



PJM Interconnection, L.L.C.
2750 Monroe Boulevard
Audubon, PA 19403

Michael E. Bryson
Vice President, Operations
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September 8, 2017

Emilie Nelson, VP, Market Operations
New York Independent System Operator Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Re: Request to Reduce Operational Base Flow

Dear Emilie:

As recently discussed, PJM is requesting a reduction in the Operational Base Flow (“OBF”).¹ This is based on forward looking Planning studies showing the Bergen-Linden Corridor project will eliminate the need for the OBF. PJM understands that in order to do so, New York Independent System Operator Inc. (“NYISO”) must Agree to the same since the Joint Operating Agreement Among and Between New York Independent System Operator Inc. and PJM Interconnection, L.L.C. (“JOA”), Schedule D, section 7.2.1 requires mutual agreement to modify the OBF. PJM would like to reduce the OBF to zero as of October 31, 2019 with the option of mutually agreeing to an earlier date that is acceptable to NYISO and PJM.

To that end, PJM requests that NYISO advise whether it is willing to agree to reducing the OBF to zero as of October 31, 2019 by no later than September 30, 2017. PJM also suggests,

¹ JOA, section 35.2 (“Operational Base Flow” or “OBF” shall mean an equal and opposite MW offset of power flows over the Waldwick PARs and ABC PARs to account for natural system flows over the JK Interface and the ABC Interface in order to facilitate the reliable operation of the NYISO and/or PJM transmission systems. The OBF is not a firm transmission service on either the NYISO transmission system or on the PJM transmission system. The OBF shall not result in charges from one Party to the other Party, or from one Party to the other Party’s Market Participants, except for the settlements described in the Real-Time Energy Market Coordination and Settlements provisions set forth in Sections 7 and 8 of Schedule D to this Agreement. In particular, the NYISO and its Market Participants shall not be subjected to PJM Regional Transmission Expansion Plan (“RTEP”) cost allocations as a result of the OBF.)

once a mutual decision is made, that PJM and NYISO jointly post this letter on their respective websites. Should you have any questions or wish to discuss this matter further before providing NYISO's response, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Michael Bryson".

Michael Bryson

cc:

Stu Bresler, PJM Senior Vice President, Markets and Operations
Vincent Duane, PJM Senior Vice President, Law, Compliance & External Affairs

September 29, 2017

Michael Bryson
PJM Interconnection
2750 Monroe Boulevard
Audubon, PA 19403

Dear Michael:

NYISO is in receipt of your letter dated September 8, 2017 requesting a reduction of the initial 400MW Operational Base Flow to zero MW as of October 31, 2019. As you state in your letter, “This is based on forward looking Planning studies showing the Bergen-Linden Corridor project will eliminate the need for the OBF.”

The NYISO agrees to reduce the initial 400MW OBF to zero as of October 31, 2019. NYISO’s agreement is based on an assessment that the reduction is not projected to present any reliability issues within the New York Control Area. As described in the Joint Operating Agreement, Schedule D, section 7.2.1, NYISO and PJM each retain the right to establish a temporary OBF at a level that both PJM and NYISO can reliably support if an unanticipated reliability need arises.¹

The NYISO agrees that PJM’s September 8, 2017 request and this response should be posted on the PJM and NYISO websites.

Sincerely,



Emilie Nelson

cc:

Ricardo Gonzales, NYISO Senior Vice President and Chief Operating Officer
Wesley Yeomans, NYISO Vice President, Operations
Robert Fernandez, NYISO General Counsel

¹ JOA, section 7.2.1, *Either Party may establish a temporary OBF to address a reliability issue until a long-term solution to the identified reliability issue can be implemented. Any temporary OBF that is established shall be at a level that both Parties can reliably support. The Party that establishes the OBF shall: (1) explain the reliability need to the other Party; (2) describe how the OBF addresses the identified reliability need; and (3) identify the expected long-term solution to address the reliability need.*