

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;  
Sudeen G. Kelly, Marc Spitzer,  
Philip D. Moeller, and Jon Wellinghoff.

New York Independent System Operator, Inc.

Docket No. ER06-1094-004

ORDER GRANTING IN PART AND DENYING IN PART  
REQUEST FOR WAIVERS

(Issued November 16, 2006)

1. On June 1, 2006, New York Independent System Operator, Inc. (NYISO) filed a partial request for waiver from certain standards established in Commission Order No. 676.<sup>1</sup> In this order, the Commission grants in part, and denies in part, the requested waivers, as discussed below.

**Background**

2. In Order No. 676, the Commission incorporated by reference in its regulations certain standards promulgated by the Wholesale Electric Quadrant (WEQ) of the North American Energy Standards Board (NAESB). In addition, the Commission directed public utilities to comply with these standards and revise their open access transmission tariffs (OATT) to include these standards. The standards establish a set of business practice standards and communications protocols (Standards WEQ-001, 002, and 003) for the electric industry that replace the Commission's existing Open Access Same-Time Information Systems (OASIS) standards, and also include business practices to complement reliability standards of the North American Electric Reliability Council (NERC) (Standards WEQ-004, 005, 006, and 007). As an alternative to complying with the standards, Order No. 676 gave public utilities the option of applying for a waiver, in whole or part, of the standards.

3. Specifically, Order No. 676 required public utilities to revise their OATTs to include the following WEQ standards: WEQ-001 – Business Practices for Open Access Same-Time Information Systems (OASIS); WEQ-002 – Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols; WEQ-003 -- Open Access Same-Time Information Systems (OASIS) Data

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<sup>1</sup> *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676, 71 Fed. Reg. 26,199, FERC Stats. & Regs., Regulations Preambles ¶ 31,216, *order on reh'g*, Order No. 676-A, 116 FERC ¶ 61,255 (2006).

Dictionary; WEQ-004 – Coordinate Interchange; WEQ-005 – Area Control Error (ACE) Equation Special Cases; WEQ-006 – Manual Time Error Correction; and WEQ-007 – Inadvertent Interchange Payback.<sup>2</sup>

4. As explained above, Order No. 676 also permitted public utilities to request a waiver of specific standards by explaining the reasons why the waiver should be granted. Further, Order No. 676 stated that public utilities, including ISOs and RTOs, that have existing waivers of certain OASIS standards may reapply for such waivers using simplified procedures. These streamlined procedures require an applicant to identify the specific standard(s) from which it seeks waiver and to provide the caption, date, and docket number of the proceeding in which it previously received the waiver. In addition, an applicant must certify that the circumstances warranting its waiver(s) have not changed.<sup>3</sup>

### **Basis for Granting Waiver**

5. In support of its request, NYISO states that the facts and circumstances surrounding its prior waiver requests of Order No. 889<sup>4</sup> are still in force today, and that it has continued to operate a bid-based Locational-Based Marginal Price (LBMP) market that does not employ physical transmission service reservations. NYISO states that many of the NAESB standards relating to OASIS posting requirements for transmission service reservations and similar standards are irrelevant in NYISO's LBMP market because this market does not require the express physical reservation of transmission capacity that is part of the Order No. 888 reservation model.

6. Specifically, NYISO requests limited waiver of the following WEQ-001 Standards: Standard WEQ-001-1.6 (Information to be Posted on the OASIS); Standard WEQ-001-2, *et seq.* (Attribute Values Defining the Period of Service); Standard WEQ-001-3, *et seq.* (OASIS Registration Procedures); Standard WEQ-001-4, *et seq.* (On-Line Negotiation and Confirmation Process); Standard WEQ-001-5, *et seq.* (Procurement of Ancillary Services); Standard WEQ-001-6, *et seq.* (Pathnaming Standards Not Associated with External Transactions); Standard WEQ-001-7, *et seq.* (Next Hour Market Service); Standard 001-8, *et seq.* (Requirements for Dealing with Multiple, Identical Transmission Service Requests); Standard WEQ-001-9, *et seq.* (Requirements for Dealing with Redirects on a Firm Basis); and Standard WEQ-001-10, *et seq.* (Requirements for Dealing with Redirects on a Non-Firm Basis).

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<sup>2</sup> Order No. 676 at P 19.

<sup>3</sup> *Id.* at P 79.

<sup>4</sup> The Commission granted NYISO's request for waiver of certain specific OASIS posting requirements prescribed in Order No. 889 in *Central Hudson Gas & Electric Corporation*, 88 FERC ¶ 61,253 at 61,803 (1999) (September 1999 Order).

7. NYISO seeks a waiver of Standard 001-1.6 (Information to be Posted on the OASIS), because: (1) this standard duplicates the requirements of section 37.6 of the Commission's regulations, 18 C.F.R. § 37.6; (2) the Commission previously granted NYISO a waiver from these same requirements;<sup>5</sup> and (3) the circumstances warranting this waiver (posting this information is unnecessary because it concerns physical reservations which are inapplicable to NYISO's LBMP market) have not changed.
8. Likewise, NYISO requests that, to the extent that the Commission does not grant a general waiver of the WEQ-002 Standards, it be granted specific waiver of the following standards: Standards WEQ-002- 4.2.10 (OASIS Node Conventions and Structures / Transactions Process); Standards WEQ-002- 4.2.11 (Reference Identifiers); Standards WEQ-002- 4.2.12 (Linking of Ancillary Services to Transmission Services); Standards WEQ-002- 4.3. *et seq.* (Template Descriptions); and Standards WEQ-002- 4.4. *et seq.* - (File Request and Download Examples).
9. NYISO also requests waiver of Standard WEQ-003 (Open Access Same-Time Information Systems (OASIS) Data Dictionary) to the extent this standard governs reservations. NYISO states that the OASIS Data Dictionary is comprised of inputs into a functional model that is appropriate for physical reservation markets, but not for the NYISO's LBMP market.
10. NYISO requests waiver of Standard WEQ-004 (Coordinate Interchange Standards) to the extent this standard applies to transmission reservations. In particular, NYISO states that Standard WEQ-004 - 8.1, Appendix A, Appendix B, and Appendix D all contain references to such reservations, and such standards ought not be applicable in NYISO's LBMP markets.
11. NYISO states that it is not seeking a waiver of the WEQ-001 definitional standards (to the extent they are adopted by the Commission), and that it recognizes that these definitions are applicable in transmission systems that use a reservation system. However, NYISO states that adoption of these definitional standards is not intended to suggest that NYISO will apply inapplicable definitions in its own market. In particular, NYISO is not seeking waiver of Standards WEQ-001-1.0 through 001-1.5, WEQ-001-1.7 and WEQ-001-1.8. Further, NYISO states that it is not seeking waivers of Standards WEQ-005, WEQ-006, and WEQ-007, at this time.
12. NYISO submits that waiver of these Standards is appropriate, because they are consistent with the waivers previously granted by the Commission in prior orders<sup>6</sup> and, as

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<sup>5</sup> *Id.*

<sup>6</sup> *See Id.* and *New York Independent System Operator, Inc.*, 94 FERC ¶ 61,215 (2001).

NYISO does not use a physical reservation system, these standards are inapplicable in the NYISO market. Finally, NYISO certifies that the circumstances that the earlier Order No. 889 waivers were based on are still true today.

### **Notice of Filing**

13. Notice of NYISO's request for waiver was published in the *Federal Register*, 71 *Fed. Reg.* 34,916 (2006) with comments, interventions and protests due no later than June 22, 2006. The New York Transmission Owners<sup>7</sup> filed comments supporting NYISO's partial waiver request.

### **Discussion**

14. As to Standard WEQ-001-1.6, when the Commission reviewed this standard in the WEQ rulemaking in Docket No. RM05-5, we found that it duplicates the language of the Commission's existing OASIS regulation at 18 C.F.R. § 37.6. For this reason, the Commission declined to adopt this standard in Order No. 676. Thus, compliance with this WEQ standard has not been required by the Commission. However, compliance with these same underlying requirements is required under 18 C.F.R. § 37.6, which is still in force. Given NYISO's statement that the circumstances that led the Commission to grant NYISO a waiver of certain specific requirements prescribed in 18 C.F.R. § 37.6 have not changed, we will renew the waiver that we granted NYISO in the September 1999 Order.<sup>8</sup>

15. In addition, the Commission agrees with NYISO that the differences between its business model and the business model described in the *pro forma* OATT make it reasonable for the Commission to grant NYISO's request for waivers of the other specific standards discussed above. In this regard, we note that NYISO's waiver request states

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<sup>7</sup> The New York Transmission Owners are made up of: Central Hudson Gas & Electric Corporation; Consolidated Edison Company of New York, Inc.; LIPA; 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.

<sup>8</sup> The waivers granted to NYISO in the September 1999 Order were limited and specific. While we renew those waivers here, we caution that we are not extending the waiver to grant a more general waiver than provided in the September 1999 Order. The same limitations and qualifications stated in the September 1999 Order shall continue to apply.

that its system is a locational based marginal pricing (LBMP) system that the Commission has accepted in prior orders and that based on these circumstances, the Commission granted NYISO certain waivers of the Commission's OASIS regulations.<sup>9</sup>

16. Based on these representations, the Commission finds that NYISO's business model and transmission services differ from the business model and transmission services described in the *pro forma* OATT, on which the WEQ standards are generally based. Based on the express representation by NYISO that it does not presently offer transmission service based on a reservation system, we find that NYISO's request for waivers of the specific standards discussed above are reasonable, and we will grant the requested waivers for transactions that do not require reservations.

17. While we will grant NYISO's request for waiver of specific Standards, the Commission will deny NYISO's request for a broad general waiver of the WEQ Standards that is not supported by a showing that specific factual circumstances make compliance with a particular standard inappropriate. Thus, the Commission will grant only NYISO's specific requests for waiver of particular standards at this time. This determination is without prejudice to NYISO re-applying for waiver of specific standards, supported by a detailed explanation of why waiver of that standard(s) would be appropriate.

The Commission orders:

NYISO's request for waivers is hereby granted in part, and denied in part, as discussed in the body of this order.

By the Commission.

( S E A L )

Magalie R. Salas,  
Secretary.

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<sup>9</sup> See notes 4 and 6 *supra*.