

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

The New Power Company,)	
Complainant,)	
)	
v.)	Docket No. EL01-105-000
)	
PJM Interconnection, L.L.C.,)	
Respondent,)	

**MOTION TO INTERVENE OF
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure,¹ and the Commission’s Notice of Filing of July 20, 2001, the New York Independent System Operator, Inc. (“NYISO”) hereby moves to intervene in the above-captioned proceeding.

I. Copies of Correspondence

Communications regarding this proceeding should be addressed to:

Robert E. Fernandez, Esq.
General Counsel
John P. Buechler
Director of Regulatory Affairs
New York Independent System Operator, Inc.
3890 Carman Road
Schenectady, NY 12303
Tel: (518) 356-6000
Fax: (518) 356-4702
Email: rfernandez@nyiso.com
 jbuechler@nyiso.com

Kathy Robb, Esq.
Hunton & Williams
200 Park Avenue, 43rd Floor
New York, NY 10166-0136
Tel: (212) 309-1000
Fax: (212) 309-1100
Email: krobb@hunton.com

Arnold H. Quint, Esq.²
Hunton & Williams
1900 K Street, NW
Washington, DC 20006-1109
Tel: (202) 955-1542
Fax: (202) 778-2201
Email: aquint@hunton.com

¹ 18 C.F.R. § 385.214 (2001).

² The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) to permit service on counsel for the NYISO in both New York and Washington, D.C.

II. Motion To Intervene

The NYISO is the independent body responsible for providing open-access transmission service, maintaining reliability, and administering competitive wholesale electricity markets in New York State. On July 19, 2001, The New Power Company (New Power) filed a complaint requesting that the Commission find that (1) the rules for ensuring reliable electric service in the Pennsylvania-New Jersey-Maryland (PJM) control area have resulted in prices for capacity in the PJM auction and bilateral markets that are unjust and unreasonable, and (2) the continued imposition of the existing capacity requirement and deficiency charge on load serving entities (LSEs) under the current changed circumstances resulting from restructuring is unjust and unreasonable, and unduly discriminatory and preferential. New Power further requests that the Commission order PJM to eliminate immediately the recently imposed seasonal deficiency penalty and set the Capacity Deficiency Rate (CDR) on a daily basis at the higher of the marginal cost of the least efficient capacity resource required to make up the deficiency on that day or the Alternate Value, *i.e.*, the difference between the energy price on that day at the Cinergy Hub and PJM's Western Hub. New Power has requested an effective date of September 17, 2001.

These issues are of great interest to the NYISO, which recently filed with the Commission a Stage II ICAP Market Design. The NYISO currently incorporates a system of installed capacity deficiency charges in its installed capacity market. In addition, the NYISO continues to work with PJM and the New England Independent System Operator to address and facilitate the development of a common ICAP market in the Northeast. Commission action on New Power's complaint may directly affect the NYISO's continued imposition of deficiency charges in the NYISO capacity market, and its work with neighboring markets. Consequently,

the NYISO has a direct and substantial interest in this proceeding which cannot adequately be represented by any other party, and should be permitted to intervene herein.

III. Conclusion

The NYISO respectfully asks that the Commission grant its motion to intervene in this proceeding.

Respectfully submitted,

NEW YORK INDEPENDENT
SYSTEM OPERATOR, INC.

By _____
Counsel

Kathy Robb
Hunton & Williams
200 Park Av. 43rd Floor
New York, NY 10166-0136
Of Counsel

August 3, 2001

cc: Mr. Daniel L. Larcamp, Director Office of Markets, Tariffs and Rates, Room 8A-01,
Tel. (202) 208-2088
Ms. Alice M. Fernandez, Director Office of Markets, Tariffs and Rates—East
Division, Room 82-15, Tel. (202) 208-0089
Ms. Andrea Wolfman, Office of the General Counsel, Room 101-29,
Tel. (202) 208-2097
Mr. Stanley Wolfe, Office of the General Counsel, Room 102-37,
Tel. (202) 208-0891
Mr. Michael Bardee, Office of the General Counsel, Room 101-09,
Tel. (202) 208-2068

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each party designated on the official service list compiled by the Secretary in Docket No. EL01-105-000, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.2010 (2001).

Dated at Washington, DC this 3rd day of August, 2001.

Ted J. Murphy
Hunton & Williams
1900 K Street, N.W.
Washington, DC 20006-1109
(202) 955-1500