

October 29, 2001

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FILE NO: 55430.000044

BYHAND

The Honorable David P. Boergers, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

New York Independent System Operator, Inc.
Filing of Revision to
Modify Tariff Definition of Load Shedding

Dear Mr. Boergers:

Pursuant to Section 205 of the Federal Power Act (“FPA”), the New York Independent System Operator, Inc. (“NYISO”), by counsel, hereby submits a revision to its Market Administration and Control Area Services Tariff (“Services Tariff”) to modify the existing definition of the term “Load Shedding.”

I. List of Documents Submitted

The NYISO submits the following documents:

1. this filing letter;
2. a clean version of the revision to the Services Tariff (Attachment I);
3. a redlined version of the revision to the Services Tariff (Attachment II); and
4. a form of *Federal Register* Notice (Attachment III).

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II. Copies of Correspondence

Copies of correspondence concerning this filing should be served on:

Robert E. Fernandez, General Counsel and Secretary
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III. Proposed Effective Date

The NYISO requests an effective date of December 28, 2001, *i.e.*, sixty days from the date of this filing.

IV. Service List

The NYISO has mailed a copy of this filing to all parties who have executed Service Agreements under the NYISO's Open Access Transmission Tariff or its Services Tariff, and to the electric utility regulatory agencies in New York, New Jersey, and Pennsylvania.

V. Description of and Purpose for Revision to Services Tariff

Section 2.92 of the NYISO's Services Tariff, in relevant part, presently defines Load Shedding as the reduction of system demand by "temporarily decreasing Load." (Emphasis added.) Under the NYISO Emergency Operation Manual, the unilateral authority to communicate a Load Shedding order to a Transmission Owner ("TO") is an essential tool for responding to and correcting a potentially catastrophic threat to the security or stability of the New York Control Area ("NYCA") transmission grid.

The NYISO's System Operation Advisory Subcommittee recently presented a concern to the NYISO Operating Committee that the term "decreasing" in the current definition of

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Load Shedding is unclear and, therefore, may allow conflicting interpretations as to how load is to be reduced during a system emergency. For example, Market Participants are concerned that a TO, in response to an order from the NYISO to shed load, might instead construe the present definition as allowing it to attempt to decrease its load by alternative actions such as voltage reductions. In fact, the NYISO Emergency Operation Manual lists a specific order of escalating actions that control room operators will take to resolve a system instability or emergency. In this order of actions, the NYISO's shift supervisor will have already implemented voltage reductions in response to a system instability and would subsequently issue an order to shed load only as a last resort. In such a situation, it would be imperative for the security of the NYCA that a TO receiving an order to shed load physically disconnect the specified loads immediately.

Based on a nearly unanimous "hands" vote at its June 20, 2001 meeting, the Operating Committee recommended that the Management Committee instruct the NYISO to file the tariff amendment proposed herein. The Management Committee subsequently approved the proposal to request an amendment to the definition of Load Shedding at its September 11, 2001 meeting.

To clarify the term of Load Shedding and ensure that the intent of an NYISO order to disconnect load is met, the NYISO proposes to amend the definition by replacing "temporarily decreasing" with the term "disconnecting." The proposed definition of Load Shedding, in relevant part, would be "[t]he systematic reduction of system demand by disconnecting Load"

The proposed amendment would remove any possible ambiguity in the Services Tariff definition by making it clear that the removal of load to ensure system security will be accomplished by the physical disconnection of loads from the NYCA. The proposed definition would accurately reflect the specific TO response that will be expected in the event that the NYISO shift supervisor communicates an order to a TO control rooms to shed load during a system emergency. The amendment would be consistent with the terminology of the Northeast Power Coordinating Council, which defines Load Shedding as "deliberately removing load." Finally, this amendment will conform the Services Tariff definition of Load Shedding with the actual current procedures in the NYISO's Emergency Operation Manual, as well as the understanding and intent of the NYISO and Market Participants.

VI. Requisite Stakeholder Approval

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The NYISO's Management Committee approved the revision to the Services Tariff proposed herein at its September 11, 2001 meeting.

VII. No Costs Relating to Discriminatory Employment Practices

The NYISO has no expenses or costs that have been alleged or judged to be illegal, duplicate, or unnecessary costs that are demonstrably the product of discriminatory employment practices.

VIII. Federal Register Notice

A form of *Federal Register* Notice is provided herewith. A diskette of the Notice is also provided in WordPerfect format.

Respectfully submitted,

Counsel for
New York Independent System Operator, Inc.

cc: Daniel L. Larcamp, Director Office of Markets, Tariffs and Rates, Room 8A-01,
Tel. (202) 208-2088
Alice M. Fernandez, Director Office of Markets, Tariffs and Rates -- East
Division, Room 71-31, Tel. (202) 208-0089
Andrea C. Wolfman, Lead Counsel for Market Oversight and Enforcement,
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Michael A. Bardee, Lead Counsel for Markets, Tariffs and Rates, Room 101-09,
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UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.) Docket No. ER02-__-000

NOTICE OF FILING

Take notice that on October 29, 2001, the New York Independent System Operator, Inc. (“NYISO”) filed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) to revise the tariff’s definition of “Load Shedding.” The NYISO has requested an effective date of December 28, 2001 for the filing.

The NYISO has served a copy of this filing upon all parties that have executed service agreements under the NYISO’s Open Access Transmission Tariff and Services Tariff.

Any person desiring to be heard or to protest this filing should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 C.F.R. §§ 385.211 and 385-214). All such motions or protests should be filed on or before _____. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this application are on file with the Commission and are available for public inspection.

David P. Boergers
Secretary

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person that has executed a Service Agreement under the NYISO's Open Access Transmission Tariff or Market Administration and Control Area Services Tariff, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (1999).

Dated at Washington, D.C. this 29th day of October, 2001.

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