

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

New York Independent System Operator, Inc.  
Docket Nos. ER23-2040-000  
ER23-2040-002

Issued: 12/15/2023

On June 1, 2023, as amended on September 29, 2023 and October 18, 2023, pursuant to section 205 of the Federal Power Act, New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to its Open Access Transmission Tariff (OATT) and its Market Administration and Control Area Services Tariff (Services Tariff) that complement the market rules applicable to distributed energy resources (DER) and Aggregations (DER and Aggregation participation model). On July 17, 2023, Commission staff issued a letter informing NYISO that its filing was deficient and requesting additional information necessary to process the filing.<sup>1</sup>

Please be advised that the submittal is deficient, and that additional information is required to process the filing. Please provide complete responses to the following:

1. In response to question 3 in the July 17, 2023 deficiency letter,<sup>2</sup> asking why NYISO proposes a 10 kW threshold specifically, NYISO explains that it discussed the potential benefits and costs of various minimum size requirements from zero kW to 100 kW and decided that 10 kW is a reasonable minimum DER size. NYISO explains that its decision-making process was informed by participation in its existing Emergency Demand Response Program (EDRP) and Special Case Resource (SCR) program, which NYISO asserts are “the NYISO participation models closest in kind to the DER and Aggregation model.”<sup>3</sup> NYISO states that it analyzed EDRP and SCR enrollments as of July 1, 2022, grouping individual resources by size and summing the capability of all resources within each group.

a. Please explain why NYISO’s reliance on historical participation in

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<sup>1</sup> Deficiency Letter, Docket No. ER23-2040-000 (issued July 17, 2023).

<sup>2</sup> Deficiency Letter at 3.

<sup>3</sup> Deficiency Letter Response at 14.

existing demand response programs is an appropriate comparison to future participation in the DER and Aggregation participation model given not just the differences between the programs, but also the expected changes to the resource mix and demand. As NYISO states in its transmittal, the DER and Aggregation participation model accepted in a January 23, 2020 order<sup>4</sup> will remove barriers to entry and enhance opportunities for facilities that cannot currently participate or cannot fully participate using existing participation models.<sup>5</sup> Did NYISO analyze the impact of the proposed 10 kW minimum capability requirement using NYISO's projections for DER and load growth, such as those outlined in NYISO's 2023 Load and Capacity Data Report? If so, please provide the additional analysis.

- b. NYISO explains that, based on its analysis of the EDRP and SCR enrollments as of July 1, 2022, resources with a capability below 10 kW have not meaningfully contributed to total New York Control Area capacity. Please explain NYISO's assessment of the expected impact of the proposed 10 kW threshold on distributed energy resource participation. If available, please provide any relevant quantitative analysis that NYISO developed as part of that determination.

This letter is issued pursuant to 18 C.F.R. § 375.307 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 with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission's electronic tariff requirements. For your response, use Type of Filing Code 170 if your company is registered under program code "M" (Electric Market Based Rate Public Utilities) or Type of Filing Code 180 if your company is registered under program code "E" (Electric Traditional Cost of Service and Market Based Rates Public Utilities).<sup>6</sup> In addition, submit an electronic version of your response to Emily Chen at [emily.chen@ferc.gov](mailto:emily.chen@ferc.gov). The information requested in this letter order will constitute an amendment to your filing and a new filing date will be established.<sup>7</sup> A notice will be issued upon receipt of your

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<sup>4</sup> *N.Y. Indep. Sys. Operator, Inc.*, 170 FERC ¶ 61,033 (2020).

<sup>5</sup> Transmittal at 3.

<sup>6</sup> The filing must include at least one tariff record to restart the statutory timeframe for Commission action even though a tariff revision might not otherwise be needed. *See generally Elec. Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (explaining that the Commission uses the data elements resulting from the tariff filing process to establish statutory filing and other procedural dates).

filing.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

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

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<sup>7</sup> See *Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) (“the Commission will consider any amendment or supplemental filing filed after a utility’s initial filing . . . to establish a new filing date for the filing in question”).