

125 FERC ¶ 61,275
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

December 5, 2008

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket Nos. ER09-11-000
ER09-11-001

Hunton & Williams LLP
Attn: Ted J. Murphy
Counsel for New York Independent System Operator, Inc.
1900 K Street, NW
Washington, DC 20006-1109

Re: Proposed Tariff Amendments and Waiver Request

Dear Mr. Murphy:

1. On October 1, 2008, as amended on October 9, 2008,¹ the New York Independent System Operator, Inc. (NYISO) submitted the following: (1) revisions to incorporate references to the business practice standards developed by the North American Energy Standards Board's (NAESB) Wholesale Electric Quadrant (WEQ) into the NYISO Open Access Transmission Tariff (OATT) and Market Services Tariff to comply with the directives of Order No. 676-C;² and (2) a request for waiver of limited portions of the revised business practice

¹ On October 9, 2008, NYISO amended its filing to add existing tariff language and correct the designation of Market and Services Tariff Sheet No. 112F.

² *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-C, 73 Fed. Reg. 43,848 (July 29, 2008), FERC Stats. & Regs. ¶ 31,274 (July 21, 2008).

standards developed by NAESB's WEQ.³ NYISO's request for waiver is granted and the revised tariff sheets to its OATT and Market Services Tariff are accepted effective October 1, 2008, as discussed below.

2. Notice of NYISO's October 1, 2008 filing was published in the *Federal Register*, 73 Fed. Reg. 60,684 (2008), with comments, protests and interventions due on or before October 22, 2008. The New York Transmission Owners (NYTOs) filed a timely motion to intervene.⁴ No protests or adverse comments were filed. Notice of the October 9, 2008 filing was published in the *Federal Register*, 73 Fed. Reg. 62,227 (2008), with comments due on or before October 30, 2008. No protests or adverse comments were filed.

3. On April 25, 2006, the Commission issued Order No. 676,⁵ which amended the Commission's regulations under the Federal Power Act to incorporate by reference certain standards promulgated by NAESB's WEQ.⁶ On June 1, 2006, NYISO submitted a request for waiver of certain NAESB business practice standards, including certain portions of the WEQ-004 Coordinate Interchange standard. Specifically, NYISO's June 1, 2006 filing sought waiver of WEQ-004-8.1 standard and WEQ-004 Appendices A, B, and D, among other standards.

³ NYISO also included a proposed revision to Attachment C of its FERC Electric Tariff, Original Volume No. 1, on Sixth Revised Sheet No. 361. However, the Commission accepted Sixth Revised Sheet No. 361 effective October 1, 2008, in an unpublished letter order issued on October 12, 2008 in Docket No. OA08-13-003. *New York Indep. Sys. Operator*, Docket No. OA08-13-003, at 1 (Nov. 12, 2008) (unpublished letter order).

⁴ The NYTOs consist of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

⁵ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, FERC Stats. & Regs., ¶ 31,216 (Apr. 25, 2006), *reh'g denied*, Order No. 676-A, 116 FERC ¶ 61,255 (2006), *amended*, Order No. 676-B, FERC Stats. & Regs. ¶ 31,246 (Apr. 19, 2007), *revised*, Order No. 676-C, 73 Fed. Reg. 43,848 (July 29, 2008), FERC Stats. & Regs. ¶ 31,274 (2008), *order on clarification and reh'g*, Order No. 676-D, 124 FERC ¶ 61,317 (2008).

⁶ Order No. 676, FERC Stats. & Regs. ¶ 31,216 at P 1 and P 19.

4. In an order issued on November 16, 2006,⁷ the Commission granted in part and denied in part the request by NYISO for waiver of certain NAESB business practice standards. Among other matters, the NYISO Waiver Order granted NYISO a waiver of the requirements of WEQ-004-8.1 and WEQ-004 Appendices A, B, and D.

5. On April 19, 2007, the Commission issued Order No. 676-B, which incorporated by reference certain revisions by NAESB to the Coordinate Interchange business practice standards first incorporated by reference by the Commission in Order No. 676.⁸ Like Order No. 676, Order No. 676-B contained provisions for an entity to seek a waiver from its requirements.

6. The Commission accepted NYISO's Order No. 676-B compliance filing in an order issued on October 18, 2007.⁹ In that order, the Commission granted NYISO waiver of WEQ-004-11.1(a), WEQ-004-3, WEQ-004-3.1, WEQ-004-8.2, WEQ-004 Appendix A and WEQ-004 Appendix C.

7. On July 21, 2008, the Commission issued Order No. 676-C, which revised regulations to incorporate by reference the latest version (Version 001) of certain standards adopted by the WEQ of the NAESB. Specifically, Order No. 676-C required transmission providers to: (1) revise their Open Access Same-Time Information Systems (OASIS) business practice standards, (2) revise four business practice standards relating to reliability issues, (3) add new standards on transmission loading relief for the Eastern Interconnection, (4) add new standards for public key infrastructure, and (5) add a new OASIS implementation guide.¹⁰ Like Order Nos. 676 and 676-B, Order No. 676-C contained provisions for an entity to seek a waiver from its requirements.

Tariff Revisions

8. In its October 1, 2008 Filing, NYISO incorporates the following provisions to comply with the directives of Order No. 676-C: (1)WEQ-001, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including

⁷ New York Indep. Sys. Operator, Inc., 117 FERC ¶ 61,197 (2006).

⁸ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-B, FERC Stats. & Regs. ¶ 31,246 (2007).

⁹ New York Indep. Sys. Operator, Inc., 121 FERC ¶ 61,036 (2007).

¹⁰ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-C, 73 Fed. Reg. 43,848 (July 29, 2008), FERC Stats. & Regs. ¶ 31,274 (2008).

Standards 001-0.2 through 001-0.8, 001-0.14 through 001-0.20, 001-11 through 001-12.5.2; (2) WEQ-002, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Standards 002-0.1 through 002-5.10; (3) WEQ-004, Version 001, October 31, 2007, with minor corrections applied on Nov. 16, 2007 including Purpose, Applicability, and Standards 004-0.1 through 004-17.2, and 004-A through 004-D; (4) WEQ-005, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Purpose, Applicability, and Standards 005-0.1 through 005-3.1.3, and 005-A; (5) WEQ-006, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Purpose, Applicability, and Standards 006-0.1 through 006-12; (6) WEQ-007, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Purpose, Applicability, and Standards 007-0.1 through 007-2, and 007-A; (7) WEQ-008, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Purpose, Applicability, and Standards 008-0.1 through 008-3.11.2.8, and 008-A through 008-D; (8) WEQ-011, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Standards 011-0.1 through 011-1.6; (9) WEQ-012, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Recommended Standard, Certification, Scope, Commitment to Open Standards, and Standards 012-0.1 through 012-1.26.5; and (10) WEQ-013, Version 001, Oct. 31, 2007, with minor corrections applied on Nov. 16, 2007 including Introduction and Standards 013-0.1 through 013-4.2. The Commission finds that the revisions incorporated by reference satisfactorily comply with the directives of Order No. 676-C.

9. Although NYISO includes by reference the aforementioned business practices developed by NAESB's WEQ to comply with the directives of Order No. 676-C in section 5.1.1.6 (a) of its Market Services Tariff and section 12A.1 of its OATT, NYISO also includes by reference, in section 5.1.1.6 (b) of its Market Services Tariff and section 12A.2 of its OATT, the practices with which it is not required to comply.

10. Therefore, in the instant proceeding, NYISO requests renewed waivers of a limited number of the WEQ standards that were revised or updated by Order No. 676-C with respect to which NYISO has been granted waivers previously. In this regard, NYISO states that several of the WEQ business practice standards were designed for business and transmission models that employ physical transmission reservations. NYISO explains that it continues to operate a bid-based locational-based marginal pricing (LBMP) market that does not employ physical transmission reservations. Further, NYISO states that circumstances that justified NYISO's prior waivers of the WEQ standards addressed in the instant request for waiver have not changed.

11. Specifically, in its October 1, 2008 Filing, NYISO requests waiver of: (1) WEQ-001, Standards 001-2 – 001-10.8.7 and Appendices 001-A and 001-B; (2) WEQ-002, Standards 002-4.2.10, 002-4.2.11, 002-4.2.12, 002-4.3, and 002-4.4; (3) WEQ-003, Standard 003-0; (4) WEQ-004, Standards 004-3, 004-3.1, 004-8.2, 004-11.1(a), and Appendices 004-A and 004-C; and (5) WEQ-013, Standard 013-4.1.

12. NYISO asserts that the WEQ-001 standards pertain to the processing of transmission reservation requests that are linked to rights of first refusal and customer requests to redirect rollover rights associated with long-term physical transmission reservations to alternative reserved paths. NYISO explains these rules are not relevant because NYISO does not accept traditional long-term point-to-point transmission reservations, does not support rollovers of such reservations, and thus does not have redirect procedures.¹¹ Further, NYISO explains that the WEQ-002 standards for which NYISO requests waiver 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.¹²

13. In addition, NYISO explains that the WEQ-003 standards include an OASIS data dictionary with a list of technical data element definitions, element names, and filed formats. NYISO asserts that these were designed for physical reservation based transmission systems that are not relevant under the NYISO's financial reservation model.¹³ Also, NYISO requests waiver of WEQ-004 standards that are only relevant to physical transmission service reservations. Finally, NYISO requests waiver of the WEQ 013-4.1 standard. NYISO explains that Order No. 676-C adopted NAESB's proposal to transfer the content of WEQ-002-4.4 standard to new WEQ-013-4.1 standard, but made no substantive changes to the standard. Thus, NYISO requests waiver because the facts and circumstances that justified previous waiver of this standard have not changed.¹⁴

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

¹¹ New York Indep. Sys. Operator, Inc. October 1, 2008 Filing at 7.

¹² *Id.* at 9.

¹³ *Id.* at 10.

¹⁴ *Id.* at 11.

15. The Commission grants NYISO's revised request for waiver of:
(1) WEQ-001, Standards 001-2 – 001-10.8.7 and Appendices 001-A and 001-B;
(2) WEQ-002, Standards 002-4.2.10, 002-4.2.11, 002-4.2.12, 002-4.3, and 002-4.4; (3) WEQ-003, Standard 003-0; (4) WEQ-004, Standards 004-3, 004-3.1, 004-8.2, 004-11.1(a), and Appendices 004-A and 004-C; and (5) WEQ-013, Standard 013-4.1. We find that these revised WEQ business practice standards continue to pertain to systems that employ physical transmission reservations, a feature that is not applicable to NYISO's bid-based LBMP market. Since the revisions to these WEQ business practice standards adopted by the Commission in Order No. 676-C do not change the nature of the standards (i.e., that they apply to physical transmission reservation systems, not bid-based LBMP markets), and NYISO expressly maintains that it does not presently offer transmission service based on a reservations system, the Commission grants the requested waiver.

16. We will also grant NYISO's request for waiver of the prior notice requirement and accept the filings, effective October 1, 2008.

By direction of the Commission.

Kimberly D. Bose,
Secretary.