

156 FERC ¶ 61,024
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

July 8, 2016

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket No. ER10-2220-004

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: James H. Sweeney

Dear Mr. Sweeney:

1. In an order issued on October 12, 2010 in Docket No. ER10-2220-000,¹ the Commission conditionally accepted the New York Independent System Operator, Inc.'s (NYISO) proposal to apply market power mitigation measures to certain generators located outside of New York City and Long Island, and required NYISO to file a report semi-annually on the progress of a NYISO stakeholder process to develop rules addressing compensation for generators that are determined to be needed for reliability.

2. On February 19, 2015, the Commission instituted an investigation pursuant to section 206 of the Federal Power Act² finding that NYISO's Tariff is unjust and unreasonable because it does not contain provisions governing the retention of and compensation to generating units needed for reliability must run (RMR) service (RMR proceeding).³ The Commission directed NYISO to submit fully supported proposed tariff

¹ *N.Y. Indep. Sys. Operator, Inc.*, 133 FERC ¶ 61,030 (2010) (October 2010 Order); *order on reh'g*, 135 FERC ¶ 61,157 (2011).

² 16 U.S.C. § 824e (2012).

³ *N.Y. Indep. Sys. Operator, Inc.*, 150 FERC ¶ 61,116 (2015) (RMR Order).

revisions, including procedures for designating such resources, the rates, terms and conditions for RMR service, provisions for the allocation of costs of RMR service, and a *pro forma* service agreement for RMR service.⁴

3. Subsequently, on March 24, 2015, NYISO filed a motion to terminate the reporting obligation established in the October 2010 Order. In the motion, NYISO states that it is in the process of developing RMR tariff revisions in accordance with the RMR Order and, consequently, there is no need to continue reporting to the Commission on the status of stakeholder discussions addressing RMR compensation. NYISO contends that the RMR proceeding and NYISO's compliance filing would render the informational filings required by the Commission in Docket No. ER10-2220-000 redundant and superfluous.⁵

4. Notice of NYISO's filing was published in the *Federal Register*, 80 Fed. Reg. 19,656 (2015), with interventions and protests due on or before April 14, 2015. No interventions or protests were received.

5. The October 2010 Order in Docket No. ER10-2220-000 imposed an informational reporting obligation, based on NYISO's then ongoing stakeholder process to examine generator owners' claims that existing cost recovery mechanisms did not provide generators committed for reliability the opportunity to recover their fixed costs and to review permanent reliability solutions. We agree with NYISO that the Commission's orders in the RMR proceeding were intended to address the same issues as the stakeholder process referenced in the Commission's October 2010 Order. Consequently, there is no further need to require the informational reports.⁶

⁴ On October 19, 2015, NYISO submitted a filing in compliance with the RMR Order, proposing tariff revisions implementing the directives of that order. On April 21, 2016, the Commission accepted in part, subject to condition, and rejected in part NYISO's compliance filing. *N.Y. Indep. Sys. Operator, Inc.*, 155 FERC ¶ 61,076 (2016).

⁵ In its eleventh informational report filed on March 16, 2016, NYISO reiterated these arguments. The next informational report is due September 12, 2016.

⁶ The RMR Order noted that the stakeholder process developed no consensus regarding tariff provisions governing compensation for generators needed for reliability. RMR Order, 150 FERC ¶ 61,116 at P 10.

6. For the reasons discussed above, NYISO's March 24, 2015 Motion to terminate its reporting obligation in Docket No. ER10-2220-000 is granted.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.