements/Info_and_Announcements/2013_ICAP_Final.pdf).

will have a peak identified for its Load in the Locality, and that amount may equal or exceed its coincident peak with the entire NYCA. Therefore, the compliance revisions to the definition of “Locality” proposed in response to the June 2013 Order will accommodate nested zones (*i.e.*, a Locality that contains another Locality.) Utilizing the term “Locality” to establish any NCZ will not require additional tariff revisions to ensure that the NCZ is correctly accounted for in Load forecasts because, as discussed in Section II above, the currently-effective tariff contains that requirement.<sup>22</sup>

#### **IV. REQUEST FOR SHORTENED NOTICE AND COMMENT PERIOD AND FOR EXPEDITED COMMISSION ACTION**

The NYISO has emphasized in Docket No. ER13-1380 that Commission action by July 1, 2013 is critical to timely implementation of the NCZ. The NYISO requests a shortened comment period and expedited action on this compliance filing so that the Commission may act on it concurrent with issuing an order in Docket No. ER13-1380. Granting this request will ensure that the Services Tariff has a single clear, complete, and Commission-accepted definition of “Locality” as soon as practicable.

The issue presented in this filing is limited. The revisions that the NYISO proposes in this filing directly address concerns raised by the NYTOs on the June 2012 Filing’s proposed revision to the definition of Locality. The NYISO does not anticipate a dispute regarding this filing because the NYTOs were the only party that raised concerns about the revisions that the NYISO proposed in the June 2012 Filing and this filing adopts their proposed changes in full.

The NYISO disseminated and described the compliance revision identified herein to its Installed Capacity Working Group on June 17, 2013 and sought comments. It also discussed it during the June 18 meeting of the Installed Capacity Working group. No concerns regarding the proposal were raised.

There is, therefore, good cause for the Commission to shorten the usual sixty day notice period<sup>23</sup> and issue an order accepting this filing by July 1, 2013, or as soon as possible thereafter and no later than July 18, 2013. The NYISO is requesting an effective date of January 27, 2014 for this revision. These dates coincide with the requested acceptance and effective date for the “Locality” revisions proposed in the April 30 Filing.

The Commission should also establish a shortened period for comments and protests on this filing. The NYISO respectfully requests that the Commission establish a five day period for answers, as permitted by Rule 385.213(d)(1)(i) of the Commission’s Rules of Practice and

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<sup>22</sup> See Services Tariff Section 5.11.4.

<sup>23</sup> Section 35.11 of the Commission’s regulations provides that “[u]pon application and for good cause shown, the Commission may, by order, provide that a rate schedule, tariff, or service agreement, or part thereof, shall be effective as of a date prior to the date of filing or prior to the date the rate schedule or tariff would become effective in accordance with these rules.”

Procedure.<sup>24</sup> Adopting a five day period for answers would simplify these proceedings by enabling all parties, and the Commission, to review any submissions responding to the discussion in this filing of the Locality definition issue and/or to this filing at the same time. Given the narrow scope of the issue addressed by this filing, providing five days for comments and protests should not prejudice any party.

## **V. SERVICE**

This filing will be posted on the NYISO's website at [www.nyiso.com](http://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.

## **VI. COMMUNICATIONS**

Copies of correspondence concerning this filing should be served on:

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<sup>24</sup> "If a motion requests an extension of time or a shortened time period for action, then answers to the motion to extend or shorten the time period shall be made within 5 days after the motion is filed, unless otherwise ordered." 18 CFR 385.213(d)(1)(i).

<sup>25</sup> Waiver of the Commission's regulations (18 C.F.R. § 385.203(b)(3) (2012)) is requested to the extent necessary to permit service on counsel for the NYISO in both Miami, FL and Washington, DC.

## VIII. CONCLUSION

For the reasons specified above, the New York Independent System Operator, Inc. respectfully requests that the Commission accept the revisions to the Services Tariff definition of Locality proposed in this compliance filing, establish a shortened comment period, and act expeditiously to issue an order accepting the compliance filing by July 1, 2013 and no later than July 18, 2013.

Respectfully submitted,

/s/ Gloria Kavanah

Gloria Kavanah  
Senior Attorney  
New York Independent System Operator, Inc.

Dated: June 19, 2013

cc: Travis Allen  
Michael A. Bardee  
Gregory Berson  
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David Morenoff  
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## **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 19th day of June, 2013.

/s/ Joy A. Zimmerlin

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