

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:  
New York Independent System Operator, Inc.  
Docket No. ER08-1196-000  
8/7/08

New York Independent System Operator, Inc.  
10 Krey Boulevard  
Rensselaer, NY 12144

Attention: Alex M. Schnell  
New York Independent System Operator, Inc.

Reference: Tariff Revisions Regarding Bid Production Cost Guarantee Payments

Dear Mr. Schnell:

On July 1, 2008, the New York Independent System Operator, Inc. (NYISO) submitted revised tariff sheets<sup>1</sup> to its Market Administration and Control Area Services Tariff (Services Tariff) to clearly authorize NYISO to provide a Bid Production Cost Guarantee (BPCG) to generators that are committed in the Real-Time Market for reliability, as well as generators that comply with NYISO's start-up, shutdown and testing procedures. NYISO's revised tariff sheets are accepted for filing, to be effective October 1, 2008, as proposed.

Specifically, NYISO's proposed revisions: (1) resolve an apparent inconsistency between Sections 4.1.7 and 4.10 of the Services Tariff regarding payment of a BPCG to generators that bid in self-committed mode in response to a Supplemental Resource Evaluation, or when they are Out-of-Merit Generation for reliability; (2) clarify the circumstances under which resources committed in response to a Supplemental Resource Evaluation, or committed or dispatched Out-of-Merit Generation for reliability, will be eligible to receive a BPCG and how the BPCG will be calculated; and (3) revise the Services Tariff to permit generators that bid in a self-committed mode only during an eligible start-up, shutdown or testing period to recover a real-time BPCG for the hours of the dispatch day that the generators was economically committed or dispatched.

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<sup>1</sup> See Appendix for list of tariff sheets.

Public notice of NYISO's filing was issued on July 3, 2008, with Interventions and protests due on or before July 22, 2008. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2008), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. No protests or adverse comments were filed.

This acceptance for filing shall not be construed as constituting approval of any rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

Sincerely,

Larry Gasteiger, Director  
Division of Tariffs and Market  
Development - East

cc: Public File  
All Parties

New York Independent System Operator, Inc.  
FERC Electric Tariff  
Original Volume No. 2  
Tariff Sheets Accepted Effective October 1, 2008

Third Revised Sheet No. 87.01  
Eighth Revised Sheet No. 106  
Seventh Revised Sheet No. 106.01  
First Revised Sheet No. 106.02  
Fourth Revised Sheet No. 422A  
Second Revised Sheet No. 422B  
Third Revised Sheet No. 423  
Original Sheet No. 423.00  
Third Revised Sheet No. 430