

December 3, 2013

By Electronic Filing

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

***Re: New York Independent System Operator, Inc., Docket No. ER13-298-001,
Increased Mitigation Limits for 10-Minute Non-Synchronized Reserves and
New York City Day-Ahead Market Spinning Reserves Compliance Filing***

Dear Secretary Bose:

On November 2, 2012, the New York Independent System Operator, Inc. (“NYISO”) filed proposed tariff revisions to allow the NYISO to phase in, over three or more steps, the removal of the \$2.52/MWh reference level cap on 10-Minute Non-Synchronized Reserves and the must Bid limit of \$0/MWh on New York City Day-Ahead Market (“NYC DAM”) Spinning Reserves (“November 2012 Filing”). The Commission accepted these revisions in its January 4, 2013 *Order Accepting Proposed Tariff Revisions*.¹

The November 2012 Filing included proposed tariff² changes to implement the first phase, or step, by increasing the reference level cap on 10-Minute Non-Synchronized Reserves to \$5.00/MWh and increasing the must Bid limit on NYC DAM Spinning Reserves to \$5.00/MWh or less. These revisions became effective January 22, 2013.

The November 2012 Filing also indicated that the NYISO would make future informational compliance filings and provide revised tariff language to implement the balance of the phase-out plan, as approved by the Commission in this docket, following the recommendation of the NYISO’s Market Monitoring Unit (“MMU”), Potomac Economics. On August 31, 2013, the MMU presented, to the NYISO and Market Participants, its

¹ *New York Independent System Operator, Inc.*, Docket No. ER13-298-000 (unpublished letter order issued January 4, 2013).

² Capitalized terms not specifically defined herein have the meaning set forth in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”) or in its Open Access Transmission Tariff (“OATT”).

recommendation to move to the second step of the phase-out of these mitigation measures after completing its first evaluation of the competitiveness of both the 10-Minute Non-Synchronized Reserves market and Spinning Reserves market in accordance with the procedures outlined in the November 2012 Filing and corresponding Tariff revisions.³ The NYISO submitted an informational compliance filing on September 5, 2013 and implemented the recommended revisions in the reference level cap on 10-Minute Non-Synchronized Reserves and the must Bid limit on NYC DAM Spinning Reserves on September 25, 2013. On November 5, 2013, the Commission issued an order accepting the September 5, 2013 informational filing and directing the NYISO to further revise its tariff sections to remove any language that became obsolete or moot after the MMU's August 31, 2013 presentation ("November Order").⁴

In accordance with this order, the NYISO herein removes from its Services Tariff the description of the process for the first evaluation by the MMU after the January 22, 2013 implementation of the first step of the phase-out of these mitigation measures. Since the MMU has completed its first evaluation of both the 10-Minute Non-Synchronized Reserves market and the Spinning Reserves market, the description of this first evaluation process is no longer necessary or applicable. The overall procedure for the phase-out of these mitigation measures remains in the NYISO's Tariff, including a description of the process for the MMU's future evaluations, and will remain until the mitigation measures are removed in accordance with the NYISO's November 2012 Filing. One of the existing paragraphs describing the overall procedure has been moved earlier in the tariff sections and revised slightly, consistent with the existing procedure, to clarify the process for the MMU's future evaluations.

Consistent with the tariff amendments that were accepted in the Commission's November Order, the NYISO respectfully requests that the same September 25, 2013 effective date be assigned to the tariff revisions contained in this compliance filing. The tariff language being removed by this filing has been obsolete since the NYISO implemented the revisions to the reference level cap on 10-Minute Non-Synchronized Reserves and the must Bid limit on NYC DAM Spinning Reserves on September 25, 2013.

I. DOCUMENTS SUBMITTED

1. This filing letter;
2. A clean version of the proposed revisions to the NYISO's Services Tariff ("Attachment I"); and

³ See the MMU presentation to the Market Issues Working Group at http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2013-08-21/MMU%20Evaluation%20of%20DAM%20Reserve%20Offers.pdf.

⁴ *New York Independent System Operator, Inc.*, Docket No. ER13-298-001 (unpublished letter order issued November 5, 2013).

3. A black lined version of the proposed revisions to the NYISO's Services Tariff ("Attachment II").

II. SERVICE LIST

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, to all parties listed on the Commission's official service list in Docket No. ER13-298-000 and to the New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

III. CONCLUSION

The NYISO submits this compliance filing, consistent with the November 5, 2013 Commission Order to clarify the MMU's evaluation process going forward. The NYISO respectfully requests that the Commission accept the tariff revisions contained in this filing with an effective date of September 25, 2013.

Respectfully submitted,

/s/ James H. Sweeney
James H. Sweeney
New York Independent System Operator, Inc.

cc:
Michael Bardee
Gregory Berson
Anna Cochrane
Jignasa Gadani
Morris Margolis
Michael McLaughlin
David Morenoff
Daniel Nowak

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 3rd day of December, 2013

/s/ Mohsana Akter

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