

151 FERC ¶ 61,157  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Norman C. Bay, Chairman;  
Philip D. Moeller, Cheryl A. LaFleur,  
Tony Clark, and Colette D. Honorable.

New York Independent System Operator, Inc.                      Docket No. ER15-550-000

ORDER ON REQUESTS FOR WAIVERS

(Issued May 19, 2015)

1. On December 1, 2014, the New York Independent System Operator, Inc. (NYISO) filed requests for waivers<sup>1</sup> in response to the compliance requirements of Order No. 676-H.<sup>2</sup> Order No. 676-H revised the Commission's regulations to incorporate by reference, with certain enumerated exceptions, the latest version (Version 003) of the Standards for Business Practices and Communication Protocols for Public Utilities (Business Practice Standards) adopted by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB) as mandatory enforceable requirements. In this order, we grant the requested waivers and direct a compliance filing to be submitted within 60 days of the date of this order.

**I. Background**

2. On September 18, 2014, the Commission issued Order No. 676-H, which amends the Commission's regulations under the Federal Power Act (FPA)<sup>3</sup> to incorporate by reference, with certain enumerated exceptions, Version 003 of the Business Practice

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<sup>1</sup> New York Independent System Operator, Inc., Docket No. ER15-550-000 (filed Dec. 1, 2014) (NYISO December 1 Filing).

<sup>2</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 79 Fed. Reg. 56,939 (Sept. 24, 2014), FERC Stats. & Regs. ¶ 31,359 (2014), *as modified, errata notice*, 149 FERC ¶ 61,014 (2014), *order on reh'g*, 151 FERC ¶ 61,046 (2015) Order No. (676-H Rehearing Order).

<sup>3</sup> 16 U.S.C. § 791a (2012).

Standards.<sup>4</sup> In addition, in Order No. 676-H, the Commission listed, as guidance, NAESB's Smart Grid Standards (Standards WEQ-016, WEQ-017, WEQ-018, WEQ-019 and WEQ-020) in Part 2 of the Commission's Regulations but did not incorporate these standards by reference into its regulations.<sup>5</sup>

3. The Version 003 Business Practice Standards update earlier versions of the WEQ standards that the Commission previously incorporated by reference into its regulations.<sup>6</sup> These revised standards include modifications to support Order Nos. 890, 890-A, 890-B and 890-C,<sup>7</sup> including standards to support Network Integration Transmission Service (NITS) on an Open Access Same-Time Information System (OASIS), Service Across Multiple Transmission Systems (SAMTS), standards to support the Commission's policy regarding rollover rights for redirects on a firm basis, standards that incorporate the functionality for Transmission Providers to credit redirect requests with the capacity of the parent reservation, and standards modifications to support consistency across the OASIS-related standards.<sup>8</sup>

4. In Order No. 676-H, the Commission explained that public utilities have a number of options with respect to compliance with Order No. 676-H. The Commission explained that public utilities can incorporate the complete set of NAESB standards into their tariffs without modification by submitting a compliance filing containing a single statement acknowledging their obligation to comply with Version 003 Business Practice Standards

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<sup>4</sup> The specific NAESB standards that the Commission incorporated by reference in Order No. 676-H are WEQ-000, WEQ-001, WEQ-002, WEQ-003, WEQ-004, WEQ-005, WEQ-006, WEQ-007, WEQ-008, WEQ-011, WEQ-012, WEQ-013, WEQ-015, and WEQ-021. *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 18.

<sup>5</sup> *See id.* P 1; Order No. 676-H Rehearing Order, 151 FERC ¶ 61,046 at P 2 (citations omitted).

<sup>6</sup> 18 C.F.R. § 38.2 (2014).

<sup>7</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, FERC Stats. & Regs. ¶ 31,241 (2007), *order on reh'g*, Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 (2007), *order on reh'g*, Order No. 890-B, 123 FERC ¶ 61,299 (2008), *order on reh'g and clarification*, Order No. 890-C, 126 FERC ¶ 61,228 (2009), *order on clarification*, Order No. 890-D, 129 FERC ¶ 61,126 (2009). The Version 002 standards also included revisions made in response to Order No. 890.

<sup>8</sup> *See* Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 2.

as specified in Part 38 of the Commission's regulations as updated and revised.<sup>9</sup> Alternatively, public utilities may incorporate the complete set of Version 003 Business Practice Standards into their tariffs, without modification, if they so choose.<sup>10</sup> The Commission also indicated that a public utility can file a request for waivers of specific provisions, along with its reasons supporting the request.<sup>11</sup>

5. The Commission required public utilities to make compliance filings by December 1, 2014 in order to achieve compliance with the incorporated Version 003 Business Practice Standards by February 2, 2015.<sup>12</sup> Subsequently, the February 2, 2015 deadline was extended to May 15, 2015.<sup>13</sup>

6. On April 16, 2015, the Commission issued the 676-H Rehearing Order, which addressed various requests for rehearing of Order No. 676-H. With respect to entities seeking waivers of certain NAESB WEQ standards, the Commission clarified that:

[r]equiring a public utility to file (and the Commission to process) a waiver request for standards that on their face specifically state [that they] are only applicable to entity groups that the potential waiver requestor does not belong to is an unnecessary expenditure of time and effort for both the potential waiver requestors and the Commission, since the standard itself makes clear to whom it applies.<sup>14</sup>

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<sup>9</sup> See *id.* PP 87-99, 95.

<sup>10</sup> See *id.* P 89.

<sup>11</sup> See *id.* P 88.

<sup>12</sup> See *id.* PP 20, 88, 95. The Commission also established a separate 18-month compliance schedule for Standard 002-5.10.3 regarding the implementation of Network Integration Transmission Service OASIS templates, which are not at issue in this compliance filing.

<sup>13</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Notice Granting Limited Time Extension, Docket No. RM05-5-024 (issued Jan. 15, 2015).

<sup>14</sup> Order No. 676-H Rehearing Order, FERC Stats. & Regs. ¶ 61,046 at P 20.

Thus, the Commission stated that, going forward, any request for waivers of standards that by their terms do not apply to an entity potentially requesting waivers during the time frame the standards are effective would be dismissed as unnecessary.<sup>15</sup>

## II. NYISO's Filing

7. In its December 1, 2014 filing, NYISO requests that the Commission grant renewed waivers of the Version 003 Business Practice Standards for which NYISO received waivers in the past. For those standards for which NYISO has previously received waivers, discussed in subsection A below, NYISO asks that the Commission grant renewed waivers under Order No. 676's "simplified procedure" because the facts and circumstances that justified NYISO's prior waivers have not changed.<sup>16</sup> NYISO also requests additional waivers of newly-adopted Business Practice Standards, as discussed in subsection B below.

### A. Request for Renewed Waivers

8. According to NYISO, the Commission has repeatedly held that numerous NAESB WEQ standards are inapplicable to NYISO, and other independent system operators and regional transmission organizations with similar models, because of the differences between its financial reservation model and the physical reservation model contemplated in Order No. 890.<sup>17</sup> In addition, NYISO states that the Commission has found that many of the OASIS posting regulations are "incompatible" with the transmission services provided under NYISO's current tariff and so has granted waivers.<sup>18</sup>

9. Although some of the relevant standards have been modified in Version 003, NYISO states that 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 NYISO.<sup>19</sup> If the Commission were to require NYISO to comply with any of these standards, NYISO contends that neither NYISO's customers nor the

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<sup>15</sup> *Id.* P 19.

<sup>16</sup> NYISO December 1 Filing at 7.

<sup>17</sup> *Id.* at 5-6.

<sup>18</sup> *Id.* at 6.

<sup>19</sup> *Id.* at 8.

Commission itself would receive any useful or relevant information. Moreover, NYISO explains that it would be faced with unnecessary and expensive compliance burdens. Accordingly, NYISO asks for renewed waivers of the following standards to the same extent that the Commission granted it waivers in 2008, 2009, and 2010.<sup>20</sup> Specifically, the waivers cover the following standards:

- WEQ-001, Standards 001-2, 001-2.5.10, 001-3, 001-4, 001-4.7.1 through 001-4.7.3.5, 001-4.9.1 through 001-4.9.3, 001-4.10, 001-4.12, 001-5, 001-6, 001-7, 001-8, 001-9, 001-10, 001-011, 001-012, 001-13.1.2, 001-13.1.3(b) and (c), 001-014, 001-015, 001-016, 001-017, 001-018, 001-019, 001-020, 001-021, 001-022, 001-Appendix A, 001-Appendix B, and 001-Appendix D;
- WEQ-002, Standards 002-4.2.10, 002-4.2.11, 002-4.2.12, 002-4.3, 002-4.3.6.2.1, 002-4.3.6.2.2, and 002-4.4;
- WEQ-003, Standard 003;
- WEQ-004, Standards 004-3, 004-18, and Appendices 004-Appendix A and 004-Appendix C; and
- WEQ-013, Standard 013-4.1.<sup>21</sup>

NYISO also requests that the Commission renew the waivers it granted NYISO in 2010 of WEQ Standard 002 and WEQ Standard 013 in their entirety.<sup>22</sup> NYISO's explanations for each of its requests for waiver follow.

10. First, NYISO states that WEQ Standard 001-2 establishes OASIS posting requirements and requires transmission providers to use terminology relevant only to physical transmission reservation service. Because NYISO does not accept physical transmission reservations, NYISO requests a renewed waiver of this standard.<sup>23</sup>

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<sup>20</sup> See *N.Y. Indep. Sys. Operator, Inc.*, 125 FERC ¶ 61,275 (2008) (2008 Waiver Order); *N.Y. Indep. Sys. Operator, Inc.*, 127 FERC ¶ 61,005 (2009) (2009 Waiver Order); *N.Y. Indep. Sys. Operator, Inc.*, 133 FERC ¶ 61,246 (2010) (2010 Waiver Order).

<sup>21</sup> NYISO December 1 Filing at 8-13.

<sup>22</sup> *Id.* at 13 (citing 2010 Waiver Order, 133 FERC ¶ 61,246 at P 22).

<sup>23</sup> *Id.* at 8.

11. For WEQ Standard 001-2.5.10, NYISO explains that this standard is not applicable to NYISO because NYISO's Open Access Transmission Tariff (OATT) does not have the *pro forma* OATT Schedule 9 Generator Imbalance provisions, such that the standard is inapplicable.<sup>24</sup>

12. With respect to WEQ Standard 001-3, NYISO states that it does not accept physical transmission reservations or schedule transactions along contract paths; 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.<sup>25</sup>

13. According to NYISO, WEQ Standard 001-4 deals with the negotiation process for physical reservations, so the Commission should grant a renewed waiver of this standard because NYISO's financial reservation model does not include the kinds of negotiation or confirmation procedures used in the physical reservation model. NYISO also states that it has waivers of the underlying OASIS posting requirements involving physical transmission reservations.<sup>26</sup>

14. NYISO states that, with respect to WEQ Standard 001-4.7.1 through 001-4.7.3.5, 001-4.9.1 through 001-4.9.3, 001-4.10, and 001-4.12, these standards add further details regarding the Online-Negotiation and Confirmation Process; as noted above, the Commission has previously granted NYISO waivers of WEQ Standard 001-4 and the underlying OASIS posting requirements involving physical transmission reservations. As NYISO's financial reservation transmission model does not have negotiations or confirmations related to physical reservations, NYISO requests a renewed waiver of these standards.<sup>27</sup>

15. For WEQ Standard 001-5, NYISO explains that this standard relates to requirements in the Commission's OASIS regulations governing the posting of ancillary services information. NYISO asks for a renewed waiver of this standard because it procures ancillary services through its administration of bid-based markets or by paying

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<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> *Id.* at 8-9.

<sup>27</sup> *Id.* at 9.

cost-based compensation to suppliers and has been granted waivers from the underlying OASIS regulations.<sup>28</sup>

16. NYISO also requests a renewed waiver of WEQ Standard 001-6 because these standards govern path naming and are inapplicable to NYISO because NYISO does not accept physical transmission reservation requests, or grant transmission service, tied to particular paths (except for certain external transactions).<sup>29</sup>

17. NYISO explains that WEQ Standard 001-7 governs “Next Hour Market Service,” a voluntary service that is not offered under NYISO’s financial reservation system. NYISO requests a renewed waiver of this standard.<sup>30</sup>

18. With respect to WEQ Standard 001-8, NYISO states that its financial reservation system does not have multiple, identical transmission service requests because NYISO does not receive separate and express requests for transmission service. Therefore, NYISO contends the Commission grant it a renewed waiver of this standard.<sup>31</sup>

19. NYISO states that the Commission should grant it renewed waivers of WEQ Standards 001-9 and 001-10 because NYISO’s system does not use redirect requests, which relate to modifications to physical transmission reservations.<sup>32</sup>

20. NYISO also requests renewed waivers of WEQ Standards 001-011 and 001-012, which govern resales and transfer requests, because 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.<sup>33</sup>

21. As for WEQ Standard 001-13.1.2, NYISO explains that this standard mandates the posting information required to be provided pursuant to the Standards of Conduct for

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<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.*

<sup>32</sup> *Id.*

<sup>33</sup> *Id.* at 9-10.

Transmission Providers. As an independent system operator, NYISO states that it is exempt from 18 C.F.R. Part 358, such that there is no reason for it to post Standards of Conduct related information. Therefore, NYISO requests a renewed waiver of this standard.<sup>34</sup>

22. NYISO states WEQ Standards 001-13.1.3(b) and (c) would require NYISO to provide links to Transmission Service Request Metrics information required by 18 C.F.R. section 37.6(i) and Redispatch Costs information required by 18 C.F.R. section 37.6(j)(2). NYISO explains that the Commission granted it waivers of 18 C.F.R. sections 37.6(i) and 37.6(j)(2) because: (1) 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) 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, NYISO renews its request for waivers of these standards.<sup>35</sup>

23. According to NYISO, WEQ Standards 001-14, 001-15, and 001-16 require posting of zero Available Transmission Capability (ATC) narratives, additional ATC change narratives, and addressing ATC or AFC methodology questions. NYISO states that, in its system, ATC is used only as an instantaneous indication of the existence of uncongested transmission paths. NYISO explains that 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, NYISO's internal paths are not ATC Paths and "reservations beyond one day in advance are not permitted" in NYISO's system, "except on external interfaces."<sup>36</sup> In addition, NYISO states that the Commission has concluded that NYISO's calculations of ATC for its Internal Interfaces were necessary only to support ATC calculations for its External Interfaces.<sup>37</sup> Additionally, NYISO provides that these standards require the posting of this information using the systemdata template, which NYISO does not use. NYISO also explains that the Commission has been granted waiver from WEQ Standard 002-4.3, which defines the OASIS templates. For these reasons, NYISO requests renewed waivers of these standards.

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<sup>34</sup> *Id.* at 10.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.* (quoting *N. Amer. Reliability Corp.*, 132 FERC ¶ 61,239 (2010)).

<sup>37</sup> *Id.* (citing *N.Y. Indep. Sys. Operator, Inc.*, 134 FERC ¶ 61,255 (2011)).

24. NYISO states that, with respect to WEQ Standard 001-17, this standard requires the posting of actual daily peak load and final forecasted system-wide load using the OASIS systemdata templates. NYISO explains that it posts this information, but does not do so using the systemdata template, and has been granted waiver from WEQ Standard 002-4.3, which defines the OASIS templates. Therefore, NYISO requests that the Commission grant a renewed waiver of this standard.<sup>38</sup>

25. As for WEQ Standard 001-18, NYISO explains that this standard requires Transmission Providers to incorporate Postbacks of redirected services in its ATC postings. Because NYISO's system does not use redirect requests, NYISO does not have Postbacks to incorporate in its ATC postings, such that the Commission should grant its renewed waiver request.<sup>39</sup>

26. NYISO further requests renewed waiver of WEQ Standard 001-19, which requires Transmission Providers to identify the treatment of grandfathered agreements in the ETC component of its ATC/AFC calculations. NYISO states that, although it has grandfathered transmission arrangements, as listed in Attachment L to its 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 its OATT, NYISO explains that it does not set-aside transmission capacity as ETC. Therefore, NYISO states that it will 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.<sup>40</sup>

27. Also renewing its request for waiver of WEQ Standard 001-20, NYISO explains that 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. Waiver is appropriate, according to NYISO, because its OATT has never included the *pro forma* OATT rollover right provisions and does not provide for Long-Term Point-to-Point Transmission Service.<sup>41</sup>

28. With respect to WEQ Standard 001-21, NYISO states that this standard requires Transmission Providers to post information regarding granting and managing a

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<sup>38</sup> *Id.* at 10-11.

<sup>39</sup> *Id.* at 11.

<sup>40</sup> *Id.*

<sup>41</sup> *Id.*

Conditional Curtailment Option. The NYISO OATT, NYISO continues, does not include the *pro forma* OATT provisions for conditional firm service as the Commission has found that it was unnecessary for independent system operators and regional transmission organizations administering real-time energy markets, such as NYISO, to adopt those provisions.<sup>42</sup> NYISO further supports its renewed request for waiver with the language of Appendix 001-C to WEQ-001, which provides that Conditional Firm Service-related requirements do not apply to independent system operators and regional transmission organizations that administer real-time energy markets.<sup>43</sup>

29. NYISO explains that WEQ Standard 001-22 requires Transmission Providers to post all scheduled use of Capacity Benefit Margin (CBM) and curtailments of these schedules. As recognized in Attachment C of the NYISO OATT, however, NYISO does not set aside transmission capacity as CBM and, therefore, CBM is not relevant within NYISO's market design. NYISO requests that the Commission grant a renewed waiver of this standard.<sup>44</sup>

30. According to NYISO, WEQ Standard 001-Appendix A and 001-Appendix B are relevant to the processing of multiple and identical transmission service requests and redirect requests. NYISO requests renewed waivers of these standards because it does not use a physical transmission reservation system to facilitate transmission service requests.<sup>45</sup>

31. NYISO also requests a renewed waiver of WEQ Standard 001-Appendix D because it 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, but NYISO's system does not use redirect requests. Therefore, NYISO does not have Postbacks to incorporate in its ATC postings.<sup>46</sup>

32. NYISO states that, with respect to WEQ Standards 002-4.2.10, 002-4.2.11, 002-4.2.12, 002-4.3, and 002-4.4, renewed waivers are appropriate because these standards establish naming conventions and other procedural requirements related to the processing

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<sup>42</sup> Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 992.

<sup>43</sup> NYISO December 1 Filing at 11.

<sup>44</sup> *Id.* at 11-12.

<sup>45</sup> *Id.* at 12.

<sup>46</sup> *Id.*

of physical transmission reservations; this is not relevant under NYISO's financial reservation model, as the Commission has previously recognized in its orders granting waivers of these standards and the underlying OASIS regulations.<sup>47</sup>

33. NYISO also renews its waiver request of WEQ Standard 002-4.3.6.2.1 because the NYISO OATT has never included the *pro forma* OATT rollover right provisions and it does not have information to post pursuant to this standard.<sup>48</sup>

34. As for WEQ Standard 002-4.3.6.2.2, NYISO explains that its OATT does not include the *pro forma* OATT provisions for conditional firm service because the Commission found that it was unnecessary for independent system operators and regional transmission organizations administering real-time energy markets to adopt those provisions. Moreover, according to NYISO, waiver is supported by the Appendix 001-C language, referenced above, which provides that conditional firm service-related requirements do not apply to independent system operators and regional transmission organizations with real-time energy markets.<sup>49</sup>

35. NYISO states that WEQ Standard 003 includes a list of technical data element definitions, "element names," and file formats that were designed with physical reservation systems in mind and are not relevant under NYISO's financial reservation model. NYISO explains that the Commission granted NYISO's request for a waiver of WEQ Standard 003 to the extent that it applied to transmission reservations; NYISO requests that it be granted a renewed waiver on the same grounds, and to the same extent, as in the past.<sup>50</sup>

36. NYISO also renews its waiver requests for WEQ Standards 004-3, 004-Appendix A, and 004-Appendix C, explaining that these standards continue to establish requirements related to the use of physical transmission reservations in the interchange process and are not relevant to NYISO because it does not receive or support physical transmission reservation requests.<sup>51</sup>

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<sup>47</sup> *Id.*

<sup>48</sup> *Id.*

<sup>49</sup> *Id.* at 12-13.

<sup>50</sup> *Id.* at 13.

<sup>51</sup> *Id.*

37. According to NYISO, WEQ Standard 004-18 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.” NYISO explains that it does not set aside transmission capacity as CBM; accordingly, it seeks a renewed waiver of this requirement.<sup>52</sup>

38. NYISO states that, with respect to WEQ Standard 013-4.1, it requests a renewed waiver because its requirements are not relevant to NYISO’s financial reservation model and the facts and circumstances that justified granting the waiver in 2010 have not changed.<sup>53</sup>

39. NYISO also requests renewed waivers of the remaining requirements of WEQ Standard 002 and WEQ Standard 013 in order to clarify that it is exempt from both the standards that impose obligations to perform certain actions, as well as the standards that describe how certain obligations are to be performed. NYISO states that the WEQ Standard 002 describes the processes for complying with the obligations set forth in WEQ Standard 001. NYISO then explains that WEQ Standard 013 establishes 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. According to NYISO, WEQ Standard 013 provides processes for transmission service requests, secondary market requests, renewals of expiring transmission contracts, redirects, and resales, none of which exist under NYISO’s financial reservation transmission model. NYISO contends that, due to its existing waivers of those WEQ OASIS standards that impose obligations to perform certain actions that are relevant only to a physical reservation model, and the Commission’s OASIS regulations, full waivers of WEQ Standards 002 and 013 continue to be justified.<sup>54</sup>

#### **B. Request for Waivers of Newly Adopted Standards**

40. NYISO also seeks waivers of certain standards newly adopted in Order No. 676-H. Specifically, NYISO requests a limited, temporary waiver of standards related to Public Key Infrastructure (PKI) Standards to allow NYISO sufficient time to

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<sup>52</sup> *Id.*

<sup>53</sup> *Id.*

<sup>54</sup> *Id.* at 13-16 (providing further detail on the justification for waivers from all of WEQ Standards 002 and 013).

comply with those Standards.<sup>55</sup> NYISO requests full waiver of standards related to Network Integration Transmission Service (NITS Standards) and, to the extent NYISO is not exempt under the relevant NAESB language, of Service Across Multiple Transmission Systems (SAMTS Standards). NYISO states that the new standards in question are either irrelevant under NYISO's financial reservation model or are designed for and only practicably implementable by transmission providers that offer physical reservation transmission service.<sup>56</sup> For each of the newly adopted standards, NYISO explains the relationship of the standard to the physical transmission reservation process.

41. NYISO states that, with regard to certain NITS Standards—WEQ Standards 001-101 through 001-107.3.1—these 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. NYISO also states that, 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 NYISO's 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. NYISO explains that, in the almost fifteen years since NYISO commenced operation, it has never provided, and no transmission customer has ever formally requested, NITS. Accordingly, NYISO respectfully requests that the Commission grant it a waiver of the newly adopted NITS Standards.<sup>57</sup>

42. As for the SAMTS Standards—WEQ Standards 001-23 through 001-23.9—NYISO explains that NAESB adopted the SAMTS Standards in response to Order No. 890's directive that transmission providers develop business practice standards to

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<sup>55</sup> NYISO's explanation of its request for a limited, temporary waiver of the PKI Standards (WEQ-012) on pages 17-19 of its December 1, 2014 filing is not repeated here, as the Commission already granted NYISO an extension of time, until May 15, 2017, to comply with WEQ-012. *See* Notice Granting Extension, Docket No. ER15-550-000 (Apr. 15, 2015).

<sup>56</sup> NYISO December 1 Filing at 17.

<sup>57</sup> *Id.* at 19-22 (describing analogous circumstances under which the Commission has granted requests for waivers of NAESB standards and emphasizing the differences between the language describing NITS in the NYISO OATT as compared to the *pro forma* OATT).

provide a process for customers to request transmission service across multiple transmission systems. According to NYISO, 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. Therefore, NYISO requests waiver of the SAMTS Standards to the extent that the Commission determines that NYISO is not exempt from them based on the language of the standards themselves. NYISO explains that the relevant language was developed through the stakeholder process, in which NYISO participated, and should be interpreted to mean that the new SAMTS Standards do not impose new compliance obligations on transmission providers such as NYISO that are already exempt from the WEQ requirements upon which the SAMTS Standards are built. NYISO contends that requiring it to comply with the SAMTS Standards would effectively impose new and burdensome obligations on NYISO that conflict with the provisions of its FERC-approved transmission model. Therefore, to the extent necessary, NYISO requests waiver of the SAMTS Standards.<sup>58</sup>

### **III. Notice and Responsive Pleadings**

43. Notice of NYISO's filing was published in the *Federal Register*, 79 Fed. Reg. 73,058 (2014), with comments, protests, and interventions due on or before December 22, 2014. None was filed.

### **IV. Discussion**

44. We will grant NYISO's request for renewed waivers of the following WEQ Standards, as requested, for good cause shown: WEQ-001, Standards 001-2, 001-2.5.10, 001-3, 001-4, 001-4.7.1 through 001-4.7.3.5, 001-4.9.1 through 001-4.9.3, 001-4.10, 001-4.12, 001-5, 001-6, 001-7, 001-8, 001-9, 001-10, 001-011, 001-012, 001-13.1.2, 001-13.1.3(b) and (c), 001-014, 001-015, 001-016, 001-017, 001-018, 001-019, 001-020, 001-021, 001-022, 001-Appendix A, 001-Appendix B, and 001-Appendix D; WEQ-002, Standards 002-4.2.10, 002-4.2.11, 002-4.2.12, 002-4.3, 002-4.3.6.2.1, 002-4.3.6.2.2, and 002-4.4; WEQ-003, Standard 003; WEQ-004, Standards 004-3, 004-18, and Appendices 004-Appendix A and 004-Appendix C; and WEQ-013, Standard 013-4.1. We find that NYISO has supported continued waiver of the foregoing standards for the reasons set forth in NYISO's filing, as summarized in the description of NYISO's filing above, and because the facts and circumstances that justified granting these waivers previously have not changed.

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<sup>58</sup> *Id.* at 22-24.

45. As for NYISO's requests for waivers of newly adopted standards, we first note that the Commission already granted NYISO an extension of time to comply with the PKI Standards (WEQ-012), so that will not be discussed further herein.<sup>59</sup>

46. With regard to the NITS Standards—WEQ Standards 001-101 through 001-107.3.1—we will grant NYISO's request for waiver for good cause shown because the fundamental differences between the NITS provisions in the NYISO OATT and the *pro forma* OATT justify a waiver. Moreover, NYISO explains that requiring it to comply with these new standards would result in NYISO having 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 NYISO's system.<sup>60</sup>

47. We similarly grant NYISO's request for waiver from the newly adopted SAMTS Standards—WEQ Standards 001-23 through 001-23.9—because WEQ Standard 002-5.10 makes clear that the SAMTS Standards will 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 from the Commission.” As NYISO explains, the new SAMTS Standards do not impose new compliance obligations on transmission providers such as NYISO that are already exempt from the NAESB standards governing OASIS on which the SAMTS Standards were built.<sup>61</sup>

48. We find that NYISO should have either sought waiver of WEQ Standards 005, 006, 007, 008, and 011, and stated reasons in support of such a request for waivers, as directed in Order No. 676-H, or incorporated the standards into its OATT.<sup>62</sup> We take this opportunity to remind each public utility that when it submits a compliance filing that revises its OATT to reflect current NAESB standards, the public utility must either specifically acknowledge its obligation to comply with the latest version of the Business Practice Standards, or enumerate *verbatim* each of the Business Practice Standards that the Commission has adopted, and must also indicate in its tariff any standard for which the Commission has granted it a waiver. No standard should be excluded.<sup>63</sup> Consistent

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<sup>59</sup> See Notice Granting Extension, Docket No. ER15-550-000 (Apr. 15, 2015).

<sup>60</sup> NYISO December 1 Filing at 22.

<sup>61</sup> *Id.* at 23.

<sup>62</sup> Order No. 676-H, FERC Stats. & Regs. ¶ 31,359 at P 18.

<sup>63</sup> *Id.* P 21.

with the foregoing determination, the Commission finds that NYISO must, within 60 days of the date of this order, refile its tariff to list all of the Version 003 NAESB standards, and in listing each waived standard, cite to the order granting said waiver. Further, for each standard for which NYISO has been granted waiver, NYISO must list each waived standard, and cite to the order granting said waiver.

The Commission Orders:

(A) NYISO's requests for waivers are hereby granted, as discussed in the body of this order.

(B) NYISO is hereby directed to submit a compliance filing within 60 days of the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.