

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

New York Independent System Operator, Inc. )

Docket No. ER15-\_\_\_\_\_

**REQUEST OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.  
FOR WAIVERS OF NORTH AMERICAN ENERGY STANDARDS BOARD  
WHOLESALE ELECTRIC QUADRANT STANDARDS**

Pursuant to the Commission’s direction in *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H,<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”) respectfully submits this request for waivers of certain newly adopted North American Energy Standards Board (“NAESB”) Wholesale Electric Quadrant (“WEQ”) business practice standards. The Commission adopted these standards in Order No. 676-H, and directed public utilities, including the NYISO, to either incorporate them into their jurisdictional tariffs or seek waivers. The NYISO is also renewing its request for waivers of certain WEQ standards that were previously granted by the Commission.

**I. COMMUNICATIONS**

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<sup>1</sup> 148 FERC ¶ 61,205 (2014).

<sup>2</sup> The NYISO respectfully requests waiver of the Commission’s regulations (18 CFR § 385.203(b)(3)(2014)) to the extent necessary to permit service on counsel for the NYISO in both Miami and Washington, D.C.

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## II. BACKGROUND

### A. THE NYISO'S FINANCIAL RESERVATION-BASED TRANSMISSION SERVICE MODEL

As the NYISO has explained in the past, its “financial reservation” transmission model, as approved by the Commission in 1999<sup>3</sup> and as set out in its Open Access Transmission Tariff (“OATT”), differs substantially from the “physical reservation” model contemplated by the Order No. 890 *pro forma* OATT.

When customers expressly reserve transmission service under the physical reservation model, they choose between Point-to-Point Transmission Service between a point of receipt and a point of delivery, or Network Integration Transmission Service (“NITS”), in which the Transmission Customer<sup>4</sup> reserves physical capacity by designating Network Resources that are to be used to serve designated Network Load.

The NYISO's financial reservation model essentially provides a bid-based, financial rights version of Point-to-Point transmission service. It uses location based marginal pricing (“LBMP”) to manage congestion and to operate bid-based spot markets. With the exception of transactions over inter-regional controllable Scheduled Lines operated by neighboring system

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<sup>3</sup> See, e.g. *Central Hudson Gas & Elec. Corp.*, 86 FERC ¶ 61,062 (1999) and *Central Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138 (1999).

<sup>4</sup> Capitalized terms not otherwise defined in this Request are as defined as in the *pro forma* OATT, unless otherwise specified.

operators,<sup>5</sup> the NYISO's system does not provide for customers to make express, physical reservations of transmission service such as those contemplated by NITS.<sup>6</sup> Instead, customers schedule transmission service implicitly when they submit spot market energy schedules or arrange for bilateral transactions.<sup>7</sup> Customers can schedule transactions between any two points so long as doing so is not inconsistent with a security-constrained economic dispatch. All desired uses of the transmission system are scheduled to the extent that customers are willing to pay congestion charges, which can be hedged using financial rights. The NYISO continuously re-dispatches participating resources connected to the New York Control Area ("NYCA") on a security-constrained least-cost basis to alleviate potential overloading of the transmission system.

The Commission has consistently found that these variations from the *pro forma* OATT are "consistent with or superior to the *pro forma* OATT."<sup>8</sup> Since 1999, the Commission has approved substantial revisions to the NYISO OATT to reflect those fundamental differences, specifically to reflect the fact that the NYISO effectively offers a single form of financial reservation-based transmission service within a framework of LMBP and continuous economic

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<sup>5</sup> "Scheduled Lines" are defined in Section 1.19 of the NYISO OATT. Four of the five Scheduled Lines are operated by neighboring systems, which operate them on a basis that is more comparable to a traditional physical reservation system than the NYISO's financial reservation model.

<sup>6</sup> The NYISO previously allowed for "pre-scheduled" transactions at External Interfaces that had some of the attributes of long-term physical reservations. But the "pre-scheduling" option was almost entirely unused for years and was ultimately eliminated. *See* November 2, 2010 Letter Order, Docket No. ER10-2517-000. The NYISO believes that the sustained lack of interest in pre-scheduling demonstrates that the NYISO's financial reservation model is consistent with or superior to the physical reservation model.

<sup>7</sup> *See e.g., Central Hudson Gas & Elec. Corp., et al., Filing in Compliance with the Commission's Order of January 27, 1999 regarding the Comprehensive Proposal to Restructure the New York Wholesale Electric Market, Appendix A, Affidavit of J. Stephen Henderson and Appendix B, Explanation of Deviations from the Pro Forma tariff, Docket No. ER97-1523 (filed April 30, 1999) (the "April 1999 Filing").*

<sup>8</sup> *See, e.g., New York Independent System Operator, Inc., 123 FERC ¶ 61,134 at P 13 (2008) and New York Independent System Operator, Inc., 125 FERC ¶ 61, 274 at P 13 (2008).*

redispatching.<sup>9</sup> Nevertheless, the NYISO OATT continues to have separate OATT provisions describing nominally separate Point-to-Point Transmission Service and NITS.<sup>10</sup>

## **B. THE NYISO'S EXISTING NAESB WAIVERS**

Order No. 676-H amends the Commission's regulations to incorporate by reference the Version 003 NAESB WEQ standards, which update NAESB's WEQ Version 002 and Version 002.1 Standards to reflect policy determinations made dating back to Order No. 890 and other orders.<sup>11</sup> These revised standards update earlier versions of the standards that the Commission previously incorporated by reference into its regulations at 18 CFR § 38.2 in the Order No. 676 series.<sup>12</sup>

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<sup>9</sup> See, e.g. *Central Hudson Gas & Elec. Corp.*, 86 FERC ¶ 61,062 (1999) and *Central Hudson Gas & Elec. Corp.*, 88 FERC ¶ 61,138 (1999). See also *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 at P 13 (2008) (conditionally approving NYISO's Order No. 890 compliance filing and acknowledging the substantial differences between the NYISO's tariffs and the *pro forma* OATT related to the NYISO's use of a financial reservation model). The Commission also recognized that many ISOs and RTOs administer markets that differ substantially from the model of the *pro forma* OATT and noted that the Commission did not intend to "upset" those market designs.

<sup>10</sup> *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,074 (2010).

<sup>11</sup> See *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs., Regulations Preambles ¶ 31,241 at PP 158, 603 (2007) (Order No. 890); *order on reh'g*, Order No. 890-A, FERC Stats. & Regs., Regulations Preambles ¶ 31,261 (2007) (Order No. 890-A); *order on reh'g and clarification*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g*, Order No. 890-C, 126 FERC ¶ 61,228 (2009) ("Order No. 890").

<sup>12</sup> *Standards for Business Practices and Communications Protocols for Public Utilities*, Order No. 676, 71 FR 26,199 (May 4, 2006), FERC Stats & Regs., Regulations Preambles ¶ 31,216 (Apr. 25, 2006), *reh'g denied*, Order No. 676-A, 116 FERC ¶ 61,255 (2006), Order No. 676-B, 72 FR 21,0295 (Apr. 30, 2007), FERC Stats. & Regs., Regulations Preambles ¶ 31,246 (Apr. 19, 2007), Order no. 676-C, 73 FR 43,848 (July 29, 2008), FERC Stats. & Regs., Regulations Preambles ¶ 31,274 (July 21, 2008), Order No. 676-D, *granting clarification and denying reh'g*, 124 FERC ¶ 61,317 (2008), Order No. 676-E, *Final Rule*, 74 FR 63288 (Dec. 3, 2009), FERC Stats. & Regs. ¶ 31,299, 129 FERC ¶ 61,162 (2009), Order No. 676-F, *Final Rule*, 131 FERC ¶ 61,022 (2010), and Order No. 676-G, *Final Rule*, 142 FERC ¶ 61,131 (2013).

The Commission's policy has been to require public utilities to implement the NAESB WEQ standards, but allow them to apply for waivers of inapplicable requirements.<sup>13</sup> The Commission has previously granted multiple waivers to the NYISO. Specifically:

- In December 2010, the Commission granted the NYISO's request for waivers of certain WEQ standards adopted in Order No. 676-E that were applicable only to transmission providers that offer physical reservation transmission service and thus are not relevant to the NYISO.<sup>14</sup>
- In April 2009, the Commission granted the NYISO's request for waivers of certain OASIS-related NAESB WEQ standards adopted in Order No. 676-C governing resales and transfers of traditional Point-to-Point Transmission reservations.<sup>15</sup>
- In December 2008, the Commission granted the NYISO's request for waivers of various WEQ OASIS standards and to the Coordinate Interchange standard ("WEQ-004"), which were modified by Order No. 676-C, and from which the NYISO had previously been granted waiver.<sup>16</sup>
- In October 2007, the Commission accepted the NYISO's request for waivers of certain revisions to WEQ-004.<sup>17</sup>
- In June 2006, the Commission granted the NYISO's request for waivers of certain WEQ OASIS standards and of WEQ-004.<sup>18</sup>

The Commission has accepted that numerous NAESB WEQ standards are inapplicable to the NYISO because of the differences between its financial reservation model and the physical reservation model contemplated in Order No. 890. The Commission has also approved

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<sup>13</sup> See Order No. 676-H at P 86.

<sup>14</sup> *New York Independent System Operator, Inc.*, 133 FERC ¶ 61,246 at P 25(2010) ("2010 Waiver Order").

<sup>15</sup> *New York Independent System Operator, Inc.*, 127 FERC ¶ 61,005 at P 7 (2009) ("2009 Waiver Order").

<sup>16</sup> *New York Independent System Operator, Inc.*, 125 FERC ¶ 61,275 at P 15 (2008) ("2008 Waiver Order").

<sup>17</sup> *New York Independent System Operator, Inc.*, 121 FERC ¶ 61,036 at P 9 (2007) ("2007 Waiver Order").

<sup>18</sup> *New York Independent System Operator, Inc.*, 117 FERC ¶ 61,197 at PP 15-17 (2006) ("2006 Waiver Order").

numerous requests for waivers of NAESB WEQ standards for other ISOs/RTOs because they have similar financial reservation-based models<sup>19</sup> or on other grounds.<sup>20</sup>

The Commission has found that many of the OASIS posting regulations are “incompatible” with the transmission services provided within the NYCA under the NYISO’s current tariff and has granted the NYISO waivers from them.<sup>21</sup> Further, in 2009, the Commission’s Division of Audits in the Office of Enforcement conducted an audit of the NYISO’s compliance with the OASIS regulations under 18 C.F.R. § 37.6, which confirmed, with minor exceptions that the NYISO has since resolved, the NYISO’s compliance with the OASIS regulations from which it did not have waivers at the time of the audit.<sup>22</sup> Finally, the Commission provisionally accepted the NYISO’s position that the NYISO’s internal transmission interfaces do not constitute “Posted Paths” as defined in the OASIS regulations.<sup>23</sup>

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<sup>19</sup> See, e.g., *California Independent System Operator, Corp.*, 125 FERC ¶ 61,380 at P 7 (2008) (granting the CAISO waivers of WEQ-001, WEQ-002, WEQ-003, WEQ-008 and WEQ-013) (“CAISO 2008 NAESB Waiver Order”); Letter Order, Docket No. ER11-3099-000 (Feb. 13, 2013) (granting the CAISO both updated and new NAESB WEQ standards adopted by Order No. 676-E) (“CAISO 2013 Letter Order”).

<sup>20</sup> See, e.g., *Midwest Independent Transmission System Operator, Inc.*, 118 FERC ¶61,033 (2007) and *Midwest Independent Transmission System Operator, Inc., PJM Interconnection, L.L.C., and Southwest Power Pool, Inc.*, 129 FERC ¶ 61,184 (2009).

<sup>21</sup> Specifically, the NYISO has been granted waivers from the following Part 37 regulations: 18 C.F.R. §§ 37.2(b); 37.6(a)(1), (4)-(5); 37.6(b)(2)(iii); 37.6(c)(1)-(5); 37.6(d)(1)-(5); 37.6(e)(1)-(3); 37.6(f); 37.6(g)(1)-(4); 37.6(i)(1)-(4); 37.6(j)(1)-(2); and 38.2(1)-(3), (11). See *New York Independent System Operator, Inc.*, 130 FERC ¶ 61,104 (2010) (“2010 OASIS Waiver Order”); *New York Independent System Operator, Inc.*, 94 FERC ¶ 61,215 (2001) (“2001 OASIS Waiver Order”); *Central Hudson Gas & Electric Corp.*, 88 FERC ¶ 61,253 (1999) (“1999 OASIS Waiver Order”). The Commission has also largely granted a request for waivers of certain ancillary OASIS regulations, including waivers of specific sections of the Standards and Communications Protocols Documents and the Uniform Business Practices Standards. See 2001 OASIS Waiver Order at 61,794. See also *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2048 (accepting NYISO’s revisions to Attachment C to the OATT).

<sup>22</sup> *Audit of Open Access Same-Time Information System Requirements at New York Independent System Operator, Inc.*, Docket No. PA08-14-000 (August 22, 2008). See also *New York Independent System Operator, Inc.*, 134 FERC ¶ 61,255 (2011) (concluding that the NYISO’s calculations of ATC for its Internal Interfaces was necessary only to support ATC calculations for its External Interfaces).

<sup>23</sup> *North American Reliability Corp.*, 132 FERC ¶ 61,239 (2010).

### III. REQUEST FOR WAIVERS

The NYISO is requesting renewed waivers of certain NAESB WEQ standards that were revised or updated by Order No. 676-H. The NYISO is also requesting additional waivers of newly adopted NAESB WEQ Standards.

As with prior Commission orders addressing NAESB standards, Order No. 676-H allows utilities to apply for waivers of any approved standards.<sup>24</sup> The Commission has held that utilities that have received waivers in the past must re-apply for new waivers whenever new standards are added or relevant standards are modified.<sup>25</sup> For those standards for which the NYISO has previously received waivers, set out in Sections A and B below, the Commission should grant renewed waivers under Order No. 676's "simplified procedure"<sup>26</sup> because the facts and circumstances that justified the NYISO's prior waivers have not changed.<sup>27</sup> Nevertheless, the NYISO has restated its previous justifications for its existing waivers below.

Where utilities are seeking a waiver from a newly adopted standard they are required to explain why the waiver should be granted.<sup>28</sup> For the request for waivers of newly adopted standards, the NYISO provides an explanation for why waiver is justified in Section C.

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<sup>24</sup> Order No. 676-H at P 86.

<sup>25</sup> See Order No. 676-B at P 22.

<sup>26</sup> Order No. 676 at P 79.

<sup>27</sup> To the extent that the Commission deems necessary, the NYISO reaffirms that the facts and circumstances underlying the following orders have not changed: the September 17, 1999 order in Docket No. EL99-77-000 (*i.e.*, the 1999 OASIS Waiver Order); the February 26, 2001 order in Docket No. EL01-24-000 (*i.e.*, the 2001 OASIS Waiver Order); the February 12, 2010 order in Docket No. ER10-424-000 (*i.e.*, the 2010 OASIS Waiver Order); the November 16, 2006 order in Docket No. ER06-1094-004 (*i.e.*, the 2006 Waiver Order); the October 18, 2007 order in Docket No. ER07-995-000 and -001 (*i.e.*, the 2007 Waiver Order), the December 5, 2008 order in Docket No. ER09-11-000 (*i.e.*, the 2008 Waiver Order); the April 2, 2009 order in Docket No. ER09-643-000 (*i.e.*, the 2009 Waiver Order); and the December 22, 2010 in Docket No. ER11-1920-000 (*i.e.*, the 2010 Waiver Order).

<sup>28</sup> Order No. 676-H at P 86.

**A. REQUEST FOR RENEWED WAIVERS OF EXISTING STANDARDS THAT ESTABLISH SUBSTANTIVE REQUIREMENTS**

The NYISO requests that the Commission grant it renewed waivers of the Version 003 standards for which the NYISO received waivers in the past. Although some of the relevant standards have been modified in Version 003, none of the modifications alter the fact that the standards were designed for transmission providers that offer physical reservation transmission service and are not relevant to the NYISO. If the Commission were to require the NYISO to comply with any of these standards, neither the NYISO's customers nor the Commission itself would receive any useful or relevant information. Moreover, the NYISO would be faced with unnecessary and expensive compliance burdens.

Accordingly, the NYISO respectfully requests renewed waivers of the following standards to the same extent that it was granted waivers by the 2008, 2009 and 2010 Waiver Orders, as follows:

- **WEQ-001-2 (Attribute Values Defining the Period of Service)** - The NYISO does not accept physical transmission reservations and the Commission should therefore grant a renewed waiver of this standard, which establishes OASIS posting requirements and requires transmission providers to use terminology relevant only to physical transmission reservation service.
- **WEQ-001-2.5.10 (Generator Imbalance Service definition)** - The NYISO requests a renewed waiver of this standard because the NYISO OATT does not have the *pro forma* OATT Schedule 9 Generator Imbalance provisions and thus this standard is inapplicable to the NYISO.
- **WEQ-001-3, et seq. (OASIS Registration Procedures)** - The NYISO does not accept physical transmission reservations or schedule transactions along contract paths and therefore the Commission should grant a renewed waiver of this standard, which governs the posting of contract path data associated with physical transmission reservation service.
- **WEQ-001-4, et seq. (On-Line Negotiation and Confirmation Process)** - This standard deals with the negotiation process for physical reservations. The Commission should grant a renewed waiver of this standard because the NYISO's financial reservation model does not include the kinds of negotiation or confirmation procedures used in the physical reservation model. The NYISO also has waivers of

the underlying OASIS posting requirements involving physical transmission reservations.

- **WEQ-001-4.7.1 through WEQ-001-4.7.3.5, WEQ-001-4.9.1 through WEQ-001-4.9.3, WEQ-001-4.10, et seq. and WEQ-001-4.12, et seq. (On-Line Negotiation and Confirmation Process - Negotiations Without Competing Bids)** - The NYISO requests a renewed waiver of these standards. These standards add further details regarding the Online-Negotiation and Confirmation Process and, as noted above, the Commission has previously granted the NYISO waivers of WEQ-001-4 and the underlying OASIS posting requirements involving physical transmission reservations. As the NYISO's financial reservation transmission model does not have negotiations or confirmations related to physical reservations, the Commission should grant a renewed waiver of these standards.
- **WEQ-001-5, et seq. (Procurement of Ancillary Services)** - This standard relates to requirements in the Commission's OASIS regulations governing the posting of ancillary services information. The Commission should grant a renewed waiver of this standard because the NYISO procures ancillary services through its administration of bid-based markets or by paying cost-based compensation to suppliers and because the NYISO has been granted waivers from the underlying OASIS regulations.
- **WEQ-001-6, et seq. (Pathnaming Standards)** – The NYISO has been previously granted waiver of these standards governing pathnaming. These standards are inapplicable to the NYISO, which does not accept physical transmission reservation requests, or grant transmission service, tied to particular paths (except for certain external transactions). Thus, the Commission should grant a renewed waiver of this standard.
- **WEQ-001-7, et seq. (Next Hour Market Service)** - This standard governs “Next Hour Market Service,” a voluntary service that is not offered under the NYISO's financial reservation system and from which the NYISO has been previously granted waiver. Thus, the Commission should grant a renewed waiver of this standard
- **WEQ-001-8, et seq. (Requirements for Dealing with Multiple, Identical Transmission Service Requests)** - Under the NYISO's financial reservation system, there are no multiple, identical transmission service requests because the NYISO does not receive separate and express requests for transmission service. The Commission should therefore grant a renewed waiver of this standard.
- **WEQ-001-9, et seq. (Requirements for Dealing with Redirects on a Firm Basis) and WEQ-001-10, et seq. (Requirements for Dealing with Redirects on a Non-Firm Basis)** - The NYISO's system does not use redirect requests, which relate to modifications to physical transmission reservations. Thus, the Commission should grant renewed waivers of these standards.
- **WEQ-001-011, et seq. (Resales) and WEQ-001-012, et seq., (Transfers)** – The Commission should grant renewed waivers of these standards, which govern resales and transfer requests, because the NYISO's system does not use resales and transfer

- requests. Thus, transmission customers do not expressly reserve point-to-point transmission service and do not have transmission service reservations to reassign.
- **WEQ-001-13.1.2, et seq. (Standards of Conduct Link)** - This standard mandates the posting information required to be provided pursuant to the Standards of Conduct for Transmission Providers. As the NYISO is an ISO, it is exempt from 18 C.F.R. Part 358 and there is no reason for it to post Standards of Conduct related information. Thus, the Commission should grant this renewed request for waiver of this standard.
  - **WEQ-001-13.1.3(b) and (c) (Performance Metrics Link)** - The NYISO requests renewed waivers of these standards that require it to provide links to Transmission Service Request Metrics information required by 18 C.F.R. § 37.6(i) and Redispatch Costs information required by 18 C.F.R. § 37.6(j)(2). The Commission granted the NYISO waivers of 18 C.F.R. §§ 37.6(i) and 37.6(j)(2) because: (1) the NYISO does not have a formal transmission service request process and therefore does not have any grants or denials of service to report; and (2) the NYISO continuously redispatches the transmission system to meet load and support requests for firm transmission service using its bid-based, security-constrained economic dispatch/redispatch process and does not offer the more limited redispatch services found in the *pro forma* OATT. Therefore, because the NYISO has been granted waivers of the underlying OASIS regulations, the Commission should grant renewed waivers of these standards.
  - **WEQ-001-14, et seq. (Zero ATC Narrative), WEQ-001-15, et seq. (ATC Change Narrative), and WEQ-001-16, et seq. (ATC or AFC Methodology Questions)** – These standards require posting of zero Available Transmission Capability (“ATC”) narratives, additional ATC change narratives, and addressing ATC or AFC methodology questions. In the NYISO’s system, ATC is used only as an instantaneous indication of the existence of uncongested transmission paths. As the Commission observed in its September 16, 2010 order approving a NYISO petition for interpretation of the then-effective MOD-001-1 and MOD-029-1, the NYISO’s internal paths are not ATC Paths and “reservations beyond one day in advance are not permitted” in the NYISO’s system, “except on external interfaces.”<sup>29</sup> Moreover, the Commission has concluded that the NYISO’s calculations of ATC for its Internal Interfaces was necessary only to support ATC calculations for its External Interfaces.<sup>30</sup> Additionally, these standards require the posting of this information using the “systemdata” template, which the NYISO does not use. The NYISO has been granted waiver from WEQ-002-4.3, *e. seq.*, which defines the OASIS templates. Therefore, the NYISO requests that the Commission grant it renewed waivers of these standards.
  - **WEQ-001-17, et seq. (Actual and Forecasted Load)** - This standard requires the posting of actual daily peak load and final forecasted system-wide load using the OASIS “systemdata” templates. The NYISO posts this information, but does not do

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<sup>29</sup> *North American Reliability Corp.*, 132 FERC ¶ 61,239 (2010).

<sup>30</sup> *New York Independent System Operator, Inc.*, 134 FERC ¶ 61,255 (2011).

so using the “systemdata” template. The NYISO has been granted waiver from WEQ-002-4.3, *et seq.*, which defines the OASIS templates and therefore, the Commission should grant a renewed waiver of this standard.

- **WEQ-001-18, *et seq.* (Postback Requirements)** - This standard requires Transmission Providers to incorporate Postbacks of redirected services in its ATC postings. As the NYISO’s system does not use redirect requests, the NYISO does not have Postbacks to incorporate in its ATC postings and the Commission should grant this renewed waiver request.
- **WEQ-001-19, *et seq.* (Grandfathered Agreements)** - This standard requires Transmission Providers to identify the treatment of grandfathered agreements in the ETC component of its ATC/AFC calculations. Although the NYISO has grandfathered transmission arrangements, as listed in Attachment L to the NYISO OATT, it does not make express physical transmission reservations in connection with them and does not account for grandfathered agreements as part of ETC. As recognized in Attachment C of the NYISO OATT, the NYISO does not set-aside transmission capacity as ETC.<sup>31</sup> The NYISO will, therefore, not have any information on grandfathered capacity reservations to identify in the ATC/AFC calculations and should be granted a renewed waiver of this standard.
- **WEQ-001-20, *et seq.* (Rollover Rights)** - This standard requires Transmission Providers to post information relevant to rollover rights upon approving a Long-Term Firm Point-to-Point request with rollover rights. The NYISO OATT has never included the *pro forma* OATT rollover right provisions and does not provide for Long-Term Point-to-Point Transmission Service. Accordingly, the NYISO does not have information to post pursuant to this standard and should be granted a renewed waiver.
- **WEQ-001-21, *et seq.* (Granting and Managing a CCO Reservation)** - This standard requires Transmission Providers to post information regarding granting and managing a Conditional Curtailment Option. The NYISO OATT does not include the *pro forma* OATT provisions for conditional firm service as the Commission has found that it was unnecessary for ISOs/RTOs administering real-time energy markets, such as the NYISO, to adopt those provisions.<sup>32</sup> Further, waiver is supported by the language of Appendix 001-C to WEQ-001, which provides that Conditional Firm Service-related requirements do not apply to RTOs and ISOs that administer real-time energy markets. The Commission should therefore grant a renewed waiver of this standard.
- **WEQ-001-22, *et seq.* (Information to Audit Usage of Capacity Benefit Margin)** - This standard requires Transmission Providers to post all scheduled use of Capacity Benefit Margin (“CBM”) and curtailments of these schedules. As recognized in

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<sup>31</sup> Section 9.7 of Attachment C to the NYISO OATT provides that the NYISO “shall not set aside transmission capacity as ETC when calculating ATC or otherwise in developing SCUC and RTS market schedules.”

<sup>32</sup> Order No. 890 at P 13.

Attachment C of the NYISO OATT, the NYISO does not set-aside transmission capacity as CBM and therefore CBM is not relevant within the NYISO's market design.<sup>33</sup> The NYISO therefore requests that the Commission grant a renewed waiver of this standard.

- **WEQ-001-A (Appendix A - Standard Examples) and WEQ-001-B (Appendix B - Redirect Standards Examples)** - These appendices are relevant to the processing of multiple and identical transmission service requests and redirect requests. The NYISO does not use a physical transmission reservation system to facilitate transmission service requests and thus the Commission should grant renewed waivers of these standards.
- **WEQ-001-D (Appendix D - Postback Conditions for Use in Calculation of ATC or AFC, as Appropriate)** - This standard provides a table identifying “potential Postback and the conditions for use by the Transmission Provider in the determination of firm and non-firm ATC or AFC.” As explained above for WEQ-001-18, the NYISO's system does not use redirect requests. Therefore the NYISO does not have Postbacks to incorporate in its ATC postings, and the Commission should grant a renewed waiver of this standard.
- **WEQ-002-4.2.10 (Transaction Process), WEQ-002-4.2.11 (Reference Identifiers), WEQ-002-4.2.12 (Linking of Ancillary Services to Transmission Services), WEQ-002-4.3, et seq. (Template Descriptions), and WEQ-002-4.4, et seq. (File Request and Download Examples)** – These standards establish naming conventions and other procedural requirements related to the processing of physical transmission reservations which are not relevant under the NYISO's financial reservation model, the Commission has previously recognized in its orders granting waivers of these standards and the underlying OASIS regulations. Therefore, the Commission should grant renewed waivers of these standards.
- **WEQ-002-4.3.6.2.1 (Interface Requirements - Renewal Positions (rollover))** – As explained in the request for waiver of WEQ-001-20, the NYISO OATT has never included the pro forma OATT rollover right provisions. The NYISO therefore does not have information to post pursuant to this standard and the Commission should grant a renewed waiver of this standard.
- **WEQ-002-4.3.6.2.2 (Interface Requirements - Conditional Curtailment Option Provisions)** - As explained in the request for waiver of WEQ-001-21, the NYISO OATT does not include the *pro forma* OATT provisions for conditional firm service, because the Commission has found that it was unnecessary for ISOs/RTOs administering real-time energy markets to adopt those provisions.<sup>34</sup> Moreover, waiver is supported by the Appendix 001-C language, referenced above, which provides that Conditional Firm Service-related requirements do not apply to RTOs

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<sup>33</sup> Section 9.8 of Attachment C to the NYISO OATT provides that the NYISO “shall not set aside transmission capacity as CBM when calculating ATC or otherwise in developing SCUC and RTS market schedules.”

<sup>34</sup> See Order No. 890 at P 13.

and ISOs with real-time energy markets. Therefore, the Commission should grant a renewed waiver of this standard.

- **WEQ-003, *et seq.* (OASIS Data Dictionary)** - This standard includes a list of technical data element definitions, “element names,” and file formats which were designed with physical reservation systems in mind that are not relevant under the NYISO’s financial reservation model. The 2008 Waiver Order granted the NYISO’s request for a waiver of WEQ-003 to the extent that it applied to transmission reservations and the NYISO requests that it be granted a renewed waiver of WEQ-003 on the same grounds, and to the same extent, that it was granted waivers in the past.
- **WEQ-004-3, *et seq.* and WEQ-004 Appendix A and Appendix C** - These standards continue to establish requirements related to the use of physical transmission reservations in the interchange process that are not relevant to the NYISO because it does not receive or support physical transmission reservation requests. The NYISO respectfully requests renewed waivers of these standards to the same extent that it was granted waiver in prior waiver orders.
- **WEQ-004-18 (Coordinate Interchange for Capacity Benefit Margin)** - This standard requires “that all scheduled use of a Transmission Provider’s transmission capacity set-aside for Capacity Benefit Margin in support of energy imports into a load Balancing Authority Area served by the Transmission Provider shall be uniquely represented in all Requests for Interchange submitted to the IA.” As explained above in its request for waiver from WEQ-001-22, the NYISO does not set aside transmission capacity as CBM. Consequently, a renewed waiver of this requirement is appropriate.
- **WEQ-013-4.1, *et seq.* (Business Practices for OASIS Implementation Guide)** – The NYISO requests a renewed waiver of WEQ-013-4.1, *et seq.*, because its requirements are not relevant to the NYISO’s financial reservation model. The Commission should renew the waiver because the facts and circumstances that justified the waiver granted in 2010 have not changed.

**B. RENEWED REQUEST FOR WAIVERS OF STANDARDS THAT SET FORTH TECHNICAL IMPLEMENTATION DETAILS RELATED TO SUBSTANTIVE STANDARDS FROM WHICH THE NYISO HAS WAIVERS**

The NYISO is also requesting that the Commission renew the waivers that were granted by the 2010 Waiver Order of WEQ-002 and WEQ-013 in their entirety.<sup>35</sup> The NYISO has always understood that its existing waivers of the substantive NAESB WEQ OASIS requirements also excused it from the standards specifying detailed technical implementation

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<sup>35</sup> 2010 Waiver Order at P 22.

rules related to those requirements. This understanding was confirmed by the 2010 Waiver Order. Accordingly, the NYISO renews its request for full waivers of WEQ-002 and WEQ-013 in order to clarify that the NYISO is exempt from both the standards that impose obligations to perform certain actions, as well as the standards that describe how those actions are to be performed.

The WEQ-002 standards describe the processes for complying with the obligations set forth in WEQ-001. To that end, the WEQ-002 standards establish network architecture, information access, interface, and performance requirements. Additionally, the WEQ-013 standards establish an OASIS Implementation Guide that outlines the basic OASIS transaction process, and provides additional requirements and guidance for processing specific types of business transactions in OASIS implementation under a physical reservation model. WEQ-013 provides processes for transmission service requests, secondary market requests, renewals of expiring transmission contracts, redirects, and resales, none of which exist under the NYISO's financial reservation transmission model.

The NYISO currently has waivers of those WEQ OASIS standards that impose obligations to perform certain actions that are relevant only to a physical reservation model. Specifically, the NYISO's waivers of most of WEQ-001<sup>36</sup> exempt the NYISO from the obligations to: (1) allow entities to register on the OASIS site; (2) have processes regarding interactions for negotiating transmission service; (3) have OASIS Data Templates that allow the

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<sup>36</sup> Specifically the NYISO has waivers of the following WEQ-001 standards: 001-2, *et seq.* ("Attribute Values Defining the Period of Service"); 001-3, *et seq.* ("OASIS Registration Procedures"); 001-4, *et seq.* ("On-Line Negotiation and Confirmation Process"); 001-5, *et seq.* ("Procurement of Ancillary Services"); 001-6, *et seq.* ("Pathnaming Standards"); 001-7, *et seq.* ("Next Hour Market Service"); 001-8, *et seq.* ("Requirements for Dealing with Multiple, Identical Transmission Service Requests"); 001-9, *et seq.* ("Requirements for Dealing with Redirects on a Firm Basis"); 001-10, *et seq.* ("Requirements for Dealing with Redirects on a Non-Firm Basis"); 001-011, *et seq.* ("Resales"); 001-012, *et seq.* ("Transfers"); 001-A ("Appendix A - Standard 8 Examples"); and WEQ-001-B ("Appendix B - Redirect Standards Examples").

coupling of ancillary service arrangements with the purchase of transmission service; (4) have certain path naming conventions defined in the Standards and Communications Protocol Data Dictionary; and (5) have requirements for dealing with multiple identical transmission service requests, redirects, resales, and transfers. Additionally, the Commission granted the NYISO a waiver of WEQ-003, which establishes the OASIS Data Dictionary, and of certain WEQ-002 standards. Among these, the Commission has granted a waiver of WEQ-002-4.3, *et seq.*, which provides the specifications for the Data Templates to be used for OASIS Nodes. The NYISO has also been granted waivers of many of the underlying OASIS regulations (*see* Section II.A, above).

Therefore, due to the NYISO's existing waivers of these standards and the Commission's OASIS regulations full waivers of WEQ-002 and WEQ-013 continue to be justified. Full waivers of WEQ-002 and WEQ-013 will not change the compliance obligations of the NYISO, but instead will resolve any possible ambiguity regarding the extent of the NYISO's compliance obligations.<sup>37</sup> Therefore, consistent with its existing WEQ OASIS waivers, the NYISO respectfully requests renewed waiver of all of WEQ-002<sup>38</sup> and WEQ-013 as specified below:

- **WEQ-002-2, *et seq.* (Network Architecture Requirements)** - These standards set forth requirements for the architecture of OASIS Nodes. They require compliance with certain Internet connectivity requirements and support for specific Internet tools, both for use over the public Internet and private connections between users and OASIS Nodes. Renewed waivers of these requirements are justified by the NYISO's waivers of the obligations to use OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003).
- **WEQ-002-3, *et seq.* (Information Access Requirements)** - These standards concern the procedures for providing access to information through the use of OASIS Nodes

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<sup>37</sup> The NYISO also notes that the Commission has granted the CAISO full waivers of WEQ-002 and WEQ-013. *See* CAISO 2008 NAESB Waiver Order at P 7 and CAISO 2013 Letter Order; *see also See California Independent System Operator, Corp.*, 126 FERC ¶ 61,260 at P 39 (2009).

<sup>38</sup> Note that the NYISO already has been granted waivers of WEQ-002-4.2.10, WEQ-002-4.2.11 and WEQ-002-4.2.12, as well as all of WEQ-002-4.3.

and specify how users access information on OASIS, registration and login requirements, and user interaction procedures. For example, WEQ-002-3.4(i) requires all posting and updating of transmission service information, as well as all user logins, disconnects, download requests, service requests and all other transactions to be time stamped and stored in an OASIS audit log. WEQ-002-3.6(b) and (c) require customers to submit a request to purchase or resell service through the OASIS Node. Renewed waivers of these requirements are justified by the NYISO's waivers of WEQ-001-3, *et seq.*, which exempt the NYISO from the obligation that it allow entities to register on OASIS, as well as its exemption from the requirement to use OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003).

- **WEQ-002-4, *et seq.* (Interface Requirements)** - These standards: (1) establish procedures for providing information to users through the OASIS Data Templates, as described in the WEQ-002-4.3, *et seq.*, and the Data Element Dictionary in WEQ-003; (2) include requirements on the use of certain OASIS Node naming conventions, certain script names in the OASIS Data Templates, the Data Element Dictionary and processes for the construction of OASIS Data Templates; and (3) concern the procedures for general postings on OASIS for information that does not require the use of a standard template. Renewed waivers of these requirements are justified by the NYISO's exemptions from compliance with the OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003). Additionally, renewed waivers of these standards are appropriate because the NYISO is exempt from 18 C.F.R. Part 358, Standards of Conduct for Transmission Providers.
- **WEQ-002-5, *et seq.* (Performance Requirements)** - These standards establish performance requirements for the OASIS Nodes. The standards set forth certain specifications to be met for security, sizing, response to user queries, availability, backup and other performance requirement parameters for the OASIS Nodes. Because these parameters are applicable to the OASIS Node and OASIS Data Templates, renewed waivers of these requirements are justified by the NYISO's waivers of from requirements related to the OASIS Data Templates (WEQ-002-4.3, *et seq.*) and the OASIS Data Dictionary (WEQ-003).
- **WEQ-013, *et seq.* (Business Practices for OASIS Implementation Guide)** – These standards establish an OASIS Implementation Guide that outlines the basic OASIS transaction process, and provides additional requirements and guidance for processing specific types of business transactions in the implementation of OASIS. WEQ-013 provides the processes for transmission service requests, secondary market requests, renewals of expiring transmission contracts, redirects, and resales, all processes that do not exist under the NYISO's financial reservation transmission system. Granting a renewed full waiver of WEQ-013, including the newly adopted standards, will clarify that the NYISO is exempt from both the WEQ OASIS standards imposing obligations to perform the functions and the corresponding and complementary standards directing how those obligations are to be met. Therefore, consistent with its request for renewed WEQ OASIS waivers, the NYISO respectfully requests a renewed waiver of WEQ-013.

### **C. REQUESTS FOR WAIVERS OF NEWLY ADOPTED STANDARDS**

The NYISO requests that the Commission grant waivers of certain standards that were newly adopted in Order No. 676-H. Specifically, the NYISO requests a limited, temporary waiver of standards related to Public Key Infrastructure (“PKI Standards”) to allow the NYISO sufficient time to comply with those Standards. The NYISO also requests a full waiver of standards related to Network Integration Transmission Service (“NITS Standards”) and, to the extent that the NYISO is not exempt per the terms of the relevant NAESB language, Service Across Multiple Transmission Systems (“SAMTS Standards”). As described in more detail below, these waivers are justified because the standards in question are either irrelevant under the NYISO’s financial reservation model or are designed for and are only practicably implementable by transmission providers that offer physical reservation transmission service.

The NYISO, therefore, requests waivers of these new standards, as follows:

#### **1. PKI Standards: WEQ-012, *et seq.* (Standards and Models Relating to Public Key Infrastructure)**

In Order 676-H, the Commission approved NAESB’s proposed PKI Standards. Those standards specify those transactions for which public utilities need to use PKI, the minimum authentication requirements that end entities must meet when conducting certain transactions, and accreditation and process requirements applicable to Authorized Certification Authorities. The Commission has explained that the PKI Standards, once adopted, would “require public utilities to conduct transactions securely when using the internet and will eliminate confusion over which transactions involving public utilities must follow the approved PKI procedures to secure their transactions.”<sup>39</sup>

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<sup>39</sup> NOPR at P 39.

The NYISO uses PKI, and complies with the applicable PKI Standards, for the Electric Industry Registry<sup>40</sup> and for e-Tag communications. But, as the NYISO explained in its October 2014 limited request for rehearing of Order 676-H,<sup>41</sup> it will need substantial additional time to apply the PKI Standards to transactions using its Market Information System (“MIS”). As explained above, the NYISO does not offer physical reservation transmission service through a standard OASIS. Instead, the NYISO’s transmission model is based on transactions that include financial reservations that are scheduled through the MIS. The MIS is thus the functional equivalent of a traditional OASIS. The NYISO currently does not use a NAESB Authorized Certification Authority for MIS. Instead, the NYISO acts as its own Certificate Authority and Registration Authority. In that role, the NYISO supports nearly four thousand digital certificates for its employees, market participants and other MIS users.<sup>42</sup>

As stated in the attached Affidavit of Richard J. Dewey, the NYISO’s Chief Information Officer, (Attachment I) the NYISO’s digital security system provides a level of security for the MIS that is comparable to that provided by the NAESB PKI. Before becoming a market participant and obtaining a digital certificate from the NYISO, an entity goes through an extensive vetting process, working closely with NYISO’s stakeholder services department. Once established, the market participant must complete a two-step authentication process to access the MIS: it must provide both a NYISO digital certificate and a correct password/user name combination.<sup>43</sup>

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<sup>40</sup> The Electric Industry Registry is a central repository of information that is required for commercial interactions and is maintained by NAESB.

<sup>41</sup> *Request for Rehearing of the New York Independent Transmission System Operator*, Docket No. RM05-5-24 (filed Oct. 20, 2014).

<sup>42</sup> Dewey Affidavit at P 6.

<sup>43</sup> Dewey Affidavit at P 8.

The NYISO, as well as the hundreds of entities that interact with it, must now transition into becoming a customer of a NAESB Authorized Certification Authority. Although the NYISO has started the transition, it will not be possible for it and its stakeholders to complete the move to a PKI compliant system for MIS by February 2, 2015, as Order No. 676-H appears to require.<sup>44</sup> Accordingly, the NYISO sought rehearing to preserve its rights and asked that it be afforded 24 months to come into compliance with the newly adopted PKI Standards.<sup>45</sup>

As the Commission has not yet ruled the NYISO's request for rehearing, the NYISO respectfully requests that the Commission grant a temporary 24-month waiver of WEQ-012, *et seq.*, the PKI Standards applicable to OASIS Transactions, with respect to its MIS only, so that the NYISO will have sufficient time to comply with those standards.<sup>46</sup> Because the MIS is currently protected by the NYISO's system of digital certification, the temporary waiver, if granted, will not endanger the security of the MIS or otherwise compromise the confidentiality of its members' data during that interim period.

## **2. NITS Standards: WEQ-001-101 through 001-107.3.1 (NITS – General Requirements)**

With one exception, the Commission approved and incorporated by reference NAESB's proposed NITS Standards.<sup>47</sup> Under the *pro forma* physical reservation transmission model, NITS allows customers to integrate, economically dispatch and regulate their current and planned network resources in a manner comparable to the way that a traditional vertically integrated utility uses its system to serve its native load. To accomplish this, the Commission

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<sup>44</sup> Dewey Affidavit at PP 9-10.

<sup>45</sup> *See Comments of the ISO/RTO Council*, Docket No. RM05-5-22 (filed September 24, 2013).

<sup>46</sup> *See, e.g. Standards for Business Practices of Interstate Natural Gas Pipelines*, 133 FERC ¶ 61,096 (2010) at PP 37-39 (granting extensions of time to pipelines in order to implement NAESB standards that will require costly and significant upgrades to the pipelines' computer systems).

<sup>47</sup> Order No. 676-H at P 59.

required that utilities use OASIS to request designation of new network resources and to terminate designation of network resources.<sup>48</sup> The newly adopted NITS Standards are designed to enhance and improve the operation of traditional OASIS systems by, among other things, providing functionalities that allow transmission providers to handle requests on a customer-by-customer basis; allow the option of tracking designated network resource scheduling rights; and allow a customer to designate an agent to administer OASIS transactions on its behalf.<sup>49</sup>

The NYISO respectfully requests that the Commission grant it a waiver of the newly adopted NITS Standards. As set out above, these NITS Standards are designed to enhance the physical reservation regime that is contemplated by the *pro forma* OATT and implemented through OASIS functions designed for physical reservation models. Although the NYISO OATT includes NITS provisions that are similar to the *pro forma* version in certain ways, the NYISO OATT version of NITS is fundamentally different from the *pro forma* version. In the NYISO system, NITS is not a superior form of service but is the functional equivalent of Point-to-Point Transmission Service. Although the NYISO OATT presents NITS and Point-to-Point Transmission Service separately, the opportunities that they provide to customers are functionally identical. Importantly, in the almost fifteen years since the NYISO commenced operation it has never provided, and no transmission customer has ever formally requested, NITS.<sup>50</sup>

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<sup>48</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 385; *Standards for Business Practices and Communication Protocols for Public Utilities*, 144 FERC ¶ 61,026 at P 21 (July 18, 2013) (“NOPR”).

<sup>49</sup> NOPR at P 22.

<sup>50</sup> The ISO New England, Inc. (“ISO-NE”) is also seeking a waiver of the NITS Standards because *pro forma* OATT NITS is not offered by ISO-NE. ISO New England Inc., *Revisions to ISO New England Inc. Open Access Transmission Tariff and Request for Waivers Related to Order No. 676-H* at 4, 6, 9, Docket No. ER15-\_\_\_\_-000 (filed December 1, 2014) (“ISO-NE Waiver Request”).

The Commission has granted requests for waivers of NAESB standards in analogous circumstances. For instance, the Commission agreed with certain natural gas pipelines that a waiver of standards related to pooling services was warranted when it was infeasible for the pipelines to provide them.<sup>51</sup> The Commission has also granted waivers of NAESB standards related to services that individual pipelines did not provide.<sup>52</sup>

It also bears emphasizing that even though the language describing NITS in the NYISO OATT is similar to that in the *pro forma* OATT, it is hardly identical. Significant differences that have existed since 1999 include:

- Definition 1.25, *Network Resource*. This definition was changed in the NYISO OATT to reflect that, under the LBMP pricing model, network customers are not limited to calling upon network resources that are “owned, purchased or leased by a Network Customer.” Instead, Network Customers can designate any ICAP supplier to be its designated Network Resource.
- Section 2.1, *Initial Allocation of Available Transmission Capability*: The section was revised in the NYISO OATT to include the changes needed to accommodate LBMP pricing, as well as the concept of purchasing Transmission Congestion Contracts through an auction to obtain fixed price service.
- Section 14.2, *Reservation Priority*. This section was modified in the NYISO OATT to accommodate the LBMP model, including that customers not willing to pay congestion will receive service only so long as there are no constraints on the system, giving non-firm customers a lower priority than firm Point-to-Point and Network customers if there is constraint.<sup>53</sup>

Subsequently, in the NYISO’s Order No. 890 compliance proceeding, the Commission did not require the NYISO to adopt certain NITS-related revisions made to the *pro forma* OATT due to the differences in the NITS provisions in the NYISO OATT. In granting the waivers, the

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<sup>51</sup> See, e.g. *Standards for Business Practices of Interstate Natural Gas Pipelines*, 133 FERC ¶ 61,096 (2010) at P 11 (“We grant waiver of the NAESB WGC Version 1.9 Standards relating to pooling based on these pipelines’ representations that it is currently infeasible to provide pooling services.”)

<sup>52</sup> See e.g. *id.*, at P 12 and *Standards for Business Practices of Interstate Natural Gas Pipelines*, 133 FERC ¶ 61,185 (2010) at P 28.

<sup>53</sup> See April 1999 Filing, Appendix A, Affidavit of J. Stephen Henderson and Appendix B, Explanation of Deviations from the Pro Forma tariff, and New York Independent System Operator, Inc., *Compliance with Order No. 890* at 6-10, Docket No. OA08-13 (filed Oct. 11, 2007).

Commission acknowledged that the fundamental differences arise from the NYISO's use of a financial reservation transmission model.<sup>54</sup>

In addition, granting the NYISO a waiver of the NITS Standards is consistent with the intent of WEQ-002-5.10. As is discussed in more detail below, that provision is intended to make clear that WEQ-002 requirements, including those related to NITS Standards, are not intended to apply to entities, like the NYISO, that are not subject to WEQ-001. As discussed above, the NYISO is substantially exempt from WEQ-001.

The Commission should similarly grant a waiver of the NITS Standards adopted under No. 676-H. Without the requested waivers, the NYISO would have to expend substantial resources to develop new implementation procedures related to tariff provisions that have never been used, and which there is no reason to expect will ever be used, in the NYISO system. The Commission should therefore grant the NYISO a waiver of the NITS Standards.

### **3. SAMTS Standards: WEQ-001-23 through 001-23.9 (Coordination of Request for Service Across Multiple Transmission Systems)**

Order 676-H approved NAESB's proposed SAMTS Standards,<sup>55</sup> which were adopted in response to Order No. 890's directive that transmission providers develop business practice standards to provide a process for customers to request transmission service across multiple transmission systems.<sup>56</sup> The SAMTS Standards require transmission providers to independently evaluate their portion of a linked transmission service request with the opportunity for customer reconciliation once all evaluations are complete.

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<sup>54</sup> See *New York Independent System Operator, Inc.*, 123 FERC ¶ 61,134 at PP 10-13 (accepting the NYISO's proposed variations from the *pro forma* OATT network service provisions).

<sup>55</sup> Order No. 676-H at P 65.

<sup>56</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 1377; NOPR at P 20.

The NYISO requests waiver of the SAMTS Standards to the extent that the Commission determines that the NYISO is not exempt from them based on the language of the standards themselves. The NYISO participated actively in the NAESB stakeholder process that developed the SAMTS Standards and consistently emphasized the impracticability of applying them to the NYISO model. The NYISO proposed that language be included in Standard WEQ-002-5.10 to make clear that the SAMTS Standards would not apply to entities such as the NYISO that do not support physical transmission reservations. This language was accepted by NAESB stakeholders and by the Commission. Thus, NAESB Standard WEQ-002-5.10 (Implementation Plan) states that “[t]he eligibility requirement established in Business Practice Standard WEQ-001-23.2 [the SAMTS Standards] shall not apply to transmission service across areas of the interconnected transmission system under the operational control of Transmission Providers that have previously obtained waivers of WEQ-001 [the NAESB Standards governing OASIS that include the newly adopted SAMTS Standards] from the Commission.” The Commission should accord this language the deference that it normally gives language developed through the NAESB stakeholder process.<sup>57</sup> Accordingly, the new SAMTS Standards do not impose new compliance obligations on transmission providers such as the NYISO that are already exempt from the WEQ requirements upon which the SAMTS Standards are built.

Nevertheless, if the Commission determines that the NYISO must seek a waiver of the SAMTS standards notwithstanding the language quoted above, the NYISO respectfully requests a waiver of the SAMTS Standards. The SAMTS Standards are built upon standards from which

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<sup>57</sup> See, e.g., *Comments of ISO/RTO Council*, Docket No. RM05-5-22 at 13 (filed Sept. 24, 2013) (“The IRC does ask, however, that the Commission attach substantial weight to applicability and scope provisions included in WEQ standards when it considers individual ISO/RTO waiver requests. ... By showing deference the Commission would encourage ISOs/RTOs to continue their substantial and good faith participation in the NAESB stakeholder process and potentially simplify the issues that eventually reach the Commission in waiver proceedings.”)

the NYISO currently has waivers, and for which the NYISO is seeking renewed waivers in this filing. They are designed for - and build upon rules that are only applicable to - transmission models based on express, physical transmission service requests.<sup>58</sup> As noted above, the NYISO does not support physical reservations. Requiring the NYISO to comply with the SAMTS Standards would effectively impose new and burdensome obligations on the NYISO that conflict with the provisions of its FERC-approved transmission model. Doing so would serve no useful purpose as there is no reason to believe, and as no entity expressed concern in the NAESB stakeholder process, that the NYISO's non-participation in SAMTS would impede interregional transactions in any way. The Commission should therefore grant the NYISO a waiver of the SAMTS Standards to the extent that it is not already exempt per the express language of the NAESB standards.<sup>59</sup>

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<sup>58</sup> The ISO-NE is also requesting a waiver of the SAMTS Standards as they relate to the coordination of Point-to-Point Service and NITS requests across multiple transmission systems, a service that the ISO-NE does not provide. ISO-NE Waiver Request at 9.

<sup>59</sup> See, e.g. *Standards for Business Practices of Interstate Natural Gas Pipelines*, 133 FERC ¶ 61,096 (2010) at P 11.

#### IV. CONCLUSION

WHEREFORE, the New York Independent System Operator, Inc. respectfully requests, for the reasons specified above, that the Commission grant the NYISO both renewed waivers of various NAESB WEQ Version 3.0 standards, as well as the new waivers from those standards described in Section III of this filing.

Respectfully submitted,

/s/ Christopher R. Sharp

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December 1, 2014

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

# Attachment I

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

**New York Independent System Operator, Inc.     )     Docket No. ER15-\_\_\_\_\_**

**AFFIDAVIT OF RICHARD J. DEWEY**

Mr. Richard J. Dewey 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 those facts and opinions.
2. I am Senior Vice President and Chief Information Officer of the New York Independent System Operator (NYISO).
3. The purpose of this affidavit is to support the NYISO's request for a temporary waiver of the North American Energy Standards Board (NAESB) Wholesale Electric Quadrant business practice standard relating to the use of Public Key Infrastructure (PKI) with the NYISO's Market Information System (MIS).
4. The MIS is the functional equivalent of an Open Access Same-Time Information System.
5. The NYISO currently does not use a NAESB Authorized Certification Authority for MIS. Instead, the NYISO acts as its own Certificate Authority and Registration Authority.
6. In that role, the NYISO has issued and supports nearly four thousand digital certificates for its employees, market participants and other MIS users.
7. The system currently used by the NYISO is very similar to that under NAESB's PKI standards and provides a comparable level of security.
8. Under the NYISO's current arrangements, the NYISO vets each potential holder of a digital certificate as that entity becomes a market participant. Once a market participant has been issued a digital certificate, it must provide both a NYISO-issued certificate as

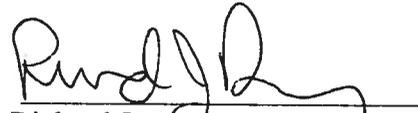
well as a correct password/user name combination in order to access the MIS.

9. The NYISO has begun to transition to the use of PKI with the MIS. This process includes identifying the NAESB Authorized Certification Authority that NYISO employees will use, and making the necessary changes to its computer systems, business processes, and other infrastructure to accept new digital certificates. Once these changes are made, the NYISO must facilitate the orderly transition of thousands of digital certificates without disruption to NYISO's markets.
10. The NYISO will not be able to complete this transition by February 5, 2015, as appears to be required by Order No. 676-H. Twenty four months would be a reasonable time to ensure an orderly transition to the use of PKI with the MIS while avoiding disruption to critical business processes. The NYISO's existing digital certificate security arrangements would remain in place during the transition.

This concludes my Affidavit.

**ATTESTATION**

I am the witness identified in the foregoing affidavit. 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.

  
Richard J. Dewey

Subscribed and sworn to before me  
this 1<sup>st</sup> day of December 2014

  
Notary Public

My commission expires:

March 21, 2018

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