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NYISO Asks FERC for Authority to Control Congestion and Loop Flow Around Lake Erie

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Assailed by sharp increases in transmission congestion and loop flow in its Lake Erie region, [*New York's Independent System Operator*](#) (NYISO) in a [*July 21st emergency filing*](#) asked [*FERC*](#) to approve tariff revisions to prohibit scheduling on commonly used "" but not the most direct "" paths for wheeling power around Lake Erie between NYISO and neighboring RTOs. NYISO proposes instead to limit scheduling between NYISO and the neighboring RTOs to the most direct transmission path.

Loop flow is the unscheduled use of another utility's transmission system; it results because electricity moves along the path of least resistance rather than the shortest distance between the generator and the load. This phenomenon can impact the market in a number of ways and can lead to price differences between neighboring markets that market participants can then arbitrage.

NYISO surmises in its filing that a small number of market participants have caused the loop flows by scheduling their power along longer, "circuitous" transmission paths around Lake Erie, in order to take advantage of price differentials at the border between NYISO and PJM. According to NYISO, this activity has increased the amount of transmission congestion it must resolve, adversely affecting market operations. While NYISO states it has not identified any violations of its existing tariff requirements, it asks FERC to modify its tariff so that NYISO may avert this type of scheduling in the future. FERC has established an August 1 comment deadline in the proceeding.