

October 1, 2009

**By Hand Delivery**

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

Re: *New York Independent System Operator, Inc.*, Docket No. ER09-836-  
Erratum to Filing to Integrate Energy Storage Devices into the NYISO-  
Administered Regulation Service Market

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SECRETARY OF THE  
COMMISSION  
2009 OCT -1 P  
FEDERAL ENERGY  
REGULATORY COMMISSION

Dear Secretary Bose:

On March 11, 2009, the New York Independent System Operator, Inc. ("NYISO") submitted proposed tariff revisions to its Market Administration and Control Area Services Tariff ("Services Tariff") to Integrate Energy Storage Devices into the NYISO-Administered Regulation Service Market ("March 11 filing"). It has since come to the NYISO's attention that, in the March 11 filing, existing language was moved from Services Tariff Sheet No. 276.06 to Sheet No. 276B in error, inadvertently altering the sequence of the text. This inadvertent alteration should be corrected. Therefore, corrected clean versions of Sheets 276.06 and 276B are attached hereto. Because the erratum affects only two sheets from the March 11 filing, the NYISO is re-submitting only those affected sheets.

The NYISO respectfully requests that the Commission accept this erratum to its March 11 filing as a ministerial correction with the same effective date as the Commission assigned, in its May 15, 2009 order<sup>1</sup>, to the tariff revisions that the NYISO submitted on March 11, 2009.

Respectfully submitted,

*Mollie Lampi/mue*

Mollie Lampi  
Assistant General Counsel  
New York Independent System Operator, Inc.  
10 Krey Blvd.  
Rensselaer, New York 12144  
(518) 356 7530  
[mlampi@nyiso.com](mailto:mlampi@nyiso.com)

<sup>1</sup> *New York Independent System Operator, Inc.*, 127 FERC ¶ 61,135 (2009) ("May 15, 2009 order")

No payments shall be made to any Supplier providing Regulation Service in excess of the amount of Regulation Service scheduled by the ISO in the Real-Time Market, except to the extent that a Supplier is directed to provide the excess amount by the ISO.

Finally, whenever a Supplier's real-time Regulation Service schedule is reduced by the ISO to a level lower than its Day-Ahead schedule for that product, the Supplier's Day-Ahead Margin shall be protected after accounting for any margin associated with other products that the Supplier's is scheduled to provide in real-time, provided however, that the Day-Ahead Margin of a Limited Energy Storage Resource may not be protected if the ISO has reduced its real-time Regulation Service offer to a level lower than its Day-Ahead schedule to account for the Energy storage capacity of such Limited Energy Storage Resource. The rules governing the calculation of these Day-Ahead Margin Assurance Payments are set forth in Attachment J to this ISO Services Tariff.

#### **5.4 Performance-Based Adjustments to Regulation Service Payments**

The amount paid to each Supplier for providing Regulation Service in each RTD interval  $i$  shall be reduced to reflect the Supplier's performance pursuant to the following formula:

$$\text{Total Payment} = \sum_i (\text{Total Payment}_i * (s_i/3600))$$

Where:

$$\text{Total Payment}_i = (\text{DAMCPreg}_i \times \text{DARcap}_i) + ((\text{RTRcap}_i \times K_{PI}) - \text{DARcap}_i) \times \text{RTMCPreg}_i$$

established by NERC, NPCC or Good Utility Practice for Control Performance and System Security. The PSF is set initially at zero. Should the ISO's compliance with these measures deteriorate, in a manner that can be improved if regulation performance improves, the PSF will be increased. Resources providing Regulation Service will be required to increase their performance index to obtain the same total Regulation Service payment as they received during periods of good ISO performance, as measured by these standards. The factor  $K_{PI}$  shall initially be set at 1.0 for Limited Energy Storage Resources.

## **6.0 Energy Settlement Rules for Generators Providing Regulation Service**

### **6.1 Energy Settlements**

#### **A. For any interval in which a Generator is providing Regulation**