

March 13, 2015

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

**Re: New York Independent System Operator, Inc., Docket No. ER15-\_\_\_\_-000  
*Proposed Tariff Revisions to Govern Requests for Additional Capacity Resource  
Interconnection Service***

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act (“FPA”) and Part 35 of the Commission’s regulations, the New York Independent System Operator, Inc. (“NYISO”) respectfully submits proposed revisions to Section 23 (Attachment H) of its Market Administration and Control Area Services Tariff (“Services Tariff”). The proposed revisions would govern exemption and Offer Floor<sup>1</sup> determinations under the buyer-side capacity market power mitigation measures (“BSM Rules”)<sup>2</sup> for generators and UDR projects<sup>3</sup> that request additional Capacity Resource Interconnection Service (“Additional CRIS”).<sup>4</sup> The new rules recognize the buyer-side mitigation history of a project; whether it was grandfathered and thus not previously evaluated under the BSM Rules, or it received an exempt or Offer Floor determination for MW, under the BSM Rules. The NYISO also submits related revisions to Services Tariff Section 2.21 (definitions), Section 20 (Attachment O, the Market Monitoring Plan), and Open Access Transmission Tariff (“OATT”) Section 12.4 (Attachment F, Code of Conduct). The proposed revisions will provide clear and specific BSM Rules expressly

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<sup>1</sup> Capitalized terms that are not otherwise defined in this Answer shall have the meaning specified in the Services Tariff.

<sup>2</sup> The BSM Rules are set forth in Section 23.4.5.7, *et seq.* of the Services Tariff. The BSM Rules also have provisions that apply to Special Case Resources. However, this filing does not propose revisions to the Special Case Resource rules.

<sup>3</sup> Services Tariff Section 23 uses the terms “UDR project” and “UDR facility” interchangeably to describe an existing or proposed (depending on the context) capacity Resource that has or is anticipated to request Unforced Capacity Deliverability Rights.

<sup>4</sup> With this filing, the NYISO proposes to add a definition for the term “Additional CRIS” in Section 23.2.1 and use that term throughout the proposed revisions to the Services Tariff. The term “Additional CRIS” and related tariff revisions address concepts and proposals that were informally referred to as “increased CRIS” by the NYISO and its stakeholders in discussions and presentations as the tariff revisions proposed herein were developed.

governing Additional CRIS for the first time. For the reasons set forth below, the proposed tariff revisions are just and reasonable and should be accepted by the Commission.

This filing also asks that the Commission accept certain tariff revisions that the NYISO previously submitted and are presently pending in other proceedings. As discussed below in Section IV and shown in Attachment IX, these revisions do not directly address Additional CRIS. However, they are essential to a coherent reading of the proposed Additional CRIS provisions and to their clear implementation. According to the NYISO's established filing methodology, the proposed new Additional CRIS revisions are set forth on tariff sections that incorporate all previously filed revisions even if not yet acted on by the Commission. Should the Commission accept the Additional CRIS rules (*i.e.*, the new revisions shown in blackline in Attachment II to this filing,) prior to accepting the revisions already pending at the time of this filing, the NYISO requests that the Commission's order include a compliance requirement directing the NYISO to make necessary adjustments to the tariff language, as described in Section IV below.

The proposed Additional CRIS revisions were developed through the NYISO's shared governance process with active participation by, and extensive input from, stakeholders. The proposed revisions were approved by a vote of stakeholders, with no opposition, at the January 28, 2015 stakeholder Management Committee meeting. They also reflect the input of the independent Market Monitoring Unit ("MMU").

The NYISO requests that all of the tariff revisions proposed in this filing become effective at the end of the standard sixty day notice period under FPA Section 205, *i.e.*, on May 12, 2015.

## **I. DOCUMENTS SUBMITTED**

The NYISO respectfully submits this filing letter and the following supporting documents:

1. A clean version of the proposed revisions to Services Tariff Section 23 (Attachment H) ("Attachment I");
2. A blacklined version of the proposed revisions to Services Tariff Section 23 (Attachment H) ("Attachment II");
3. A clean version of the proposed revisions to Services Tariff Section 2.21 ("Attachment III");
4. A blacklined version of the proposed revisions to Services Tariff Section 2.21 ("Attachment IV");

5. A clean version of the proposed revisions to OATT Section 12.4 (“Attachment V”);
6. A blacklined version of the proposed revisions to OATT Section 12.4 (“Attachment VI”);
7. A clean version of the proposed revisions Services Tariff Section 30 (“Attachment VII”);
8. A blacklined version of the proposed revisions to Services Tariff Section 30 (“Attachment VIII”); and
9. As an exhibit only, a blacklined version showing the proposed tariff revisions in relation to pending compliance filing revisions as described in Section IV of this letter, and other revisions proposed pursuant to FPA Section 205 pending in Docket No. ER14-2518 (“Attachment IX”).

## II. BACKGROUND

### A. The BSM Rules

The BSM Rules are currently applicable to all proposed new entrants in the NYISO-administered Installed Capacity (“ICAP”) market in Mitigated Capacity Zones.<sup>5</sup> Under the BSM Rules, ICAP Suppliers that do not obtain an exemption are subject to an Offer Floor. The Offer Floor is set at the lower of the net cost of new entry of the ICAP supplier’s specific proposed unit (“Unit Net CONE”) or 75% of the capacity price on the currently effective ICAP Demand Curve for the Mitigated Capacity Zone corresponding to the average amount of excess capacity above the Mitigated Capacity Zone Installed Capacity requirement (“Mitigation Net CONE Offer Floor”).<sup>6</sup>

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<sup>5</sup> The BSM Rules initially were only applicable to New York City. In 2013, the Commission accepted tariff revisions to implement buyer-side and supplier-side mitigation measures for all Mitigated Capacity Zones that then existed or that may be created in the future. *New York Indep. Sys. Operator, Inc.*, 143 FERC ¶ 61,217 (“June 2013 Order”). Therefore, the BSM Rules now also apply to the G-J Locality.

<sup>6</sup> “Mitigation Net CONE” is a term proposed by NYISO in its August 24, 2010 compliance filing in accordance with *New York Indep. Sys. Operator, Inc.*, 131 FERC ¶ 61,070 (2010). See Docket No. ER10-2371-000. The NYISO proposed further revisions to that definition to recognize the Mitigated Capacity Zone revisions. See Docket No. ER12-360-001. The Commission’s Order accepting the proposed Mitigated Capacity Zone tariff revisions held that revisions to the defined term “Mitigation Net CONE” are “subject to the outcome of Docket No. ER10-2371-000 where NYISO’s originally-proposed Mitigation Net CONE definition is pending.” See June 2013 Order at n. 62. As described below, this filing proposes to add the term “Mitigation Net Cone Offer Floor” to describe the Offer Floor set at 75% of Mitigation Net CONE.

Section 23.4.5.7.6 of Attachment H establishes that “[a]n In-City Installed Capacity Supplier that is not a Special Case Resource shall be exempt from an Offer Floor if it was an existing facility on or before March 7, 2008.” ICAP Suppliers that enter the market after that date can obtain an exemption from Offer Floor mitigation if it passes either one of two exemption tests, which are set out in Services Tariff Section 23.4.5.7 and are often referred to as the “Part A Test” and the “Part B Test.” The Part A Test compares the annual price forecast, three Capability Years out, beginning with the Starting Capability Period (the year of the project’s Class Year) to the default Offer Floor for the corresponding Capability Year. These values are compared with the Default Net CONE projected for that same time period. Under the Part A Test, an Examined Facility is exempt from the Offer Floor if the forecasted annual ICAP revenues exceed the Default Net CONE.

The Part B Test compares the average annual three-year price forecast, three Capability Years out from the Class Year, to the Unit Net CONE. An Examined Facility is exempt from an Offer Floor if that three-year average forecasted price exceeds the calculated Unit Net CONE.

**B. The BSM Rules Do Not Currently Include Provisions Expressly Governing Requests for Additional CRIS**

The NYISO’s interconnection process provides two levels of interconnection service: Energy Resource Interconnection Service (“ERIS”) and CRIS. ERIS is basic interconnection service that allows a Developer to interconnect its facility to the New York State Transmission System or Distribution System in accordance with the NYISO Minimum Interconnection Standard to enable the New York State Transmission System or Distribution System to receive electric energy from the facility. In addition to ERIS, Developers may also elect to be evaluated in the interconnection process for Capacity Resource Interconnection Service (“CRIS”). Unlike ERIS, CRIS is the interconnection service that allows a Developer to interconnect its facility to the New York State Transmission System or Distribution System in accordance with the NYISO Deliverability Interconnection Standard, which allows participation in the NYISO’s Installed Capacity market to the extent of the facility’s deliverable capacity. Existing facilities with CRIS that wish to increase their CRIS can only do so through the NYISO’s interconnection process – specifically, the Class Year Study described in Attachment S of the NYISO OATT.

On September 27, 2010,<sup>7</sup> the NYISO filed a package of proposed enhancements to the BSM Rules (“2010 BSM Filing”). Among other things, the revisions were designed to better align the BSM Rules with the “Class Year” study processes that the NYISO follows under Attachment S of its OATT. They also reflected changes to Attachment S that had been implemented after the BSM Rules were first implemented in 2008. Specifically, they reflected

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<sup>7</sup> New York Independent System Operator, Inc., *Proposed Enhancements to In-City Buyer-Side Capacity Mitigation Measures, Request for Expedited Commission Action, and Contingent Request for Waiver of Prior Notice Requirement*, Docket No. ER10-3043 (Sept. 27, 2010) (“2010 BSM Filing”).

the concept of CRIS and related Deliverability requirements that had been added to Attachment S after the BSM Rules were drafted.<sup>8</sup>

The 2010 BSM Filing did not address Additional CRIS issues. When the NYISO's stakeholders approved the tariff revisions included in the 2010 BSM Filing, they also "voted for additional discussions regarding the timing and manner of Offer Floor determinations for a facility initially found to be only partially deliverable (and therefore initially permitted to sell only the deliverable portion of its Capacity) that subsequently seeks permission to sell additional Capacity."<sup>9</sup> Thus, the 2010 BSM Filing stated that:

At this time, the approved language is not intended to address, and should not be interpreted as currently applicable to, the questions of whether and how to make an exemption or Offer Floor determination for a generator initially found to be deliverable for part of its MW of requested CRIS rights that subsequently requests CRIS rights for the remaining MW.<sup>10</sup>

The NYISO requested that the Commission either confirm that it accepted this limitation or order the NYISO to make a compliance filing to clarify the limitation in Attachment H. The Commission did not address the issue when it accepted the 2010 BSM Filing.<sup>11</sup>

In the time since the 2010 BSM Filing, the NYISO has continued to pursue the development of Additional CRIS rules. Those efforts ultimately culminated in the submission of this filing.

Prior to the current Class Year (*i.e.*, Class Year 2015,) the NYISO did not receive any requests for Additional CRIS. However, the NYISO anticipates that there will be members of Class Year 2015 that make such requests. Therefore, having accepted rules will provide clarity and transparency to the developers and all stakeholders on the examination of the Additional CRIS of these projects under the BSM Rules.

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<sup>8</sup> 2010 BSM Filing at 10. The Commission accepted the tariff provisions implementing CRIS in early 2009. *See New York Indep. Sys. Operator, Inc.*, 126 FERC ¶ 61,046 (2009).

<sup>9</sup> *See* 2010 BSM Filing at n. 12 which referenced this aspect of the stakeholders recommendation to the Board of Directors; available at: <[http://www.nyiso.com/public/webdocs/committees/mc/meeting\\_materials/2010-08-25/082510\\_final\\_Motions.pdf](http://www.nyiso.com/public/webdocs/committees/mc/meeting_materials/2010-08-25/082510_final_Motions.pdf)>.

<sup>10</sup> 2010 BSM Filing at 15. *See also* Motions 4 and 4A of Final Motions (Aug. 4, 2010), available at <[http://www.nyiso.com/public/webdocs/committees/bic/meeting\\_materials/2010-08-04/Final\\_Motions\\_revised.pdf](http://www.nyiso.com/public/webdocs/committees/bic/meeting_materials/2010-08-04/Final_Motions_revised.pdf)> and Motion 5 of Final Motions (Aug. 25, 2010), available at <[http://www.nyiso.com/public/webdocs/committees/mc/meeting\\_materials/2010-08-25/082510\\_final\\_Motions.pdf](http://www.nyiso.com/public/webdocs/committees/mc/meeting_materials/2010-08-25/082510_final_Motions.pdf)>.

<sup>11</sup> *New York Indep. Sys. Operator, Inc.*, 133 FERC ¶ 61,178 (2010); *see also*, *New York Indep. Sys. Operator, Inc.*, 134 FERC ¶ 61,083 (2011) (collectively, the "2010 BSM Orders").

### **III. JUSTIFICATION FOR AND DESCRIPTION OF PROPOSED ADDITIONAL CRIS TARIFF REVISIONS**

The Additional CRIS revisions will clarify the application of the BSM Rules to scenarios in which ICAP Suppliers seek to increase their CRIS. The NYISO should have rules in place that expressly address these situations. The proposed Additional CRIS revisions adopt and build on established language, concepts, and parameters from the existing BSM Rules to apply to scenarios involving requests for Additional CRIS MW. They utilize the existing Part A and Part B Tests, the same Mitigation Net CONE Offer Floor, and would use the same inputs and methodology to determine the annual capacity price forecast and the average three-year price forecast used in the Part A and Part B Tests. They also include some limited, necessary changes pertaining to the calculation of Unit Net CONE for Additional CRIS MW under the Part B Test. The proposed revisions enjoy broad stakeholder support. They should therefore be accepted by the Commission as just and reasonable under Section 205 of the FPA.

The proposed Additional CRIS revisions are set forth in Services Tariff Sections 2.21, 23.2.1, 23.4, 30.4, and 30.6, and OATT Section 12.4. They would govern NYISO determinations under the BSM Rules associated with requests for Additional CRIS from Installed Capacity Suppliers that already have CRIS MW and were either grandfathered from Offer Floor mitigation because they were existing facilities in New York City prior to March 7, 2008, were grandfathered under the rules that apply to Mitigated Capacity Zones except New York City, or previously received an exemption determination. These new proposed revisions are discussed in this section.

#### **A. Proposed Additional CRIS Revisions to Services Tariff Section 23.2**

Section 23.2 sets forth the definitions used in Attachment H. The NYISO is proposing to establish the following new definition of “Additional CRIS MW”:

For purposes of Section 23.4.5 of this Attachment H, “Additional CRIS MW” shall mean the MW of Capacity for which CRIS was requested for an Examined Facility pursuant to the provisions in ISO OATT Sections 25, 30, or 32 (OATT Attachments S, X, or Z), including either: (i) all, or a portion, of the MW of Capacity of that Examined Facility for which CRIS had not been obtained in prior Class Years through a prior Class Year process or through a transfer completed in accordance with OATT Section 25 (OATT Attachment S); and/or (ii) all, or a portion, of an increase in the Capacity of that Examined Facility. Additional CRIS MW does not include any MW quantity of CRIS that is exempt from an Offer Floor pursuant to Section 23.4.5.7.7(a) or (b), Section 23.4.5.7.8 or an increase of 2 MW or less in an Examined Facility’s MW quantity of CRIS obtained pursuant to Section 30.3.2.6 of Attachment X to the OATT.

This new definition is a necessary part of tariff revisions addressing Additional CRIS issues. It specifies that CRIS MW that are found to be eligible for an exemption from Offer Floor mitigation under proposed new Section 23.4.5.7.6 will be not considered to be Additional CRIS MW. Increases in CRIS MW of 2 MW or less are excluded from the definition because

such increases are deemed to be non-material. Facilities with existing CRIS values are already allowed to increase that value by a total of no more than 2 MW over their operating lives without having to submit a new Interconnection Request under Section 30.3.2.6 of Attachment X.

The NYISO is proposing to create several other new definitions and to revise others. These new and revised definitions are needed to implement the Additional CRIS provisions, to standardize the language used in Attachment H, or to conform the terminology used in Attachment H with the language used in OATT Attachment S. Specifically, the NYISO proposes to add the following new definitions:

“Class Year Study” means a Class Year Interconnection Facilities Study as that term is defined in OATT Section 25 (OATT Attachment S).

For purposes of Section 23.4.5.7 “CRIS MW” shall mean the MW of Capacity for which CRIS was assigned to a Generator or UDR project pursuant to ISO OATT Sections 25, 30, or 32 (OATT Attachments S, X, or Z).

The NYISO is proposing to add a definition of “Cleared UCAP” to clarify that when the term is used in Section 23.4.5.7 it only applies to projects that previously had an Offer Floor, and not to those whose CRIS was previously grandfathered under the BSM Rules or was determined to be exempt under the Part A Test or the Part B Test.

“Cleared UCAP” means the amount of MW (rounded down to the nearest tenth of a MW) that had been subject to an Offer Floor but has cleared in accordance with Section 23.4.5.7.

The NYISO also proposes the following clarification to the definition of “Market Party”

“Market Party” shall mean any person or entity that is, or for purposes of the determinations to be made pursuant to Section 23.4.5.7 of this Attachment H proposes or plans a project that would be, a buyer or a seller in, or that makes bids or offers to buy or sell in, or that schedules or seeks to schedule Transactions with the ISO in or affecting any of the ISO Administered Markets, or any combination of the foregoing.

The NYISO is proposing to revise the definition of “Offer Floor” to add a cross-reference to the proposed new rules governing the calculation of Offer Floor for Additional CRIS MW and to add a clarifying distinction between a “Mitigation Net CONE Offer Floor” and a “Unit Net CONE Offer Floor.” Specifically:

For purposes of Section 23.4.5 of this Attachment H, “Offer Floor” for a Mitigated Capacity Zone Installed Capacity Supplier that is not a Special Case Resource shall mean the lesser of (i) a numerical value equal to 75% of the Mitigation Net CONE translated into a seasonally adjusted monthly UCAP value (“Mitigation Net CONE Offer Floor”), or (ii) a numerical value determined as specified in Section 23.4.5.7.3, translated into a

seasonally adjusted monthly UCAP value using an appropriate class outage rate, (“Unit Net CONE Offer Floor”). The Offer Floor for a Mitigated Capacity Zone Installed Capacity Supplier that is a Special Case Resource shall mean a numerical value determined as specified in Section 23.4.5.7.5. The Offer Floor for Additional CRIS MW shall mean a numerical value determined as specified in Section 23.4.5.7.6.

Finally, the NYISO is proposing to add the following new defined term which would be used in new Section 23.4.5.7.6.

“Total Evaluated CRIS MW” shall mean the Additional CRIS MW requested plus either (i) if the Installed Capacity Supplier previously received an exemption under Sections 23.4.5.7.2(b), 23.4.5.7.6(b), 23.4.5.7.7 or 23.4.5.7.8, all prior Additional CRIS MW since the facility was last exempted under Sections 23.4.5.7.2(b), 23.4.5.7.6(b), or 23.4.5.7.8, or (ii) for all other Installed Capacity Suppliers, all MW of Capacity for which an Examined Facility obtained CRIS pursuant to the provisions in ISO OATT Sections 25, 30, or 32 (OATT Attachments S, X, or Z).

## **B. Proposed Additional CRIS Revisions to Services Tariff Section 23.4**

### **1. Additional CRIS Exemption Determinations**

Proposed new Section 23.4.5.7.6 “Exemptions for Additional CRIS MW” is the heart of the NYISO’s proposed Additional CRIS provisions. It establishes that Additional CRIS MW shall be exempt from an Offer Floor if it passes either of two exemption tests modeled on the existing Part A and Part B Tests. Specifically:

Additional CRIS MW obtained in a Class Year or obtained through a transfer at the same location shall be exempt from an Offer Floor (a) if the price that is equal to (x) the average of the ICAP Spot Market Auction price for each month in the two Capability Periods, beginning with the Summer Capability Period commencing three years from the start of the Class Year (the “Starting Capability Period”) is projected by the ISO, with the inclusion of the Additional CRIS MW, to be higher than (y) the highest Offer Floor based on the Mitigation Net CONE that would be applicable to such Additional CRIS MW in the same two (2) Capability Periods (utilized to compute (x)); or (b) if the price that is equal to the average of the ICAP Spot Market Auction prices in the six Capability Periods beginning with the Starting Capability Period is projected by the ISO, with the inclusion of the Installed Capacity Supplier’s Additional CRIS MW, to be higher than the reasonably anticipated Unit Net CONE computed in accordance with (i) and (ii) of Section 23.4.5.7.6.1 for the Installed Capacity Supplier’s Additional CRIS MW.



As noted above, the Commission has found the Part A and B Tests to be a just and reasonable means of making Offer Floor exemption determinations.<sup>12</sup> Moreover, the NYISO has conducted several mitigation exemption determinations using the tests; the results of those determinations, along with their inputs and methodology, are already familiar to Market Participants and developers; and the tests are implemented in a transparent manner.

Proposed Section 23.4.5.7.6.8 requires the NYISO to post on its website the results of Additional CRIS exemption determinations as soon as they are final. The independent MMU will prepare a report on the NYISO's determinations, which will be published concurrently with them pursuant to proposed revisions to Section 30.4.6.12 which are discussed below.

## **2. Calculation of Unit Net CONE Under Section 23.4.5.7.6(b)**

Proposed Section 23.4.5.7.6.1<sup>13</sup> establishes that the mitigation status of the Examined Facility's last CRIS MW determines how the NYISO will compute the Unit Net CONE for use in the exemption analysis under Section 23.4.5.7.6(b).

Under proposed Section 23.4.5.7.6.1(i), the NYISO will compute the Unit Net CONE for the Additional CRIS MW on the Additional CRIS MW and the costs and revenues associated with them if the Examined Facility:

- 1) was originally exempted from mitigation by virtue of being grandfathered;
- 2) was determined to be exempt under the Part A Test before November 27, 2010;
- 3) was determined to be exempt under the Part B Test; or
- 4) (a) accepted all CRIS MW equal to or greater than 95% of the Examined Facility's maximum MW of electrical capability, net of auxiliary load, at an ambient temperature of 93° F as determined in accordance with the ISO Procedures and (b) the amount of Cleared UCAP is greater than or equal to the amount determined in Section 23.4.5.7.6.3.<sup>14</sup>

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<sup>12</sup> See, e.g. June 2013 Order at P 99 (2013) (accepting the NYISO's proposal to use its existing BSM Rules for projects in newly established capacity zones).

<sup>13</sup> The NYISO made a ministerial revision to correct the version of Section 23.4.5.7.6.1(i)(a) approved by its Business Issues Committee and Management Committee, to replace "requested" with "accepted" as follows: "the most recent prior determination concluded that the Capacity for which the Examined Facility requested-accepted CRIS was exempt from the Offer Floor pursuant to Section..." This correction wholly comports with proposal Section 23.4.5.7.6.1(i)(b), the other provisions in this proposal, and the accepted tariff rules. Although initial determinations are issued for informational purposes in relation to the Class Year Project Cost Allocation rounds, actual determinations are only made for accepted CRIS in a completed Class Year.

<sup>14</sup> This provision is discussed below.

If an Examined Facility was previously found to be exempt from the Offer Floor based on any the above criteria, the NYISO would evaluate the Additional CRIS on its own, independent of the existing CRIS MW, and the costs and revenues associated with the existing CRIS MW. Evaluating the Additional CRIS in isolation from the initial investment in the above scenarios is appropriate if the existing CRIS MW were determined to be exempt based on their own economics by “passing” the Part B Test. It is also appropriate if the existing CRIS MW were demonstrated to be economic by a significant portion of it clearing in the market for twelve (not necessarily consecutive) months despite being subject to an Offer Floor upon entry and thus no longer being subject to Offer Floor mitigation

The requirement that an Examined Facility have accepted all CRIS MW equal to or greater than 95% of maximum electrical capability at an ambient temperature of 93° F is intended to prevent “size gaming.” In the absence of this requirement, a resource could “size game” by initially requesting only a low amount of CRIS MW in relation to the amount of capacity the unit is capable of supplying, and receive a BSM determination for those CRIS MW based the cost of new entry of the entire facility. Thus, without the “95% requirement,” the unit could then receive an exemption for Additional CRIS since no additional costs would be incurred. To prevent this scenario, the rule requires a mitigated Examined Facility to obtain CRIS close to the maximum amount of MW it could reasonably expect to supply to the system. In these instances, the existing CRIS MW were economically justifiable in isolation of any further investments. Thus, it is not appropriate to revisit the original determination as part of the evaluation of Additional CRIS.

Evaluating only the Additional CRIS MW is also appropriate if the Examined Facility’s existing CRIS was determined to be exempt under Part A (capacity forecast test) before November 27, 2010 (*i.e.*, the effective date of numerous tariff revisions<sup>15</sup> to the BSM Rules) or were grandfathered under the BSM Rules. In these instances, it would be impracticable to reasonably estimate the Unit Net CONE of the existing CRIS MW because that data is not readily available to the NYISO and not reasonably re-creatable by the generator or UDR facility owner.

It is thus appropriate to evaluate in the above four instances only whether the Additional CRIS should be exempt or subject to the Offer Floor, and to perform that evaluation using a methodology based on the costs and revenues associated only with the Additional CRIS.

If, however, the Examined Facility does not meet any of the Section 23.4.5.7.6.1(i) criteria, then proposed Section 23.4.5.7.6(ii) would require that the NYISO determine the Examined Facility’s Unit Net CONE as the greater of: (i) a value based on the Total Evaluated CRIS MW (and the costs and revenues of the Total Evaluated CRIS MW); and (ii) a value based on the Additional CRIS MW and the costs and revenues of the Additional CRIS MW. Determining the Unit Net CONE in this manner would prevent gaming by submitting an original

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<sup>15</sup> See 2010 BSM Orders, respectively, at P 1 (accepting proposed tariff revisions, effective November 27, 2010).

request for CRIS MW that is lower than the plant's actual output, which would artificially suppress the cost of the subsequent Additional CRIS by "hiding" the majority of the costs in the initial investment. It would also provide an appropriate basis to determine the Unit Net CONE for Additional CRIS when the cost of those MW is higher than the original CRIS MW. Determining Unit Net CONE to be the greater of costs and revenues associated with the Total Evaluated CRIS and the costs and revenues associated with Additional CRIS eliminates the incentive for a developer to adjust the level of CRIS it is requesting in an effort to circumvent the BSM Rules.

Proposed Section 23.4.5.7.6.2 specifies how the NYISO shall calculate the Unit Net CONE of the Total Evaluated CRIS MW for an Examined Facility. Performing the calculation in this manner ensures that an appropriate escalation rate is used for past years, where such an escalation rate has already been observed, and that a reasonable and transparent inflation rate from the currently effective ICAP Demand Curves is used for future years. The proposal provides that for the past years' escalation rate, the NYISO would use the price index for non-farm business output published in the Survey of Current Business by the Department of Commerce's Bureau of Economic Analysis ("BEA Non-Farm Price Index"). That broad based index is derived from the non-farm business component of the GDP; *i.e.*, it omits government, household and farm business, making it an observed escalation rate that is relevant to industrial price and cost growth. Thus, its use is appropriate for escalating the value of the original Unit Net CONE for the purposes of combining it with the Additional CRIS investment, in order to calculate the Unit Net CONE of the Total Evaluated CRIS MW.

Proposed Section 23.4.5.7.6.3 explains that for purposes of making the determination under Section 23.4.5.7.6(i)(b)(2), the NYISO shall compare the amount of Cleared UCAP to an amount of UCAP calculated as the product of the CRIS MW held by the Examined Facility immediately prior to its request for Additional CRIS MW and (1-Equivalent Demand Forced Outage Rate ("EFORD")). This provision ensures that the Examined Facility has cleared all, or close to all, of its UCAP MW and also accounts for the fact that a facility's EFORD can change through time. The class average NERC data at the time of the Additional CRIS request is utilized instead of the unit specific EFORD because the former is not under the control of the owner and is not "gameable" as a result. Over the long run, a unit's EFORD can reasonably be expected to approach the class average EFORD.

Proposed Section 23.4.5.7.6.4 establishes that Additional CRIS MW shall be subject to a Mitigation Net CONE Offer Floor for the period specified in Section 23.4.5.7 (*i.e.*, it shall continue to be subject to the Offer Floor except to the extent that it has cleared for any twelve, not-necessarily consecutive months.) Thus, Offer Floor mitigation will apply to Additional CRIS MW for the same duration as the currently effective rules for new entrant MW subject to an Offer Floor.

Proposed Section 23.4.5.7.6.5 states that "[t]he Offer Floor for Additional CRIS MW shall be equal to the lesser of: (a) the Unit Net CONE for the Additional CRIS MW; or (b) a numerical value equal to 75 percent of the Mitigation Net CONE translated into a seasonally

adjusted monthly UCAP value for the Additional CRIS MW.” Thus, the same rule to determine the level of the Offer Floor as the lesser of the two values will apply to Additional CRIS as it does for new entrant MW subject to an Offer Floor.

Proposed Section 23.4.5.7.6.6 specifies that the results of an Additional CRIS MW exemption determination “shall apply only to the Additional CRIS MW and shall not alter or affect any prior exemption or Offer Floor determination for the Examined Facility.” It would also establish that “the Additional CRIS MW for which CRIS is received shall be bound by the determination rendered and will not be reevaluated unless the Examined Facility enters a new Class Year for the Additional CRIS MW.” These proposed rules would clearly establish that: (i) Additional CRIS MW exemption analyses are distinct from, and will not overturn or alter, earlier exemption determinations under the BSM Rules; and (ii) that Additional CRIS MW exemption determinations are binding unless the Examined Facility Additional CRIS MWs enter a new Class Year for the Additional CRIS.

Finally, proposed Section 23.4.5.7.6.7 defines the procedures that the NYISO will follow if it “makes an exemption or Offer Floor determination for an Examined Facility’s Additional CRIS MW for an ICAP Supplier other than to which the Unit Net CONE determination for the Examined Facility was rendered” and is then asked to provide the Examined Facility’s first year Unit Net CONE value to such ICAP Supplier. The proposed language protects prior owner confidential data by limiting 1) the disclosed data to the first year Unit Net CONE and 2) the specific and limited circumstances in which the ICAP Supplier can use the data and the persons to whom it can be disclosed. The proposed rule reasonably balances the ICAP Supplier’s desire to have the information against the importance of protecting confidential information.

### **3. Calculating Offer Floor Levels and the Duration of Offer Floor Mitigation**

Section 23.4.5.7.6.5 establishes that the Offer Floor for Additional CRIS MW shall be equal to the lesser of: (a) the Unit Net CONE for the Additional CRIS MW, or (b) a numerical value equal to 75 percent of the Mitigation Net CONE translated into a seasonally adjusted monthly UCAP value for the Additional CRIS MW. This is the same method that is used to calculate Offer Floors under Section 23.4.5.7.2 of the existing BSM Rules.

Under proposed Section 23.4.5.7.6.4, Additional CRIS MW that is mitigated shall be subject to the Mitigation Net CONE Offer Floor until it has cleared twelve, not-necessarily consecutive months, as specified in Section 23.4.5.7. This is the same rule that the Commission directed the NYISO to adopt to establish the duration of Offer Floors under the existing BSM Rules.

### **4. Additional Revisions to Section 23.4**

The NYISO proposes several other revisions to existing provisions in Section 23.4 that are necessary to implement the Additional CRIS revisions, as follows:

- Section 23.4.5.7.2: to specify that the first year value of an Examined Facility's Unit Net CONE will be established at the time the Examined Facility first offers UCAP and will be used in Offer Floor determinations for Additional CRIS MW. This provision is consistent with the Commission's June 2012 Order and the NYISO's compliance filing in accordance therewith.<sup>16</sup>
- Section 23.4.5.7: to create a defined term "Cleared UCAP" for ease of reference to the existing tariff provision that describes the amount of UCAP that has cleared in any twelve, not necessarily consecutive, months.
- Sections 23.4.5.7.2.3; 23.4.5.7.2.7; 23.4.5.7.3; 23.4.5.7.4; 23.4.5.7.8 to correct or clarify cross-references.
- Section 23.4.5.7.3.2 to clarify that the requirement to post certain information is subject to any restrictions on the disclosure of Confidential Information or Critical Energy Infrastructure Information.
- Section 23.4.5.7.3.3 to clarify the terminology in order to more clearly distinguish an initial determination from the actual final exemption or Offer Floor determination, and to do so using terminology that comports with the OATT Attachment S Class Year process terminology.
- Section 23.4.5.7.3.4: to insert "Mitigation" before a reference to the Net CONE Offer Floor, which aligns this provision with other references to "Mitigation Net CONE."
- Section 23.4.5.7.3.5: to specify that an Examined Facility can only be reevaluated with respect to Additional CRIS MW.

### **C. Revisions to Other Sections of the Services Tariff and the OATT**

The NYISO proposes to add to the definition of Unforced Capacity Deliverability Rights ("UDRs") in Services Tariff Section 2.21 the following language to account for the possibility that UDR projects might seek to increase their CRIS MW:

Unforced Capacity Deliverability Rights ("UDRs") are rights, as measured in MWs, associated with (i) new incremental controllable transmission projects, and (ii) new projects to increase the capability of existing controllable transmission projects that have UDRs, that provide a transmission interface to a Locality....

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<sup>16</sup> See *Astoria Generating Company L.P. v. New York Independent System Operator, Inc.*, 139 FERC ¶ 61,244 at P 30 (2012) ("June 2012 Order"). See also *New York Independent System Operator, Inc., Compliance Filing*, Docket No. ER12-2414-000 (Aug. 6, 2012) ("August 2012 Compliance Filing") and *New York Independent System Operator, Inc., Errata to Compliance Filing*, Docket No. ER12-2414-001 (Aug. 7, 2012) ("Errata to August 2012 Compliance Filing"), and *New York Independent System Operator, Inc., Refiling of Base Tariff Section to Correct Ministerial Error and Request for Waiver of Public Notice Requirement*, Docket No. ER12-2414-002 (Oct. 12, 2012) ("October 2012 Base Tariff Correction Filing").

The NYISO also proposes to revise Services Tariff Section 30.4.6.12 to specify that the MMU will prepare a written report confirming whether the NYISO's Offer Floor and exemption determinations were conducted in accordance with the Section 23.4.5.7.6 and identifying any flaws. The similar requirement is described in the June 2012 Order, and is currently pending before the Commission in Docket No. ER12-2414 but already implemented for determinations made by the NYISO pursuant to the BSM Rules.<sup>17</sup> The MMU's reports have fostered transparency and provided useful information to stakeholders. It is reasonable to expect that MMU reports on determinations related to Additional CRIS MW will bring the same benefits.

The NYISO proposes to add to Services Tariff Section 30.6.2.2.5 the following language, which will empower it to obtain needed data from entities that seek a mitigation exemption determination for Additional CRIS MW:

Other Cost and Risk Data Supporting Reference Levels or ICAP mitigation determinations or Going-Forward Costs – All data or information not specifically identified above that: (i) supports or relates to a Market Party's claimed, requested, or approved reference levels or Going-Forward Costs (as that term is defined in the Market Mitigation Measures) for a particular resource; or (ii) are necessary for the ISO to make a mitigation determination under Services Tariff Section 23.4.5.7, including data or information: (a) necessary to determine a Market Party's Unit Net CONE (as that term is defined in the Market Mitigation Measures) for a particular resource; or (b) required to evaluate a Market Party for a mitigation determination, including information from a Market Party's Affiliates, as appropriate.

The NYISO proposes to add the following language to Section 12.4 of the OATT, *Treatment of Confidential and Transmission System Information*, to exempt disclosures made by the NYISO pursuant to the Additional CRIS procedures from the procedures set out in that section:

(6) disclosures by the ISO that are authorized under ISO Services Tariff Attachment H Section 23.4.5.7 and its subsections (except as restricted in section 23.4.5.7.3.2.).

Finally, the NYISO also proposes several additional minor adjustments to the above sections, which are shown in Attachments II and VIII but are not discussed further herein given their ministerial character. For example, Section 23.2.1 proposes to add "Section 25" and parentheses around references to OATT attachments associated with that Section number in several definitions. The NYISO is also correcting minor typographical error corrections such as deleting an extra space. The filing also updates section number cross references to account for the new tariff sections proposed herein.

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<sup>17</sup> *Id.*

#### **IV. REQUEST FOR COMMISSION ACCEPTANCE OF PREVIOUSLY PROPOSED AND PENDING SERVICES TARIFF REVISIONS THAT ARE NECESSARY FOR IMPLEMENTATION OF THE PROPOSED ADDITIONAL CRIS REVISIONS**

The NYISO's established methodology for filing of proposed tariff revisions requires that proposals be marked on a version of the tariff that incorporates, as if they were accepted, pending proposed tariff revisions even though they have not yet been acted on by the Commission. Accordingly, the tariff sections in Attachments II and VIII to this filing include "clean" versions (*i.e.*, without blacklining or other marking) of various previously proposed revisions that are pending before the Commission. These include provisions that were submitted: (i) on August 24, 2010 in Docket No. ER10-2371-000<sup>18</sup> in compliance with the May 2010 Order<sup>19</sup> in Docket Nos. EL07-39-004 and -005 and ER08-695-002 and -003; (ii) in the August 2012 Compliance Filing on August 6, 2012 in Docket No. ER12-2414-000 in compliance with the June 2012 Order in Docket No. EL11-42-000, as well as in the Errata to the August 2012 Compliance Filing and October 2012 Base Tariff Correction Filing; and (iv) on July 28, 2014 in Docket Nos. ER14-2518-000 and 001.<sup>20</sup>

This filing presents two issues related to the tariff filing methodology described in the preceding paragraph. First, in certain instances, previously proposed pending tariff revisions are integrally related to the language of the Additional CRIS tariff revisions that are proposed for the first time in this filing. That is, the new Additional CRIS language builds upon certain language from pending filings, and cannot be practicably implemented if that earlier language is not accepted and effective. As explained in subsection IV.A, below, the NYISO is therefore asking the Commission to accept previous revisions that are integrally related to the revisions proposed in this filing when the Commission acts on this filing.

Second, a number of the previously proposed revisions that are included in the tariff sections presented in this filing were the subject of protests and/or relate to requests for rehearing that are pending before the Commission. The NYISO therefore states in subsection IV.B below that it is not suggesting in this filing that support for the new Additional CRIS provisions should be construed as a waiver or alteration of arguments made by stakeholders or by the NYISO in Docket Nos. EL07-39-006; ER08-695-004; ER10-2371-000; EL11-42-001; ER12-2414-000; or ER14-2518-000 and -001.<sup>21</sup>

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<sup>18</sup> These revisions were previously submitted on August 10, 2010 in Docket No. ER10-2210-000 before that filing was replaced by the August 24, 2010 filing in Docket No. ER10-2371-000.

<sup>19</sup> *New York Independent System Operator, Inc.*, 131 FERC ¶ 61,170 (2010) (the "May 2010 Order").

<sup>20</sup> *New York Independent System Operator, Inc., Proposed Tariff Amendments to Define Certain Outage States and Associated Requirements*, Docket No. ER14-2518-000 (July 28, 2014).

<sup>21</sup> The NYISO also is making the same statement regarding the tariff revisions filed in Docket Nos. ER13-1380-004 and ER13-1380-005; although these revisions are accepted and effective.

Importantly, the NYISO notes that this tariff filing methodology and the issue described in this section was discussed with stakeholders at several meetings, and was incorporated into the NYISO's presentation to the Business Issues Committee, and the Management Committee, prior to their respective votes recommending adoption of these revisions.<sup>22</sup>

**A. Request that the Commission Accept Certain Previously Proposed and Pending Services Tariff Revisions that Are Integrally Related to, and Necessary to the Implementation of, the Proposed New Additional CRIS Provisions at the Same Time that It Acts on the New Provisions**

The NYISO respectfully requests that the Commission accept the previously filed and pending Services Tariff revisions identified below at the same time that it acts on the new Additional CRIS language proposed in this filing. These pending revisions are integrally related to, and necessary to the implementation of, the provisions proposed by this filing. As discussed above in Section III, the proposed revisions set forth the rules by which the NYISO would determine if a project that requests Additional CRIS MW after it was either grandfathered, and therefore exempt under the current or prior buyer-side mitigation rules, or after the NYISO has made its buyer-side mitigation determination for that project. The proposed Additional CRIS revisions therefore naturally build upon existing tariff language establishing the BSM Rules. As noted below, some language that has been pending before the Commission in compliance filings must also be reflected in the new proposed revisions for consistency with earlier Commission directives. The NYISO has previously made, and the Commission has previously accepted, similar requests for action on pending compliance filing tariff revisions coincident with closely related proposed new revisions.<sup>23</sup>

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<sup>22</sup> See presentation to the NYISO's Business Issues Committee, *Proposed ICAP Buyer-Side Mitigation Rule Modifications – Increased CRIS* (Jan. 14, 2015) at 5, available at <[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic/meeting\\_materials/2015-01-14/agenda\\_07\\_Increased%20CRIS%20BIC%201-14-15.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic/meeting_materials/2015-01-14/agenda_07_Increased%20CRIS%20BIC%201-14-15.pdf)> and presentation to the NYISO's Management Committee, *Proposed ICAP Buyer-Side Mitigation Rule Modifications – Increased CRIS* (Jan. 28, 2015) at 5, available at <[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/mc/meeting\\_materials/2015-01-28/Agenda%2006\\_Increased%20CRIS.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/mc/meeting_materials/2015-01-28/Agenda%2006_Increased%20CRIS.pdf)>. See also presentation to the NYISO ICAP Working Group, *Proposed ICAP Buyer-Side Mitigation Modifications – Increased CRIS* at 7 (July 8, 2014) available at <[http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic\\_icapwg/meeting\\_materials/2014-07-08/Increased%20CRIS%20%20ICAPWG%207-8-2014%20\(2\).pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_icapwg/meeting_materials/2014-07-08/Increased%20CRIS%20%20ICAPWG%207-8-2014%20(2).pdf)>.

<sup>23</sup> See, e.g. 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*, Docket No. ER13-1380-000 at 2 (April 30, 2013) ("As noted in Sections II.A.2 and V, the NYISO also asks the Commission to issue an order accepting pending compliance tariff revisions to establish market power mitigation rules in the NCZ as soon as possible."). The Commission acted on the pending revisions in question (in Docket No. ER12-360-001) on June 6, 2013, see June 2013 Order. It issued its order accepting the NYISO's proposed tariff revisions in ER13-1380-000 shortly afterwards, in August 2013.



- **Section 23.2:** The definition of “Mitigation Net CONE” in this section is pending in Docket No. ER10-2371-000.<sup>24</sup> The NYISO is proposing, as part of the new Additional CRIS revisions, to amend the definition of “Offer Floor” (also located in Section 23.2) to refer to “Mitigation Net CONE” instead of “Net CONE.” The NYISO is similarly proposing to change a reference to “Net CONE” to “Mitigation Net CONE” in Section 23.4.5.7.3.4. In both instances, the change is necessary so that the Additional CRIS provisions will be accurate and consistent with other BSM Rules. The NYISO therefore respectfully requests that the Commission accept the proposed definition of “Mitigation Net CONE” when it acts on this filing.
- **Section 23.4.5.7:** The language in this section stating that “Offer Floors shall be adjusted annually using the inflation rate component of the escalation factor of the relevant effective ICAP Demand Curves that have been accepted by the Commission . . .” is pending before the Commission in Docket No. ER12-2414-000. This pending language in Section 23.4.5.7 is essential to the exemption determination analysis under the BSM Rules. The June 2012 Order stated that “[t]o maintain consistency within the buyer-side mitigation rules, tariff revisions should state that inflation will be applied annually to offer floors of a non-exempt unit entering the market, at the inflation rate component of the escalation factor determined in the demand curve process.”<sup>25</sup> Accordingly, the proposed Additional CRIS provisions also incorporate the requirement that Offer Floors be increased to reflect inflation. Specifically, Section 23.4.5.7.6.2 of the proposed Additional CRIS provisions would mandate that the NYISO calculate the Unit Net CONE of the Total Evaluated CRIS MW for an Examined Facility pursuant to Section 23.4.5.7. The NYISO therefore respectfully requests that the Commission accept the pending quoted language when it acts on this filing.
- **Section 23.4.5.7.2:** The NYISO’s proposed new revisions in this section build upon language pending in Docket No. ER12-2414-000 which states that “For purposes of the determinations pursuant to (a) and (b) of this section, the ISO shall identify Unit Net CONE and the price on the ICAP Demand Curve projected for a future Mitigation Study Period consistent with Section 23.4.5.7.4 . . .” The newly proposed language provides additional detail concerning when the NYISO will identify these values, how it will calculate Unit Net CONE, and the timing of the exemption determinations referenced in the pending language. Thus, the proposed new language would not be complete or functional without the already pending language. The NYISO therefore respectfully requests that the Commission accept the pending quoted language when it acts on this filing.
- **Section 23.4.5.7.4:** The following proposed language in this Section is pending before the Commission in Docket No. ER12-2414-000: “For purposes of Sections 23.4.5.7.2(b),

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<sup>24</sup> See n. 6 above describing the status of this defined term.

<sup>25</sup> June 2012 Order at P 76.

the ISO shall identify the Unit Net CONE and the price on the ICAP Demand Curve projected for a future Mitigation Study Period using: (i) the escalation factor of the relevant ICAP Demand Curves for any year for which there are accepted ICAP Demand Curves; or (ii) the inflation rate component of the escalation factor of the relevant ICAP Demand Curve for any year for which the accepted ICAP Demand Curves do not apply. For purposes of Section 23.4.5.7.2(a), the ISO shall use the escalation factor of the relevant ICAP Demand Curves.” This proposed pending language replaces and would delete the following language: ~~“Mitigation Net CONE for each year after the last year covered by the most recent Demand Curves approved by the Commission shall be increased by the escalation factor approved by the Commission for such Demand Curves.”~~ The proposed Additional CRIS revisions insert a reference to new Section 23.4.5.7.6(b) to the pending language. That is, the proposed new language incorporates pending language regarding the use of escalation factors and inflation components into the proposed new exemption analysis for Additional CRIS MW. As noted above, and in the NYISO’s compliance filing in Docket No. ER12-2414,<sup>26</sup> the pending language is necessary to comply with the June 2012 Order’s directives regarding the application of inflation in it is exemption determinations and the need for consistency under the BSM Rules. This new section establishes the Part B Test used to determine if Additional CRIS MW received in a Class Year is exempt from an Offer Floor under Section 23.4.5.7.6(b). The NYISO therefore respectfully requests that the Commission accept the pending quoted language when it acts on this filing.

- **Section 30.4.6.2.12:** The following language in this section is pending in Docket No. ER12-2414-000: “As required by Section 23.4.5.7.[9] of Attachment H to this Services Tariff, the Market Monitoring Unit shall prepare a written report confirming whether the ISO’s Offer Floor and exemption determinations and calculations conducted pursuant to Section 23.4.5.7.2 of the Market Mitigation Measures were conducted in accordance with the terms of the Services Tariff, and if not, identifying the flaws inherent in the ISO’s approach. This report shall be presented concurrent with the ISO’s posting of its mitigation exemption determinations.” The proposed Additional CRIS revisions amend this language to also specify that the Market Monitoring Unit must evaluate the NYISO’s compliance with proposed new Section 23.4.5.7.6. Without the pending language quoted above, the proposed new reference to Section 23.4.5.7.6 in Section 30.4.6.2.11 would stand alone and without context. In addition, newly proposed Section 23.4.5.7.6.8 also requires the Market Monitoring Unit to publish a report on the NYISO determinations under Section 23.4.5.7.6 and contains a reference to Section 30.4.6.2.11 which presumes that language quoted above is in place. The NYISO therefore respectfully requests that the Commission accept the pending quoted language when it acts on this filing.

Given how interrelated the Additional CRIS provisions are with the pending provisions described above, if the Commission does not accept the pending language, it would not be possible for the

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<sup>26</sup> See August 2012 Compliance Filing at 6.

NYISO to implement the proposed new Additional CRIS language without developing additional tariff revisions. Having to develop additional language would likely lead to a significant delay in implementation. It could also prove to be impracticable to develop further revisions in a manner that does not implicate all of the pending related provisions. Therefore, should the Commission not have accepted the previously pending language at the time it rules on this filing, the NYISO requests the Commission issue a compliance directive to make any necessary adjustments to tariff language in the instant proposal so that the Additional CRIS tariff provisions are clear in the absence of the previously proposed language.<sup>27</sup>

**B. Stakeholder Support for, or Silence Regarding, the New Additional CRIS Revisions Proposed in this Filing Should Not Be Construed as a Waiver of Arguments Made in Earlier Proceedings**

The NYISO acknowledges that certain stakeholders that supported the proposed new Additional CRIS revisions and that might file comments or remain silent concerning them in this proceeding, may have previously filed protests or requests for rehearing regarding tariff language that is in the tariff base and for that reason is incorporated in the proposed language in this filing. The NYISO has informed its stakeholders, and states here, that it does not construe any stakeholder's vote in the stakeholder process for the proposed Additional CRIS revisions as a waiver or alteration of any argument made in earlier proceedings.<sup>28</sup> Likewise, the NYISO's submission of this filing should not be construed as a waiver or modification of any arguments in its pending *Request for Clarification* in Docket Nos. ER07-39-006 and ER08-695-005 or its *Request for Expedited Clarification and Alternate Request for Rehearing* in Docket No. EL11-42-000.

**V. STAKEHOLDER APPROVAL AND MARKET MONITORING UNIT REVIEW**

The NYISO developed the Additional CRIS provisions through numerous presentations to, and discussed with, its Installed Capacity Working Group. The first presentation and stakeholder meeting discussion was in September 2010, and then periodically in 2011, 2012, and 2013, and in 2014 on February 19, March 3, April 28, May 8, May 12, and May 28, July 8, November 17, and December 12. The NYISO circulated draft tariff revisions to stakeholders for their review, and revisions thereto, throughout much of this process. There were extensive discussions of the concept and the tariff revisions, as well as an opportunity to provide any additional comments in writing. The NYISO considered stakeholders' comments and made modifications based on those comments in order to enhance the proposals.

On January 14, 2015, the NYISO presented the proposed Additional CRIS revisions to the Business Issues Committee, which unanimously (with abstentions) approved a motion to

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<sup>27</sup> As noted above, if the Commission acted in the pending dockets, this issue would be moot.

<sup>28</sup> See n. 23 above for reference to the NYISO's discussion with stakeholders.

recommend that the Management Committee approve the proposal.<sup>29</sup> On January 28, 2015, the Management Committee approved a motion to recommend that the Board of Directors authorize the NYISO to make this filing.<sup>30</sup>

In addition, the MMU was given an opportunity to review and comment on the proposed Additional CRIS tariff revisions. The NYISO carefully considered and incorporated the MMU's recommendations during the development of this tariff proposal.

## **VI. EFFECTIVE DATE**

The NYISO requests that the Commission accept all of the tariff revisions proposed in this filing and make them effective on May 12, 2015, *i.e.*, at the end of the standard sixty day notice period under Section 205 of the FPA. This request includes the tariff revisions discussed in Section IV that were previously submitted, and that are still pending before the Commission, in Docket Nos. ER12-2414 and ER10-2371, that are integral to the implementation of the new revisions proposed herein.

This timing is important because Class Year 2015, which is expected to include members that request Additional CRIS, is already underway. Having effective rules in place will facilitate the examination of the Additional CRIS and provide transparency to all stakeholders.

## **VII. COMMUNICATIONS AND CORRESPONDENCE**

All communications and services in this proceeding should be directed to:

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\*Noelle J. Coates<sup>31</sup>

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<sup>29</sup> Motion 3, *Business Issues Committee January 14, 2015 Meeting Final Motions* (Jan. 14, 2015) ("January 2015 BIC Motion"), *available at* [http://www.nyiso.com/public/webdocs/markets\\_operations/committees/bic/meeting\\_materials/2015-01-14/11415\\_BIC\\_Final\\_Motions.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic/meeting_materials/2015-01-14/11415_BIC_Final_Motions.pdf).

<sup>30</sup> Motion 4, *Management Committee Meeting January 28, 2015 Final Motions* (Jan. 28, 2015), *available at* [http://www.nyiso.com/public/webdocs/markets\\_operations/committees/mc/meeting\\_materials/2015-01-28/Jan%202015\\_Final%20Motions.pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/mc/meeting_materials/2015-01-28/Jan%202015_Final%20Motions.pdf).

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\*Designated for receipt of service.

## VIII. SERVICE

This filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). Because the NYISO is requesting Commission action in specified pending dockets, it will also serve this filing on the parties in ER10-2371, ER12-2414, and ER14-2518. In addition, the NYISO will e-mail 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, and to the New Jersey Board of Public Utilities.

## IX. CONCLUSION

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept the tariff revisions proposed in this filing and make them effective at the end of the standard sixty day notice period under Section 205 of the FPA; *i.e.*, on May 12, 2015.

Respectfully submitted,

/s/ Gloria Kavanah

Gloria Kavanah  
Counsel for the  
New York Independent System Operator, Inc.

cc: Michael Bardee  
Gregory Berson  
Anna Cochrane  
Morris Margolis  
David Morenoff  
Daniel Nowak  
Kathleen Schnorf  
Jamie Simler  
Kevin Siqveland

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<sup>31</sup> The NYISO respectfully requests waiver of the Commission's regulations (18 C.F.R. § 385.203(b)(3)(2014)) to the extent necessary to permit service on counsel for the NYISO in both Miami and Washington, D.C.