

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

<b>New York Independent System Operator, Inc.</b>	) ) )	<b>Docket No. ER15-1061-000</b>
---	-------------	---------------------------------

**REQUEST FOR LEAVE TO ANSWER AND ANSWER OF  
THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure promulgated by the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.212 and 385.213, the New York Independent System Operator, Inc. (“NYISO”) hereby submits this Request for Leave to Answer and Answer in response to the following protests filed in the above-referenced docket on March 11, 2015: (i) Comments in Support and Limited Protest of Independent Power Producers of New York, Inc. (“IPPNY Protest”); and (ii) Motion to Intervene, Comments in Support and Limited Protest of TC Ravenswood, LLC (“TC Ravenswood Protest”).<sup>1</sup>

On February 18, 2015, the NYISO filed proposed revisions to its Operating Reserve Demand Curves,<sup>2</sup> Regulation Service Demand Curve and Transmission Shortage Cost in the above-captioned docket.<sup>3</sup> As part of its Comprehensive Shortage Pricing project, the NYISO proposes to: (i) implement an additional reserve region encompassing southeastern New York;<sup>4</sup> (ii) revise its currently effective shortage pricing levels to better reflect resource costs and ensure

---

<sup>1</sup> The Electric Power Supply Association (“EPSA”) also filed comments on March 11, 2015 in this proceeding that recommended revisions to the effective date for the amendments proposed by the NYISO (hereinafter referred to as the “EPSA Comments”). This answer also responds to the EPSA Comments.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning specified in Section 1 of the NYISO Open Access Transmission Tariff and Section 2 of the NYISO Market Administration and Control Area Services Tariff.

<sup>3</sup> Docket No. ER15-1061-000, *New York Independent System Operator, Inc.*, Proposed Tariff Revisions to Ancillary Service Demand Curves and the Transmission Shortage Cost (February 18, 2015) (hereinafter referred to as the “Comprehensive Shortage Pricing Filing”).

<sup>4</sup> *Id.* at 4-5.

continued comparability with shortage pricing in neighboring regions;<sup>5</sup> and (iii) place limitations on the contribution of reserves held on Long Island to the rest of New York in light of certain transmission constraints that limit the flow of energy off Long Island.<sup>6</sup> Consistent with the approval provided by its stakeholders, the NYISO proposed to implement the revisions in November 2015.<sup>7</sup> Specifically, the NYISO requested that the Commission approve a flexible effective date that would be no earlier than November 1, 2015. The specific effective date would be established by a subsequent compliance filing by the NYISO submitted at least two weeks prior to the date on which the revisions will take effect.<sup>8</sup>

The IPPNY Protest, TC Ravenswood Protest and EPSA Comments oppose the proposal to implement the revisions in November 2015, recommending that the Commission direct the NYISO to implement the revisions in June 2015.<sup>9</sup> The IPPNY Protest and TC Ravenswood Protest also object to the NYISO's requested flexible effective date, contending that the NYISO's request amounts to an open-ended, indefinite effective date.<sup>10</sup>

The NYISO continues to support implementation of the proposed changes in November 2015, as approved by its stakeholders. For purposes of clarification, the flexible effective date requested by the NYISO is not intended to delay implementation beyond November 2015.

---

<sup>5</sup> *Id.* at 5-12

<sup>6</sup> *Id.* at 4-5.

<sup>7</sup> *Id.* at 17-18.

<sup>8</sup> *Id.*

<sup>9</sup> IPPNY Protest at 7-8; TC Ravenswood Protest at 3; and EPSA Comments at 4-5.

<sup>10</sup> IPPNY Protest at 8-9; and TC Ravenswood Protest at 3.

## **I. REQUEST FOR LEAVE TO ANSWER**

Rule 213 of the Commission's Rules of Practice and Procedure generally prohibits answers to certain pleadings, including protests.<sup>11</sup> The Commission, however, has discretion to waive such prohibition.<sup>12</sup> The Commission has previously determined that a waiver is appropriate in circumstances where an otherwise prohibited answer: (a) will lead to a more accurate and complete record; (b) helps the Commission understand the issues; (c) clarifies matters in dispute or errors; or (d) provides information that will assist the Commission in rendering a decision.<sup>13</sup> This answer clarifies matters in dispute, provides additional information that will assist the Commission, and will otherwise be helpful in the development of a complete record in this proceeding. Accordingly, the Commission should accept this answer.

## **II. ANSWER**

The NYISO continues to support implementation of the revisions proposed to its Operating Reserve Demand Curves, Regulation Service Demand Curve and Transmission Shortage Cost in November 2015. Implementing the proposed revisions in November 2015 is consistent with the approval provided by the NYISO's stakeholders and its Board of Directors. The stakeholder approval at the December 17, 2014 NYISO Management Committee meeting, which produced a supportive vote of nearly 84 percent in favor, was premised on a November 2015 implementation of the proposed changes.

---

<sup>11</sup> See 18 C.F.R. § 385.213(a)(2). The Commission's Rules of Practice and Procedure authorize answers to pleadings stylized as "comments," such as the EPSA Comments.

<sup>12</sup> *Id.*

<sup>13</sup> See, e.g., *New York Independent System Operator, Inc.*, 99 FERC ¶ 61,246 (2002) (accepting answers to protests that helped to clarify issues and did not disrupt the proceeding); *Morgan Stanley Capital Group, Inc. v. New York Independent System Operator, Inc.*, 93 FERC ¶ 61,017 (2000) (accepting an answer that was helpful in the development of the record); and *New York Independent System Operator, Inc.*, 91 FERC ¶ 61,218 (2000) (accepting an answer deemed useful in addressing issues arising in the proceeding at issue).

The NYISO cannot predict with certainty at this time the actual effective date for proposed changes that will be implemented eight months in the future. The specific effective date may be impacted by other planned software development, software implementation and market design activities related to other projects which may be ongoing in November 2015.<sup>14</sup> Accordingly, the NYISO reiterates its request for approval of a flexible effective date in November 2015, whereby the NYISO would establish the actual effective date in a subsequent compliance filing to be submitted at least two weeks prior to the date on which the proposed revisions will take effect.<sup>15</sup> The NYISO also clarifies that its request for a flexible effective date is not intended to delay implementation of the proposed revisions beyond November 2015.

---

<sup>14</sup> Other projects the NYISO has committed to for 2015 that may involve software and market design and/or implementation activities during November 2015 include: (i) the implementation of Coordinated Transaction Scheduling with ISO New England, Inc. to improve interregional transaction scheduling and coordination; and (ii) enhancements to the NYISO's current scarcity pricing rules to improve price formation and market efficiency.

<sup>15</sup> The Commission has previously accepted the use of similar flexible effective date mechanisms by the NYISO. *See, e.g., New York Independent System Operator, Inc.*, 106 FERC ¶ 61,111 at P 10 (2004); Docket No. ER11-2544-000, *New York Independent System Operator, Inc.*, Letter Order at 1 (February 10, 2011); and Docket No. ER15-485-000, *New York Independent System Operator, Inc.*, Letter Order at 2 (January 15, 2015).

### III. CONCLUSION

The NYISO requests that the Commission accept this answer and reiterates its request for approval of a flexible effective date for the proposed revisions, as set forth in its February 18, 2015 filing in this proceeding.<sup>16</sup>

Dated: March 24, 2015

Respectfully submitted,

/s/ Garrett E. Bissell

Garrett E. Bissell

Senior Attorney

New York Independent System Operator, Inc.

10 Krey Blvd.

Rensselaer, New York 12144

(518) 356-6107

[gbissell@nyiso.com](mailto:gbissell@nyiso.com)

---

<sup>16</sup> See Comprehensive Shortage Pricing Filing at 17-18.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 24<sup>th</sup> day of March, 2015.

/s/ Joy A. Zimmerlin

Joy A. Zimmerlin  
New York Independent System Operator, Inc.  
10 Krey Blvd.  
Rensselaer, NY 12144  
(518) 356-6207