

FERC Order 890 Compliance and  
Rehearing Orders (Issued 10/15/09)  
Summary & Proposed Response

**John P Buechler**  
**New York Independent System Operator**

**ESPWG/TPAS Meeting**  
*October 27, 2009*

# Overview

- ◆ On October 15, 2009 FERC issued two Orders regarding the NYISO's compliance filings in response to the planning requirements of Order 890
- ◆ **“Compliance Order”** (Dockets OA08-52-004 & -006)
  - *Finds that NYISO's compliance filings “substantially comply” with FERC's directives*
  - *FERC rejects a number of protests from NYRI—principally regarding the CARIS metrics and cost allocation process*
  - *Subject to a further compliance filing to address certain “discrete issues”*
- ◆ **“Rehearing Order”** (Docket OA08-52-005)
  - *Denied NYRI's request for rehearing of FERC's March 31, 2009 Order and dismissed NYRI's motion to reopen the record as moot*

# Overview

- ◆ In combination, these Orders represent final FERC acceptance of the substantive provisions of the NYISO's Order 890 compliance filings
- ◆ The Rehearing Order is still subject to a possible court appeal
- ◆ The remaining “discrete issues” are fairly straightforward

# Additional Compliance Filing

- ◆ Topics fall into three categories
  - *Corrections*
  - *Provide Additional Clarification*
  - *Address Additional FERC Directives*
- ◆ Due in 60 Days: December 14, 2009
- ◆ One topic is due following completion of the stakeholder process for Phase II
- ◆ **Extension of time will be requested to the address other CARIS Phase II metrics**

# Compliance Filing: Corrections

- ◆ Revise Sections 12.1 and 15.5.a to clarify that ESPWG and TPAS play an advisory role in the CSPP
- ◆ Revise Section 15.4.b(i) to refer to subsection (v) (typo)
- ◆ Revise Section 15.6 to specifically indicate that NYISO will provide the identified beneficiaries, the results of its B/C analysis as well as the results of the voting to the Commission. Also, if the vote is negative, report “whether the Developer has provided any formal indication to NYISO as to the future development of the project.”

# Compliance Filing: Additional Clarification

- ◆ **Comparability** – NYISO is to “identify how it will evaluate and select from competing solutions and resources...”
  - **Response:** *NYISO to clarify that it is the PSC, not the NYISO, which selects which regulated project will go forward. Reference the PSC proceeding.*
- ◆ **ICAP MW Impact Metric** – Revise Section 11.3.e(vi) to incorporate this methodology
  - **Response:** *NYISO has developed the procedure for the ICAP MW impact for the CARIS Phase I process and will revise the tariff.*

# Compliance Filing: Additional Clarification- Phase II Metrics

- ◆ **TCCs & Bilaterals** – Revise Section 15.4.b to include further details of the net reductions due to TCCs and Bilateral Contracts
  - *Response: File request for additional time to develop these Phase II procedures with ESPWG*
- ◆ **ICAP Cost Metric** – FERC has already recognized that this metric has not yet been developed and does not require it filed in Dec.
  - *Response: None required—will be packaged with the TCC and Bilateral metrics*

# Additional FERC Directive

- ◆ **CARIS Voting Information** – Revise tariff to specify the types of information required of beneficiaries voting against a proposal, including:
  - *A detailed explanation of the substantive reasons underlying their decision;*
  - *Additional metrics or other factors that were used;*
  - *Quantification of such metrics or factors;*
  - *Quantification and explanation of the net benefit or net cost of the project to the beneficiary;*
  - *Data supporting the metrics or other factors used*

*“The Commission expects that a beneficiary’s justification for voting against a project....will demonstrate with supporting data that the beneficiary will not actually obtain a net benefit from the project.”*



The New York Independent System Operator (NYISO) is a not-for-profit corporation that began operations in 1999. The NYISO operates New York's bulk electricity grid, administers the state's wholesale electricity markets, and provides comprehensive reliability planning for the state's bulk electricity system.

---

***[www.nyiso.com](http://www.nyiso.com)***