183 FERC ¶ 61,013
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

April 11, 2023

In Reply Refer To:
New York Independent System Operator, Inc.
Docket No. ER23-1098-000

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: Sara B. Keegan

Dear Ms. Keegan:

1. On February 10, 2023, pursuant to section 205 of the Federal Power Act (FPA)[1] and Part 35 of the Commission's regulations,[2] New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to its Open Access Transmission Tariff (OATT) to establish rules by which Internal Controllable Lines (ICL)[3] will be evaluated for deliverability in NYISO's interconnection process and to clarify how ICLs and other resources will be derated in deliverability studies.[4] NYISO states that the proposed revisions allow NYISO to evaluate the deliverability impacts of a proposed ICL in both the upstate and downstate regions of the transmission system to which an ICL interconnects, and clarify how NYISO will derate ICLs and other resources consistent with the Capacity Accreditation Factors.[5]

---

[1] 16 U.S.C. § 824d.

[2] 18 C.F.R. pt. 35 (2022).

[3] NYISO explains that an ICL is a controllable transmission line that originates and terminates within the New York Control Area (NYCA). Transmittal Letter at 3.

[4] New York Independent System Operator, Inc., NYISO Tariffs, NYISO OATT, § 25.3 (OATT Attachment S - Deliverability Interconnection Standard) (8.0.0); New York Independent System Operator, Inc., NYISO Tariffs, NYISO OATT, § 25.7 (OATT Attachment S - Cost Allocation Methodology for CRIS) (17.0.0).

[5] Transmittal Letter at 1-2. Capitalized terms used but not otherwise defined in

2. NYISO also states that, although external Scheduled Lines have participated in its markets for more than 15 years, it does not currently have a set of rules to address the operation of a fully controllable facility that originates and terminates entirely in the NYCA.[6] NYISO states that the proposed revisions allow an ICL to proceed with deliverability studies in parallel with NYISO's development of market rules governing how the ICL will ultimately participate in NYISO's Energy, Ancillary Services, and Installed Capacity (ICAP) markets.[7] NYISO states that rules for implementing ICLs in NYISO's Energy, Ancillary Services, and ICAP markets will be filed for the Commission's consideration later this year. NYISO explains that it has accelerated development of the deliverability portion of the ICL rules so that they can be in place for NYISO's Class Year 2023.

3. NYISO explains that, for purposes of evaluation in the interconnection process, under its current OATT, ICLs are a subset of Class Year Transmission Projects, and are studied in the Class Year Interconnection Facilities Study (Class Year Study).[8] NYISO explains that, for Class Year Projects that elect Capacity Resource Interconnection Service (CRIS), Attachment S provides for the evaluation of a project's Deliverability in the Class Year Study.[9] NYISO states that the current OATT provisions setting forth the deliverability methodology to be used in the Class Year Study indicate that a new facility must be deliverable throughout the Capacity Region in which it interconnects.[10] However, NYISO explains that the current OATT does not explicitly address how to evaluate a controllable line with more than one point of interconnection in the NYCA that interconnects in two separate Capacity Regions.[11] NYISO also states that the current OATT does not address how to account for losses of an internal Class Year Transmission Project between the point of injection and the point of withdrawal. NYISO adds that the OATT does not currently specify a derating factor for Class Year Transmission Projects.[12]

---

this order have the meanings ascribed to them in the NYISO OATT.

[6] *Id.* at 5.

[7] *Id.* at 4.

[8] *Id.* at 5.

[9] *Id.* at 7.

[10] *Id.* at 8.

[11] *Id.*

[12] *Id.* at 9.

4. NYISO states that the proposed revisions to section 25.7.3 of Attachment S to NYISO's OATT addresses one of these gaps by specifying that a proposed Class Year Transmission Project that is internal to the NYCA, intending to participate in the NYISO's ICAP, be deliverable throughout the Capacity Region to which it proposes to inject Energy and throughout the Capacity Region from which it proposes to withdraw Energy.[13] NYISO explains that, unlike a generator with a single interconnection point, power flows for an ICL involve both the withdrawal of Energy in one Capacity Region and injection of Energy into another Capacity Region. NYISO states that both withdrawal and injection can have distinct deliverability impacts, and impairments in either Capacity Region could affect the ICL's ability to deliver the Energy associated with its Capacity obligation. NYISO states that the proposed revisions will require an ICL to mitigate deliverability impacts in both Capacity Regions to which it proposes to interconnect.

5. NYISO also proposes to revise section 25.7.8.2.1.3 of Attachment S to NYISO's OATT to clarify that CRIS MW requested by a Class Year Transmission Project will represent ICAP at the point of injection.[14] NYISO states that the proposed revisions also clarify that the CRIS MW requested by a Class Year Transmission Project or held by an existing controllable transmission facility will not be derated at the point of injection for the deliverability analysis. NYISO adds that the withdrawal capability of an internal Class Year Project will be modeled in the deliverability analysis at the MW of CRIS plus losses of the facility, at the point of withdrawal as negative generation in the Capacity Region.

6. NYISO proposes further revisions to section 25.7.8.2.1.3 of Attachment S to NYISO's OATT to clarify the derating methodology to reflect recent changes to Unforced Capacity (UCAP) calculations for resource types, including Capacity Accreditation Factors.[15] NYISO explains that under its current OATT, the derating methodology that NYISO uses to evaluate deliverability incorporates derating factors referred to as Unforced Capacity Deration Factors (UCDFs).[16] NYISO explains that the proposed revisions clarify that the UCDF for all generators that are not Intermittent Power Resources or Limited Control Run of River Hydro will be the average Equivalent Demand Forced Outage Rate.[17] NYISO asserts that these calculations still provide a reasonable expectation of a unit's available output during peak load hours.[18] NYISO

[13] *Id.* at 8, 9.

[14] *Id.* at 10.

[15] *Id.* at 8, 10.

[16] *Id.* at 8.

[17] *Id.* at 11-12.

states that Capacity Accreditation Factors are not included in these calculations because they are not reflective of a unit's expected available output during peak load hours. NYISO adds that the proposed revisions specify that, for Intermittent Power Resources and Limited Control Run of River Hydro, rather than being calculated solely based on resource type, the UCDF will be calculated based on historical production data by the resource type in accordance with the ISO Procedures. NYISO asserts that this calculation provides a reasonable expectation of a unit's available output during peak load hours.

7. Finally, NYISO proposes ministerial edits to Attachment S. Specifically, NYISO proposes to revise references to Capacity Region in sections 25.3.1 and 25.7.8.1 of Attachment S to NYISO's OATT to make the term Capacity Region plural, consistent with the proposed revisions to section 25.7.3 of Attachment S.[19] NYISO also proposes revisions to section 25 of Attachment S to NYISO's OATT to include a corresponding revision in section 25.7.8.2 of Attachment S that mirrors the proposed revisions in section 25.7.8.1 of Attachment S. NYISO adds that its proposed revisions to section 25 of Attachment S also includes other ministerial edits.[20]

8. NYISO requests that the Commission issue an order by April 11, 2023.[21] NYISO requests that the Commission waive its 60-day prior notice requirement to permit the proposed OATT revisions to become effective on February 13, 2023.[22] NYISO contends that there is good cause to grant the requested effective date. NYISO explains that there is currently one proposed ICL that will likely be a member of Class Year 2023, and asserts that it is necessary for the proposed language to become effective for the deliverability analysis performed for Class Year 2023.[23] NYISO asserts that an effective date of February 13, 2023 will align with the Class Year Start Date for Class Year 2023. NYISO contends that, while the deliverability evaluations impacted by the proposed OATT revisions will not commence until at least 60 days after the Class Year State Date, aligning the effective date of the proposed OATT revisions with the Class Year Start Date will provide additional clarity on the rules applicable to Class Year 2023.

9. Notice of NYISO's filing was published in the *Federal Register*, 88 Fed. Reg. 10,112 (Feb. 16, 2023), with interventions and protests due on or before

[18] *Id.* at 12.

[19] *Id.*

[20] *Id.* at 13.

[21] *Id.* at 1, 13.

[22] *Id*.

[23] *Id.* at 2 (citing *Clean Path N. Y. LLC*, 181 FERC ¶ 61,236, at P 20 (2022)).

March 3, 2023. The New York State Public Service Commission filed a notice of intervention. Clean Path New York LLC (Clean Path) filed a timely motion to intervene and comments.

10. Clean Path submitted comments in support of NYISO's filing.[24] Clean Path explains that it is the developer of a 1,300 MW high voltage direct current transmission line that will connect the Fraser Substation in NYISO Zone E to the Rainey Substation in NYISO Zone J. Clean Path asserts that NYISO's filing sets forth the tariff amendments needed to guide NYISO's analysis of the deliverability of Clean Path's project within NYISO's Class Year Study. Clean Path adds that the proposed revisions also address how ICLs are to be treated for capacity accreditation purposes.[25] Clean Path states that it is completing the steps necessary to enter Class Year 2023.[26] Clean Path contends that rules governing the interconnection of ICLs are needed immediately to allow its project to participate in the 2023 Class Year interconnection process and ultimately obtain CRIS and ERIS rights. Clean Path states that these revisions will provide certainty to Clean Path and other interested in ICLs as to how such projects will be able to participate in NYISO's capacity markets. Clean Path asserts that the proposed OATT revisions are reasonable and treat ICLs in a consistent manner as other types of capacity resources.[27]

11. Clean Path also requests that the Commission grant NYISO's requested waiver of prior notice to allow NYISO's proposed revisions to be effective as of February 13, 2023.[28] Clean Path states that it expects to be accepted into NYISO's Class Year process shortly and asserts that having the proposed OATT revisions become effective concurrent with the Class Year Start Date ensures clarity as to: (1) the manner in which the interconnection of Clean Path's project is studied within the Class Year Study process; and (2) whether it is appropriate to include Clean Path's project in the Class Year Study process.[29]

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2022), the notice of intervention and timely, unopposed motion to intervene serve to make the entities that filed them parties to this proceeding.

---

[24] Clean Path Comments at 1, 3.

[25] *Id.* at 2-3.

[26] *Id.* at 1, 3.

[27] *Id.* at 4.

[28] *Id.* at 5.

[29] *Id.*

13. We find that NYISO's proposed revisions are just and reasonable and not unduly discriminatory or preferential. Specifically, we find that the proposed revisions reasonably address how to evaluate a controllable line with more than one point of interconnection in the NYCA that interconnects in two Capacity Regions and how to account for losses of an internal Class Year Transmission project between the point of injection and the point of withdrawal. We also find that the proposed revisions reasonably clarify the methodology by which an ICL's capacity is derated for the deliverability study in the Class Year Study.[30] We also find good cause to grant NYISO's request for waiver of the Commission's 60-day prior notice requirement to allow NYISO's requested effective date because it will allow NYISO's proposed revisions to become effective for the deliverability analysis performed for projects in Class Year 2023.[31] For these reasons, we accept NYISO's proposed OATT revisions effective February 13, 2023, as requested.

By direction of the Commission.

Kimberly D. Bose,
Secretary.

[30] We note that the proposed tariff revisions do not address capacity accreditation for ICLs in the ICAP market.

[31] *See* 18 C.F.R. § 35.11 (2022); *Cent. Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).