

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

<b>Hudson Transmission Partners, LLC</b>	)	
<b>v.</b>	)	<b>Docket No. EL12-98-00__</b>
<b>New York Independent System Operator, Inc.</b>	)	

**SUPPORTING AND CONFIRMING AFFIDAVIT OF DANIEL A. JERKE**

Mr. Daniel A. Jerke declares:

1. I have personal knowledge of the facts and opinions in this affidavit and if called to testify could and would testify competently to them.
2. A full description of my education, expertise and responsibilities with the New York Independent System Operator, Inc. (the “NYISO”) is included in the affidavit filed in support of the NYISO’s answer to HTP’s<sup>1</sup> complaint on November 13, 2012.
3. I submit this affidavit in support of the NYISO’s initial compliance filing (“Initial Compliance Filing”) in response to the Commission’s November 21, 2013 *Order on Complaint* (the “November Order”),<sup>2</sup> and February 11, 2013 *Order on Motion for Extension of Time* (“Extension Order”).<sup>3</sup>
4. The Initial Compliance Filing: (i) discloses the specific scaling factor, 32.94% that the NYISO used when it applied its buyer-side capacity market power mitigation measures (“BSM Rules”) to the HTP Project in December 2011, November 2013, and January 2014; (ii) provides the formula used to calculate that value (“Equation 1”); (iii) describes the specific inputs that the NYISO included in Equation 1; (iv)

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<sup>1</sup> Capitalized terms that are not otherwise defined herein shall have the meaning set forth in the compliance filing.

<sup>2</sup> *Hudson Transmission Partners, LLC v. New York Independent System Operator, Inc.*, 145 FERC ¶ 61,156 (2013).

<sup>3</sup> 146 FERC ¶ 61,082 (Feb. 11, 2014).

- provides additional support for the scaling factor methodology that the NYISO applied to determine the net energy revenues for the HTP Project; and (v) makes recommendations to the Commission regarding the development of future rules to govern the estimation of likely energy and ancillary services revenues for future UDR projects.
5. With this affidavit, I confirm that the Initial Compliance Filing transmittal letter accurately describes how the NYISO developed, analyzed, and applied the scaling factor. I also confirm that in my judgment, the NYISO decision to apply its chosen scaling factor to estimate the HTP Project's likely energy revenues was reasonable and appropriate.
  6. As Supervisor of the ICAP Market Mitigation staff for the NYISO's Market Mitigation and Analysis Department, I and staff under my supervision were directly involved in every facet of the process for determining whether the HTP Project would be subject to an Offer Floor under the BSM Rules, and the determination of the Offer Floor.
  7. I ensured that each component of the scaling factor calculation for the HTP Project was performed fairly and impartially.
  8. In my opinion, it was reasonable and appropriate to use as inputs into Equation 1 the actual price and schedule data for the Linden VFT line instead of other UDR projects, and the other variables selected by the NYISO, for the reasons specified in the Initial Compliance Filing transmittal letter.
  9. I also confirm that, as required by the Services Tariff, the NYISO consulted with the MMU as it made the determination, and that it also consulted with the MMU on the

development of the scaling factor for the HTP Project, including the decision to utilize data associated with the Linden VFT in its computation. The MMU provided input during the development of the scaling factor and supported the application of it.

This concludes my affidavit.

ATTESTATION

I am the witness identified in the foregoing Affidavit of Daniel A. Jerke dated February 21, 2014. I have read the Affidavit and am familiar with its contents. The facts set forth therein are true to the best of my knowledge, information, and belief.



Daniel A. Jerke  
Supervisor, ICAP Market Mitigation and Analysis  
New York Independent System Operator, Inc.  
February 21, 2014

Subscribed and sworn to before me  
this 21<sup>st</sup> day of February, 2014.

DIANE L. EGAN  
Notary Public, State of New York  
Qualified in Schenectady County  
No. 4924890  
Commission Expires March 21, 20 18

