

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

New York Independent System Operator, Inc.                    )                    Docket No. ER04-230-002

**MOTION OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.  
FOR EXTENSION OF TIME TO SUBMIT COMPLIANCE FILING  
AND REQUEST FOR EXPEDITED COMMISSION ACTION**

Pursuant to Rule 212 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.212 (2004), the New York Independent System Operator, Inc. ("NYISO") respectfully requests an extension of time to submit the compliance filing required by the August 10, 2004 order in the above-captioned proceeding to implement a 15-minute scheduling option.<sup>1</sup> The requested extension is necessary for the NYISO to complete the necessary testing of the software that it has been required to implement. As explained below, the NYISO requests a flexible compliance date, which the NYISO expects to be no later than September 1, 2005.

Because the compliance filing is currently due on July 1, 2005, the NYISO respectfully requests that the Commission act expeditiously on this Motion.

**I.        Introduction**

In the August 10 Order, the Commission directed the NYISO to submit a compliance filing to implement an option for generators to be scheduled on a 15-minute basis, together with improved combined cycle modeling, within 150 days after the effective date of the NYISO's implementation of its Real-Time Scheduling ("RTS") software and associated market rules.<sup>2</sup>

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<sup>1</sup> *New York Independent System Operator, Inc.*, 108 FERC ¶ 61,188 (2004) ("August 10 Order").

<sup>2</sup> *See* August 10 Order at P 28.

On January 14 and 28, 2005, the NYISO gave notice to the Commission and market participants that the RTS market enhancements would become effective on February 1, 2005. On February 1, the RTS software commenced operations.

## **II. Motion for Extension of Time**

Pursuant to the August 10 Order, the NYISO's compliance filing to implement 15-minute scheduling and improved combined cycle modeling is due on July 1, 2005.<sup>3</sup> Although the NYISO and its stakeholders have been diligently working towards implementing the 15-minute scheduling feature by the required date, the NYISO did not receive the 15-minute scheduling software from its vendor with enough time to complete the testing of the software prior to its planned implementation date.

The NYISO recently learned that its software vendor was unable to deliver the 15-minute scheduling software with enough time for the NYISO to conduct the necessary testing prior to the start of the peak summer season. Although the NYISO will conduct the tests as soon as possible -- and will implement the software after the testing has been completed, as system conditions permit -- it does not believe that it is prudent to implement this software without the benefit of this testing. Instead, market participants would benefit from rigorous testing that will ensure that any unanticipated problems can be fixed prior to its implementation rather than after the fact.

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<sup>3</sup> The NYISO has a pending rehearing request in this proceeding, which asks that the Commission revisit its requirement that combined cycle modeling be introduced concurrently with 15-minute scheduling. The NYISO requested that 15-minute scheduling be implemented ahead of combined cycle modeling enhancements, and explained that combined cycle modeling enhancements would be impossible to implement by the Commission's deadline. The Commission has not yet acted on the NYISO's rehearing request.

The NYISO believes that testing this software is critical prior to its implementation. Since RTS commenced operations on February 1, NYISO personnel have been closely monitoring its performance. They discovered a number of unanticipated issues that have since been addressed. While not threatening the overall soundness of the RTS structure, these issues have convinced the NYISO of the need to proceed cautiously toward deploying other RTS-related market enhancements, especially as the peak summer season approaches. In order to ensure maximum benefit with minimum disruption to the market, the NYISO believes that it would be best to continue to rigorously test the RTS software that has not yet been deployed. Implementing the software during the peak season without the benefit of thorough testing will put market participants at a greater risk that an unanticipated software flaw could lead to potentially damaging results.

Therefore, the NYISO respectfully requests that the Commission grant it an extension of time to comply with the August 10 Order. This extension will provide the NYISO with sufficient time to conduct the necessary tests of the software. The NYISO commits to submitting its compliance filing as soon as practicable, and will use its best efforts to implement this software feature by September 1, 2005. Because of the difficulties in forecasting a precise timetable for testing and implementing the software, however, the NYISO requests a flexible compliance filing date. Consistent with other Commission-approved notice procedures involving the implementation of complex market software,<sup>4</sup> the NYISO will provide the Commission and market participants with two weeks' and 48 hours' notice of the implementation of the 15-minute scheduling software.

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<sup>4</sup> See, e.g., *New York Independent System Operator, Inc.*, 106 FERC ¶ 61,111 at P 5 (2004).

### **III. Request for Expedited Action**

Finally, the NYISO requests expedited action on this Motion. The compliance filing is due in less than one month, and the NYISO and market participants will need a determination at the earliest possible date so that they may have sufficient time to develop alternative plans should the Commission reject the NYISO's Motion.

### **IV. Conclusion**

Wherefore, for the reasons set forth herein, the New York Independent System Operator, Inc. respectfully requests that the Commission expeditiously grant the Motion and extend the due date for the compliance filing.

Respectfully submitted,

/s/  
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June 9, 2005

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**CERTIFICATE OF SERVICE**

I certify that I have served the foregoing document this day on the official service list established by the Secretary in this proceeding.

Dated at Washington, DC this 9<sup>th</sup> day of June, 2005.

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/s/  
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