

# STATE OF NEW YORK DEPARTMENT OF PUBLIC SERVICE

THREE EMPIRE STATE PLAZA, ALBANY, NY 12223-1350

Internet Address: <http://www.dps.state.ny.us>

## PUBLIC SERVICE COMMISSION

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*Secretary*

May 31, 2001

Honorable David Boergers  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Room 1-A209  
Washington, D.C. 20426

Re: Docket No.ER01-2076-000 - New York  
Independent System Operator, Inc.

Dear Secretary Boergers:

For filing please find the Notice of Intervention and Comments of the New York State Public Service Commission in the above-entitled proceedings. Should you have any questions, please feel free to contact me at (518) 486-2652.

Very truly yours,

Saul A. Rigberg  
Assistant Counsel

Enclosures

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

NEW YORK INDEPENDENT SYSTEM )  
OPERATOR, INC. ) Docket No. ER01-2076-000  
)  
)

**NOTICE OF INTERVENTION AND COMMENTS OF THE  
PUBLIC SERVICE COMMISSION OF THE  
STATE OF NEW YORK**

Pursuant to a Notice of Filing, dated May 22, 2001, and Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. §385.214), the Public Service Commission of the State of New York (NYPSC) hereby submits its Notice of Intervention and Comments in the above-captioned proceeding.

Copies of all correspondence and pleadings should be addressed to:

|                           |                           |
|---------------------------|---------------------------|
| Lawrence G. Malone, Esq.  | Ronald Liberty            |
| Saul A. Rigberg, Esq.     | Director Fed. En. Interv. |
| Public Service Commission | Public Service Commission |
| of the State of New York  | of the State of New York  |
| 3 Empire State Plaza      | 3 Empire State Plaza      |
| Albany, NY 12223          | Albany, NY 12223          |

The NYPSC supports the May 17, 2001 filing of the New York Independent System Operator, Inc. (NYISO) to automate its Commission-approved Market Mitigation Measures effective June 15, 2001. Under the current manual market power mitigation regime, mitigation can be imposed on the next day's bids to eliminate the effect of the exercise of market power but it cannot be imposed after the day ahead market closes on current

day's bids. The proposed Automatic Mitigation Procedure (AMP) is the critical shield blocking unreasonably high prices caused by the exercise of market power from setting a day's market clearing prices in the day ahead market.

The proposed AMP is balanced. It includes adequate safeguards to protect the reasonable interests of generators, such as the opportunity for them to justify bids that are above the thresholds prior to the triggering of the AMP. It is not intended to change the NYISO's current market mitigation thresholds nor is it designed to dampen the effects of scarcity on prices. From the consumers' perspective, the AMP would help ensure the no one pays unjust and unreasonable wholesale electric prices caused by the exercise of market power.

The NYPSC, therefore, respectfully urges the Commission to approve the AMP expeditiously so that it can be implemented on June 15, 2001.

Respectfully Submitted,

Lawrence G. Malone  
General Counsel  
By: Saul A. Rigberg  
Assistant Counsel  
Public Service Commission  
Of the State of New York  
3 Empire State Plaza  
Albany, NY 12223-1305  
(518) 473-8178

Dated: May 31, 2001  
Albany, New York

CERTIFICATE OF SERVICE

I, Naomi Tague, do hereby certify that I will serve on May 31, 2001, the foregoing Notice of Intervention and Comments of the Public Service Commission of the State of New York by depositing a copy thereof, first class postage prepaid, in the United States mail, properly addressed to each of the parties of record, indicated on the official service list compiled by the Secretary in this proceeding.

Date: May 31, 2001  
Albany, New York

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Naomi Tague