

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket No. ER21-2460-000

Issued: October 1, 2021

New York Independent System Operator, Inc.
Attn: Gregory J. Campbell
Counsel
10 Krey Boulevard
Rensselaer, NY 12144

Reference: Compliance Filing for Order No. 2222

Dear Mr. Campbell:

On July 19, 2021, New York Independent System Operator, Inc. (NYISO) filed tariff revisions¹ to comply with Commission Order No. 2222.² Please be advised that additional information is necessary to process the filing. Please provide complete responses to the following and include citations to any relevant existing or proposed tariff provisions:³

¹ NYISO submitted revisions to its Market Administration and Control Area Services Tariff (Services Tariff) and Open Access Transmission Tariff (OATT). Unless otherwise noted, capitalized terms not defined herein have the meanings set forth in the NYISO Services Tariff or OATT.

² *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020) (Order No. 2222), *order on reh'g*, Order No. 2222-A, 174 FERC ¶ 61,197 (Order No. 2222-A), *order on reh'g*, Order No. 2222-B, 175 FERC ¶ 61,227 (2021) (Order No. 2222-B).

³ NYISO may file revised tariff records where appropriate.

I. Interconnection

In Order No. 2222, the Commission declined to exercise its jurisdiction over the interconnections of distributed energy resources to distribution facilities for the purpose of participating in RTO/ISO markets exclusively as part of a distributed energy resource aggregation and directed each RTO/ISO to make any necessary tariff changes to reflect this guidance in its compliance filing.⁴ In Order No. 2222-A, the Commission clarified that the Commission declined to exercise jurisdiction over the interconnections of distributed energy resources, including the interconnections of Qualifying Facilities (QFs), to distribution facilities for the purpose of participating in RTO/ISO markets exclusively as part of a distributed energy resource aggregation.⁵

1. NYISO states that it proposes to modify OATT Attachment Z, section 32.1.1 to add an additional category of interconnection that is not subject to the Small Generator Interconnection Procedures (SGIP) – “the interconnection of facilities participating in the ISO markets exclusively through an Aggregation.”⁶ OATT Attachment Z, section 32.1.1 states that the SGIP “appl[ies] to interconnections of Small Generating Facilities to the New York State Transmission System, and interconnections to the Distribution System subject to Federal Energy Regulatory Commission jurisdiction.”
 - a. It appears that NYISO’s proposed modification would exempt from the SGIP all interconnections of resources participating in the NYISO markets exclusively through an Aggregation, even those interconnected to the New York State Transmission System. Please explain whether the provision as modified makes such an exemption, and if so, how this is consistent with the Commission’s guidance.

II. Definitions of Distributed Energy Resource and Distributed Energy Resource Aggregator

In Order No. 2222, the Commission amended section 35.28(b) of the Commission’s regulations to define a distributed energy resource as “any resource located on the distribution system, any subsystem thereof or behind a customer meter.”⁷

⁴ Order No. 2222, 172 FERC ¶ 61,247 at PP 90, 104.

⁵ Order No. 2222-A, 174 FERC ¶ 61,197 at P 43.

⁶ Transmittal at 39.

⁷ Order No. 2222, 172 FERC ¶ 61,247 at P 114.

The Commission explained that its adopted definition of distributed energy resource is technology-neutral, thereby ensuring that any resource that is technically capable of providing wholesale services through aggregation is eligible to do so, which enhances competition in the RTO/ISO markets and, in turn, helps to ensure that these markets produce just and reasonable rates.

1. NYISO states that section 2.4 of its accepted but not yet effective Services Tariff defines a Distributed Energy Resource as “(i) a facility comprising two or more Resource types behind a single point of interconnection with an Injection Limit of 20 MW or less; or (ii) a Demand Side Resource; or (iii) a Generator with an Injection Limit of 20 MW or less, that is electrically located in the NYCA.”⁸ According to NYISO, this definition permits Generators (including electric storage resources, thermal storage, intermittent generation, distributed generation, and thermal generation) and Demand Side Resources to qualify as a Distributed Energy Resource. NYISO states that a Distributed Energy Resource may also be a single facility that combines multiple resource types behind the same point of interconnection.
 - a. Please explain whether NYISO’s definition of Distributed Energy Resource is technology-neutral and encompasses all potential technology types such that NYISO would have no need to further clarify or revise the definition as new technologies are developed.
 - b. Could a resource located on the distribution system, any subsystem thereof or behind a customer meter that does not fall under the definition of Demand Side Resource or Generator and is not a facility comprising two or more resource types participate as part of an Aggregation in NYISO?

III. Eligibility to Participate

A. Participation Model

In Order No. 2222, the Commission added section 35.28(g)(12)(i) to the Commission’s regulations to require each RTO/ISO to establish distributed energy resource aggregators as a type of market participant and to allow distributed energy resource aggregators to register distributed energy resource aggregations under one or more participation models in the RTO’s/ISO’s tariff that accommodate the physical and

⁸ Transmittal at 14.

operational characteristics of the distributed energy resource aggregation.⁹ The Commission stated that it would evaluate each proposal submitted on compliance to determine whether it meets the goals of Order No. 2222 to allow distributed energy resources to provide all services that they are technically capable of providing through aggregation.

1. NYISO states that the DER and Aggregation participation model provides for both homogeneous Aggregations and heterogeneous Aggregations.¹⁰ NYISO explains that a homogeneous Aggregation that is composed entirely of a single Resource type, with the exception of Demand Side Resources, will be subject to the existing rules for that particular Resource type, along with the general rules that apply to all Aggregations.¹¹ As an example, NYISO states that “an Aggregation of Intermittent Power Resources that are solely comprised of solar energy facilities will be treated as if it were a solar energy facility.”¹² As another example, NYISO states that “an Aggregation comprised solely of batteries will be treated as a single Energy Storage Resource.” In contrast, NYISO states that a heterogeneous Aggregation, defined in the NYISO’s tariff as a DER Aggregation, is a subset of Aggregations that is subject to the general rules for Aggregations and certain DER Aggregation-specific rules.¹³ In its answer, NYISO states that NYISO’s resource-specific operating rules will better reflect the resources’ operating characteristics than the more generic DER Aggregation rules that apply to Demand Side Resources and heterogeneous Aggregations.¹⁴
 - a. Given NYISO’s statement that its resource-specific operating rules will better reflect the operating characteristics of the resources in a homogeneous Aggregation than the DER Aggregation rules, please explain how the DER Aggregation rules accommodate the physical and operational characteristics of heterogeneous Aggregations, and, in

⁹ Order No. 2222, 172 FERC ¶ 61,247 at P 130.

¹⁰ Transmittal at 15.

¹¹ *Id.* at 22.

¹² *Id.* at 21.

¹³ *Id.* at 23.

¹⁴ Answer at 33.

particular, heterogeneous Aggregations that include mostly one resource type. For example, please explain how NYISO's DER Aggregation rules accommodate the physical and operational characteristics of an Aggregation comprised primarily of solar resources with some storage.

- b. Given NYISO's statement that its resource-specific operating rules will better reflect the operating characteristics of the resources in a homogeneous Aggregation than the DER Aggregation rules applicable to heterogeneous Aggregations, please explain how NYISO's proposal would not present a barrier to the formation of heterogeneous Aggregations.
2. In its answer, NYISO states that, "[i]f an Aggregation that is made up entirely of solar Intermittent Power Resources is permitted to elect to participate as a DER Aggregation, then the Aggregation will be expected to operate to achieve the dispatch that the NYISO issues, may be assessed persistent under-generation charges when it under-delivers, and it won't be paid for output in excess of its dispatch schedule above 3% of the Aggregation's Upper Operating Limit."¹⁵
 - a. Would a DER Aggregation that is composed largely, but not exclusively, of solar resources face similar risks? How would an Aggregator operate such a DER Aggregation to avoid NYISO penalties?
3. In its answer, NYISO outlines the resource adequacy problems that could arise by modeling an Aggregation of solar Intermittent Power Resources as a DER Aggregation.¹⁶
 - a. Please explain why similar concerns would not arise with a DER Aggregation that is composed largely, but not exclusively, of solar resources.
4. NYISO states that "[r]esources that seek to qualify as an Installed Capacity Supplier pursuant to Services Tariff, section 5.12.1 will still be required to meet the applicable Deliverability Interconnection Standard requirements located in OATT Attachment S."¹⁷ Services

¹⁵ *Id.* at 34.

¹⁶ *Id.* at 35.

Tariff, section 5.12.1 provides that “[i]n order to qualify as an Installed Capacity Supplier or be part of an Aggregation that is qualified as an Installed Capacity Supplier, Generators, controllable transmission projects electrically located in the NYCA, transmission projects with associated incremental transfer capability, and Distributed Energy Resources that have the ability to inject Energy must have obtained Capacity Resource Interconnection Service (“CRIS”) pursuant to the applicable provisions of Attachment S to the ISO OATT” NYISO further states that “an Aggregation may only supply as much Unforced Capacity as the sum of the capability of the individual facilities in the Aggregation, accounting for each facility’s [Capacity Resource Interconnection Service (CRIS)]”¹⁸ In its answer, NYISO states that it applies its deliverability requirements for CRIS requests on a comparable basis to all resources that seek to participate in its Capacity market.¹⁹

- a. Please explain how NYISO will evaluate each individual Distributed Energy Resource seeking to provide Installed Capacity Service in order to award CRIS. Please provide an overview of how NYISO will evaluate individual Distributed Energy Resources for deliverability as compared to other resources.
 - b. Are all resources evaluated for deliverability through NYISO’s class year process? Are different-sized resources treated differently during this deliverability analysis? Please explain the reason for any different treatment applied to Distributed Energy Resources.
5. NYISO states that an Aggregation may only qualify to offer the Ancillary Services that all individual resources in the Aggregation are qualified to provide, to maintain compliance with North American Electric Reliability Corporation (NERC), Northeast Power Coordinating Council (NPCC), and New York State Reliability Committee reliability rules.²⁰ In its answer, NYISO states that, pursuant to NPCC Directory 5, Requirement 6, NYISO is required to

¹⁷ Transmittal at 39 n.152.

¹⁸ *Id.* at 16.

¹⁹ Answer at 56.

²⁰ Transmittal at 16.

ensure that all resources it relies upon to provide Operating Reserves can sustain their operating for at least one hour following activation.²¹ NYISO explains that it can only ensure this requirement is satisfied if it knows that all of the resources in an Aggregation that provide Operating Reserves can satisfy the NPCC sustainability requirement.

- a. Please explain in more detail how NYISO's requirement that an Aggregation may only qualify to offer the Ancillary Services that all individual facilities in the Aggregation are qualified to provide is necessary to comply with NERC, NPCC (other than NPCC Directory 5, Requirement 6, if applicable), and New York State Reliability Committee reliability rules. Why must NYISO ensure that each Distributed Energy Resource in an Aggregation can satisfy these requirements rather than the Aggregation as a whole? Do these rules prevent a Distributed Energy Resource from providing Ancillary Services up to the amount that it is technically capable of providing through aggregation?

B. Types of Technologies

To implement section 35.28(g)(12)(ii)(a) of the Commission's regulations, the Commission required in Order No. 2222 that each RTO's/ISO's rules not prohibit any particular type of distributed energy resource technology from participating in distributed energy resource aggregations.²²

1. NYISO states that individual Resources that participate in the NYISO-administered markets through the following Resource types will not be eligible to participate in an Aggregation: Generators with PURPA contracts, Limited Control Run-of-River Resources, Behind-the-Meter Net Generation Resources, Municipally-owned Generation, System Resources, and Control Area System Resources.²³ NYISO explains that these participation models were developed over time to recognize specific traits, which the DER and Aggregation participation model is not designed to accommodate.

²¹ Answer at 31.

²² Order No. 2222, 172 FERC ¶ 61,247 at P 141.

²³ Transmittal at 22.

- a. Please explain why the DER and Aggregation participation model cannot be revised to accommodate the specific traits of these Resource types.

C. Double Counting of Services

To implement section 35.28(g)(12)(ii)(a) of the Commission's regulations, the Commission in Order No. 2222 allowed RTOs/ISOs to limit the participation of resources in RTO/ISO markets through a distributed energy resource aggregator that are receiving compensation for the same services as part of another program.²⁴

1. In its answer, NYISO requests that the Commission instruct it to (a) remove the references to "substantially similar" services from proposed section 4.1.10.6 of its Services Tariff, and (b) amend its proposed Aggregator attestation requirement in section 4.1.10.5 of the Services Tariff to require that an Aggregator also attest that the individual Distributed Energy Resources participating in a given aggregation are not providing through a retail market or program "the same service" that the aggregation will be providing in the NYISO-administered markets.²⁵

- a. What role, if any, will the Distribution Utility play in helping NYISO verify that an Aggregator is not providing the same or substantially similar service in the NYISO-administered markets?

IV. Locational Requirements

In Order No. 2222, the Commission added section 35.28(g)(12)(ii)(b) to the Commission's regulations to require each RTO/ISO to revise its tariff to establish locational requirements for distributed energy resources to participate in a distributed energy resource aggregation that are as geographically broad as technically feasible.²⁶

1. NYISO states that Services Tariff, section 2.20 requires each individual facility within an Aggregation to be electrically located in the NYCA, and electrically connected to the same NYISO-identified Transmission Node.²⁷ NYISO further states that it will identify

²⁴ Order No. 2222, 172 FERC ¶ 61,247 at P 159.

²⁵ Answer at 16-17.

²⁶ Order No. 2222, 172 FERC ¶ 61,247 at P 204.

Transmission Nodes throughout the NYCA, following consultation with the New York Transmission Owners, and will map the collection of electrical facilities (e.g., distribution feeder lines) associated with the Transmission Node to which individual facilities may aggregate. NYISO states that its Transmission Node identification procedures will provide for the electrical footprint of each Transmission Node to be as large as possible while accounting for the efficiency of the NYISO-administered markets and the reliability of the system.²⁸

- a. Please describe the status of this ongoing process to identify Transmission Nodes and any updates regarding details of the proposed approach. For example, what criteria is NYISO planning to use to identify Transmission Nodes? How will NYISO ensure that the Transmission Nodes that it identifies provide locational requirements for Aggregations that are as geographically broad as technically feasible?
2. NYISO states that, once identified, it will post each Transmission Node on its public website alongside the list of Generator Names, Load Names, and other general system information.²⁹
 - a. Other than posting the Transmission Nodes on the public website after they have been identified, will NYISO provide stakeholders with any other information, prior or subsequent to this posting, to make its Transmission Node identification process more transparent?
3. NYISO states that, if it determines that changes are necessary to the set of Transmission Nodes, it will post a notice on its website of those changes at least 90 days prior to the start of a Capability Year (i.e., at least 90 days prior to May 1); such changes will take effect on the first day of that Capability Year.³⁰
 - a. Please provide additional support for whether this timeframe allows sufficient notice to Aggregators to make changes to

²⁷ Transmittal at 25.

²⁸ *Id.* at 26.

²⁹ *Id.*

³⁰ *Id.*

Aggregations prior to the start of the Capability Year given the 90-day notice requirement to modify Aggregations.

V. Metering and Telemetry System Requirements

In Order No. 2222, the Commission added section 35.28(g)(12)(ii)(f) to the Commission's regulations to require each RTO/ISO to revise its tariff to establish market rules that address metering and telemetry hardware and software requirements necessary for distributed energy resource aggregations to participate in RTO/ISO markets.³¹ The Commission stated that it would not prescribe the specific metering and telemetry requirements that each RTO/ISO must adopt; rather, the Commission provided the RTOs/ISOs with flexibility to establish the necessary metering and telemetry requirements for distributed energy resource aggregations, and required each RTO/ISO to explain in its compliance filing why such requirements are just and reasonable and do not pose an unnecessary and undue barrier to individual distributed energy resources joining a distributed energy resource aggregation.³²

The Commission stated that each RTO's/ISO's proposed metering requirements should rely on meter data obtained through compliance with distribution utility or local regulatory authority metering system requirements whenever possible for settlement and auditing purposes.³³ To the extent that the RTO/ISO proposes that such information come from or flow through distribution utilities, the Commission required that RTOs/ISOs coordinate with distribution utilities and Relevant Electric Retail Regulatory Authorities (RERRAs) to establish protocols for sharing metering and telemetry data, and that such protocols minimize costs and other burdens and address concerns raised with respect to privacy and cybersecurity.³⁴

1. NYISO states that Aggregators will be required to provide the NYISO with multiple streams of telemetry and revenue quality meter data for DER Aggregations.³⁵ NYISO explains that single resource type Aggregations will be subject to the existing metering and telemetry rules for that particular Resource type.³⁶

³¹ Order No. 2222, 172 FERC ¶ 61,247 at P 262.

³² *Id.* P 263.

³³ *Id.* P 269.

³⁴ *Id.* P 270.

³⁵ Transmittal at 34.

³⁶ *Id.* at 35.

- a. Please explain whether NYISO will allow Aggregators to rely on meter data from the relevant Distribution Utility or RERRA.
 - b. Please clarify whether there are circumstances under which metering and telemetry data will come from, or flow through, Distribution Utilities. If so, please indicate whether NYISO coordinated with Distribution Utilities and RERRAs to establish protocols for sharing metering and telemetry data and describe any such protocols.
2. NYISO states that the Aggregator will be responsible for ensuring that all measurements for metering and telemetry for the individual facilities it represents derive from either directly measured or calculated values, or a combination thereof, and meet the requirements set forth in the NYISO's Direct Communications Procedure, and the Control Center Requirements, Accounting and Billing, and Revenue Metering Requirements Manuals, as well as the Meter Services Manual, when applicable.³⁷ In its answer, NYISO states that it has established flexible rules for small Distributed Energy Resources with a response of under 100 kW participating in an Aggregation.³⁸ NYISO states that the option to utilize alternative measurement and verification tools (such as calculating six-second telemetry values derived from five minute data in place of real-time measurement) avoids the need for small facilities to install more costly hardware and software that is required for conventional Resources.
 - a. Please explain the circumstances under which NYISO will accept directly measured (as opposed to calculated) metering and telemetry data. For example, are certain individual facilities required to submit measured or calculated metering and telemetry data based on the size of the facility, the type of resource located at that facility, services provided by the Aggregation, or other factors? Please explain how any maximum size thresholds were selected.

³⁷ *Id.*

³⁸ Answer at 23.

VI. Coordination between the RTO/ISO, Aggregator, and Distribution Utility

A. Role of Distribution Utilities

To implement § 35.28(g)(12)(ii)(g) of the Commission's regulations, Order No. 2222 required each RTO/ISO to develop a distribution utility review process that includes criteria by which distribution utilities would determine whether (1) each proposed distributed energy resource is capable of participation in a distributed energy resource aggregation; and (2) the participation of each proposed distributed energy resource in a distributed energy resource aggregation will not pose significant risks to the reliable and safe operation of the distribution system.³⁹ The Commission also stated that the distribution utility should have the opportunity to request that the RTO/ISO place operational limitations on an aggregation or removal of a distributed energy resource from an aggregation based on specific significant reliability or safety concerns that it clearly demonstrates to the RTO/ISO and distributed energy resource aggregator on a case-by-case basis.⁴⁰

In Order No. 2222-A, the Commission clarified that, although it is providing each RTO/ISO with the flexibility to develop review procedures and criteria appropriate for its region, the Commission expects that the criteria proposed on compliance will require that an RTO/ISO decision to deny wholesale market access to a distributed energy resource for reliability reasons be supported by a showing that the distributed energy resource presents significant risks to the reliable and safe operation of the distribution system.⁴¹

In Order No. 2222-A, the Commission required that the review criterion on impacts on distribution system reliability must include "any incremental impacts from a resource's participation in a distributed energy resource aggregation that were not previously considered by the distribution utility during the interconnection study process for that resource."⁴²

1. NYISO proposes Services Tariff, section 4.1.10.7.1 to authorize the applicable Distribution Utility to evaluate the reliability and safety impact of each Distributed Energy Resource connected to its

³⁹ Order No. 2222, 172 FERC ¶ 61,247 at P 292.

⁴⁰ *Id.* P 297.

⁴¹ Order No. 2222-A, 174 FERC ¶ 61,197 at P 76 (citing Order No. 2222, 172 FERC ¶ 61,247 at P 292) (referencing the criteria by which the distribution utilities will determine whether a proposed distributed energy resource will pose "significant risks to the reliable and safe operation of the distribution system").

⁴² *Id.* P 79 (citing Order No. 2222, 172 FERC ¶ 61,247 at P 297).

electrical facilities.⁴³ Proposed Services Tariff, section 4.1.10.7.1 states that NYISO “shall incorporate such finding(s) [sic] its review of the Distribution Energy Resource. The [NYISO], Distribution Utility, and Aggregator shall evaluate the reliability and/or safety concerns identified by the Distribution Utility, and attempt to implement appropriate measures to mitigate the reliability and/or safety concern(s).”

- a. Please provide the criteria by which Distribution Utilities would determine whether a Distributed Energy Resource is capable of participating in an Aggregation, including any specific metrics. Will the Aggregator attestation requirements proposed in NYISO’s answer with respect to double counting be sufficient for Distribution Utilities and NYISO to determine whether a Distributed Energy Resource is capable of participating in an Aggregation?
- b. Please explain what showing is required from the Distribution Utility to support the decision that the Resource presents significant risks to the reliable and safe operation of the distribution system. How will information about Distribution Utility review concerns be shared with Aggregators?
- c. Please explain what NYISO means by “appropriate measures to mitigate reliability and/or safety concerns.” Please specify what measures might be considered appropriate for such purposes.
- d. Please explain how NYISO’s proposed Distribution Utility review process addresses incremental distribution system reliability impacts. Please specify the tariff provision or provisions where Distribution Utility review of these incremental impacts on Distribution Utility reliability is discussed.

In Order No. 2222, the Commission required each RTO/ISO to revise its tariff to incorporate dispute resolution provisions as part of its proposed distribution utility review process.⁴⁴ The Commission stated that each RTO/ISO should describe how existing dispute resolution procedures are sufficient or, alternatively, propose amendments to its procedures or new dispute resolution procedures specific to this subject.

⁴³ Transmittal at 43.

⁴⁴ Order No. 2222, 172 FERC ¶ 61,247 at P 299.

In Order No. 2222-A, the Commission stated that disputes regarding the distribution utility review process—including those between non-host distribution utilities and a host distribution utility or the RTO/ISO—may be resolved through the RTO's/ISO's dispute resolution process, the Commission's Dispute Resolution Service, or complaints filed pursuant to section 206 of the Federal Power Act at any time.⁴⁵

2. NYISO's proposed Services Tariff, section 4.1.10.7.1 states that "[t]he ISO, Distribution Utility, and Aggregator shall evaluate the reliability and/or safety concerns identified by the Distribution Utility, and attempt to implement appropriate measures to mitigate the reliability and/or safety concern(s)."
- a. Please explain how proposed Services Tariff, section 4.1.10.7.1 incorporates dispute resolution provisions as part of its proposed Distribution Utility review process. Does NYISO intend for this tariff provision to satisfy the Commission's requirement in Order No. 2222 to include dispute resolution procedures?
- b. What other avenues, if any, are available to Aggregators or Distribution Utilities to resolve disputes? For example, what avenues are available to Aggregators to dispute a Distribution Utility's determination regarding whether a proposed Distributed Energy Resource is capable of participation in an Aggregation and will not pose significant risks to the reliable and safe operation of the distribution system?

B. Ongoing Operational Coordination

To implement section 35.28(g)(12)(ii)(g) of the Commission's regulations, in Order No. 2222, the Commission required each RTO/ISO to revise its tariff to (1) establish a process for ongoing coordination, including operational coordination, that addresses data flows and communication among itself, the distributed energy resource aggregator, and the distribution utility; and (2) require the distributed energy resource aggregator to report to the RTO/ISO any changes to its offered quantity and related distribution factors that result from distribution line faults or outages.⁴⁶ In addition, the Commission required each RTO/ISO to revise its tariff to include coordination protocols and processes for the operating day that allow distribution utilities to override RTO/ISO

⁴⁵ Order No. 2222-A, 174 FERC ¶ 61,197 at P 70 (citing Order No. 2222, 172 FERC ¶ 61,247 at P 299).

⁴⁶ Order No. 2222, 172 FERC ¶ 61,247 at P 310.

dispatch of a distributed energy resource aggregation in circumstances where such override is needed to maintain the reliable and safe operation of the distribution system.

1. NYISO's proposed Services Tariff, section 4.1.10.7.2 states that "[t]he ISO, Transmission Owner, Distribution Utility, and Aggregator shall coordinate scheduling and dispatch for all Generators, Demand Side Resources, and Distributed Energy Resources participating in the wholesale markets as part of an Aggregation in accordance with ISO Procedures."⁴⁷
 - a. Please specify what information and data will be shared during operations. What data flows and communications will be used to share this information? Please cite the specific sections of the appropriate manuals or procedures, if applicable.
 - b. Please explain which NYISO tariff provision or provisions provide coordination protocols and processes for the operating day that allow Distribution Utilities to override RTO/ISO dispatch of an Aggregation in circumstances where such override is needed to maintain the reliable and safe operation of the distribution system.
 - c. Please explain how these coordination protocols and processes will be transparent and when an Aggregation will be informed of Distribution Utility overrides and by whom.

C. Role of Relevant Electric Retail Regulatory Authorities

To implement section 35.28(g)(12)(ii)(g) of the Commission's regulations, in Order No. 2222 the Commission required each RTO/ISO to specify in its tariff, as part of the market rules on coordination between the RTO/ISO, the distributed energy resource aggregator, and the distribution utility, how each RTO/ISO will accommodate and incorporate voluntary RERRA involvement in coordinating the participation of aggregated distributed energy resources in RTO/ISO markets.⁴⁸

1. NYISO states that it proposes to require each Aggregator to ensure that its Aggregation and the individual Resources within the Aggregation comply with all applicable rules and regulations promulgated by the RERRA and included in a Distribution Utility's

⁴⁷ Transmittal at 45-46.

⁴⁸ Order No. 2222, 172 FERC ¶ 61,247 at P 322.

tariffs.⁴⁹ In addition, NYISO proposes to provide each Distributed Energy Resource's RERRA with the physical and operational data collected for the Distributed Energy Resource upon the request.

- a. Please specify whether the RERRA will have a role in coordinating the participation of Aggregations in NYISO's markets by: developing interconnection agreements and rules; developing local rules to ensure distribution system safety and reliability, data sharing, and/or metering and telemetry requirements; overseeing Distribution Utility review of Distributed Energy Resource participation in Aggregations; establishing rules for multi-use applications; or resolving disputes between Aggregators and Distribution Utilities over issues such as access to individual Distributed Energy Resource data.

VII. Modifications to List of Resources

In Order No. 2222, the Commission required each RTO/ISO to revise its tariff to specify that distributed energy resource aggregators must update their lists of distributed energy resources in each aggregation (i.e., reflect additions and subtractions from the list).⁵⁰

In Order No. 2222-A, the Commission encouraged the RTOs/ISOs to propose abbreviated distribution utility review processes for modifications to existing aggregations.⁵¹ The Commission also limited the length of the distribution utility review period to no more than 60 days.⁵²

1. NYISO states that if an individual facility wants to change Aggregations to a different Aggregation of the same Aggregation type, NYISO requires at least 90 calendar days prior notice, and that

⁴⁹ Transmittal at 46.

⁵⁰ Order No. 2222, 172 FERC ¶ 61,247 at P 336; *see id.* P 239 (clarifying that the distributed energy resource aggregator, not an individual distributed energy resource in the aggregation, is the single point of contact with the RTO/ISO, and the aggregator would be responsible for managing, dispatching, metering, and settling the individual distributed energy resources in its aggregation).

⁵¹ Order No. 2222-A, 174 FERC ¶ 61,197 at P 71.

⁵² *Id.* P 72.

the change will become effective following NYISO authorization, at the start of a calendar month.⁵³

- a. Please support NYISO's proposed requirement that individual facilities must provide such notice rather than the Aggregator as the market participant.
2. NYISO states that it proposes to increase the prior notice requirement for facilities seeking to change Aggregations from 30 to 90 days to accommodate the Distribution Utility review period required by Order No. 2222.⁵⁴ NYISO states that it must complete a set of administrative tasks to ensure the NYISO's systems accurately reflect the switch when facilities change Aggregations. Proposed Services Tariff, section 4.1.10.7 states that a Distribution Utility shall have 60 calendar days to review each new Distributed Energy Resource connecting to its facilities that seeks to participate in the ISO markets, "and any incremental change to an Aggregation." NYISO also states that the Distribution Utility is not required to use the full 60-day review period, and that NYISO will work with utilities on a case-by-case basis to facilitate expedient review of Distributed Energy Resources.⁵⁵ In its answer, NYISO states that it proposed a 60-day review period for incremental changes "after careful consideration and consultation with utilities."⁵⁶ NYISO acknowledges that it "expects a portion of its [administrative] work can be completed simultaneous with the Distribution Utility's evaluation" but maintains that it "will still need time to complete its administrative work transitioning a DER between Aggregations after the utility completes its evaluation and the NYISO knows the change can be implemented."
 - a. Please provide additional support for NYISO's proposal to have the same 60-day Distribution Utility review period for modifications to existing Aggregations as for new Aggregations. Please explain whether NYISO, when consulting with the Distribution Utilities, considered if the removal of a small individual resource would be less likely to

⁵³ Transmittal at 35.

⁵⁴ *Id.* at 36 (citing Order No. 2222, 172 FERC ¶ 61,247 at P 295).

⁵⁵ *Id.* at 44.

⁵⁶ Answer at 41.

have distribution system impacts and should therefore not require as much time to review.

- b. Please explain in more detail how NYISO plans to work with Distribution Utilities on a case-by-case basis to facilitate expedient review of Distributed Energy Resources.

VIII. Effective Date

In Order No. 2222, the Commission required each RTO/ISO to propose a reasonable implementation date, together with adequate support explaining how the proposal is appropriately tailored for its region and implements Order No. 2222 in a timely manner.⁵⁷ The Commission stated that it will establish on compliance the effective date for each RTO's/ISO's compliance filing.

1. NYISO states that it will continue to develop software and hardware modification necessary to implement its DER and Aggregation participation model.⁵⁸ NYISO currently anticipates that the modifications, testing, and deployment of its June 27 Filing will be ready in the fourth quarter of 2022.
 - a. Please provide a timeline for NYISO's anticipated software modifications, testing, and deployment. Please provide as much detail as possible regarding important milestones and timetables.

This letter is issued pursuant to 18 C.F.R. § 375.307 (2020) and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713.

A response to this letter must be filed within 30 days of the date of this letter in accordance with the Commission's electronic tariff requirements using Type of Filing Code 80 – Compliance.

Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

Issued by: Kurt Longo, Director, Division of Electric Power Regulation – East

⁵⁷ Order No. 2222, 172 FERC ¶ 61,247 at P 361.

⁵⁸ Transmittal at 48.