

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

New York Independent System Operator, Inc.) Docket No. ER16-1404-___

**REQUEST FOR EXTENSION OF TIME TO SUBMIT COMPLIANCE FILING
ADDRESSING SELF-SUPPLY EXEMPTION OF THE
NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.**

In accordance with Rule 2008 of the Commission’s Rules of Practice and Procedure,¹ the New York Independent System Operator, Inc. (“NYISO”), hereby respectfully requests a 180 day extension of time, *i.e.*, until September 21, 2020, to submit compliance tariff revisions concerning the proposed Self-Supply Exemption (the “SSE”) under its buyer-side capacity market power mitigation rules (the “BSM Rules”).² The Commission’s February 20, 2020 order in this proceeding (the “February Order”)³ directed the NYISO to submit a compliance filing within thirty days, *i.e.*, by March 23, 2020, to address both the proposed SSE and a separate exemption for certain renewable resources (the “Renewable Exemption”). The NYISO is not seeking an extension to file compliance revisions pertaining to the Renewable Exemption.

As is discussed below, it does not appear that any resource will seek a SSE in the near future. In particular, no potential developers requested a SSE in advance of the NYISO’s ongoing Class Year⁴ 2019. By contrast, the Renewable Exemption will directly affect a

¹ 18 C.F.R. §385.2008 (2019).

² The BSM Rules are set forth in Attachment H (Section 23) of the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).

³ *New York Independent System Operator, Inc.*, 170 FERC ¶ 61,121 (2020).

⁴ Capitalized terms that are not otherwise defined herein shall have the meaning specified in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).

substantial amount of new capacity in Class Year 2019. In addition, the NYISO is pursuing a number of other high priority near-term enhancements to the capacity market and the BSM Rules. The SSE, the Renewable Exemption, and the other enhancements all require the attention of the same NYISO staff experts. Devoting time to developing SSE compliance revisions would thus necessarily delay work on those other matters.

The NYISO recognizes the importance of satisfying the Commission's compliance directives. Nevertheless, the NYISO is seeking additional time to file the SSE-related tariff revisions so that it may focus, for now, on issues that are of greater immediate importance. The requested extension will still allow the NYISO to submit a SSE compliance filing in advance of the next Class Year, which the NYISO anticipates is the earliest that a SSE might actually be sought.

The NYISO respectfully requests that the Commission adopt the standard five day answer period applicable to motions for extensions of time.⁵ It also asks that the Commission issue an order accepting this request as soon as practicable before the current March 23 filing deadline so that the NYISO will have certainty regarding its compliance obligations.

I. BACKGROUND

In October 2015, the Commission issued an order directing the NYISO to establish the SSE and Renewable Exemption.⁶ The NYISO submitted the required compliance filing in April 2016 (the "April 2016 Filing").⁷

⁵ See 18 C.F.R. §385.213(d)(1)(i).

⁶ See *New York State Public Service Commission, et al. v. New York Independent System Operator, Inc.*, 153 FERC ¶ 61,022 (2015).

⁷ *New York State Public Service Commission, et al. v. New York Independent System Operator, Inc., Compliance Filing and Request for Commission Action Within Sixty Days*, Docket No. ER16-1404-000 (April 13, 2016).

In July 2019, the NYISO filed a motion asking the Commission to issue an order on the April 2016 Filing (the “July 2019 Filing”). The NYISO explained that the Commission’s delay had not resulted in any material consequences as of July 2019, because no resources eligible to obtain a Renewable Exemption or SSE had yet sought to enter the NYISO-administered markets. However, the NYISO anticipated that multiple resources would seek Renewable Exemptions in Class Year 2019, which began in August 2019. The NYISO therefore urged Commission action and explained that it would implement the Renewable Exemption as-filed if the Commission did not issue an order before the tariff deadline for making determinations under the BSM Rules (“BSM Determinations”) during Class Year 2019. At the same time, the July 2019 Filing emphasized that “[t]he NYISO does not currently anticipate that any entity will seek a Self-Supply Exemption in Class Year 2019. Thus, it does not appear that the NYISO will need to implement the Self-Supply Exemption in Class Year 2019.”⁸

The February Order conditionally accepted the April 2016 filing but required the NYISO to make substantive changes to both the proposed SSE and Renewable Exemption. With respect to the SSE, the Commission imposed multiple conditions that will require the NYISO to modify the “net long” and “net short” thresholds.”⁹ It also directed the NYISO to make other changes to the Renewable Exemption. Because both sets of compliance modifications involve the BSM Rules, they both require deliberate and careful attention to ensure that they properly effectuate the Commission’s directives and will not have unanticipated impacts.

As noted above, the same NYISO staff experts are responsible for addressing the SSE, the Renewable Exemption, and various other market design enhancements that are near-term

⁸ July 2019 Filing at n. 8.

⁹ February Order at PP 90, 94, 98, 102.

priorities currently under development in the NYISO's shared governance process.¹⁰ These additional initiatives include undertaking a comprehensive review of the Installed Capacity market framework and the BSM Rules as part of the NYISO's ongoing "Comprehensive Mitigation Review" initiative.¹¹ Within this broader year-long effort, the NYISO is engaging stakeholders to develop potential Section 205 filings in the near future that could be implemented for Class Year 2019. Other near term initiatives are part of the NYISO's high priority "Grid in Transition" program, which is designed to preserve competitive markets signals and reliability as New York State pursues its ambitious clean energy goals. In addition, NYISO staff is simultaneously conducting the quadrennial ICAP Demand Curve reset.

II. REQUEST FOR EXTENSION OF TIME

The NYISO respectfully requests that the Commission act under Rule 2008 to extend the deadline for submitting the SSE compliance filing for 180 days until September 21, 2020. There is good cause to grant this request because it does not appear that any resource will seek a SSE in the near term. Therefore, NYISO staff resources that would be needed to prepare and implement SSE compliance tariff revisions would be much better used to address the Renewable Exemption, and other initiatives with greater near term impact, than the SSE exemption.

¹⁰ See, e.g., *Reliability and Market Considerations for a Grid in Transition*, NYISO Staff Presentation to Joint Meeting of the Installed Capacity and Market Issues Working Groups (March 6, 2020) (describing the various components of the NYISO's "Grid in Transition" plan, including the NYISO's "Comprehensive Mitigation Review" and proposed capacity market enhancements) available at <https://www.nyiso.com/documents/20142/11214986/Grid%20in%20Transition%20Discussion%20-%20Capacity%20Market%20Enhancements.pdf/8e1c4665-87ad-f022-1ef7-54b342927065>.

¹¹ See, e.g., *Comprehensive Mitigation Review Project Plan*, NYISO Staff Presentation to Joint Meeting of the Installed Capacity, Market Issues, and Price Responsive Load Working Groups (February 6, 2020) available at <https://www.nyiso.com/documents/20142/10718541/Comprehensive%20Mitigation%20Review.pdf/aefa8ce3-e3dc-994e-07e7-8feffc834cfc>.

As noted above, no entity sought a SSE before the start of Class Year 2019. There will be additional opportunities to request a SSE as a result of the NYISO's recent introduction of Expedited Deliverability Study ("EDS") procedures¹² but the NYISO does not anticipate that any such requests will be made during Class Year 2019. Specifically, the next deadline for potential SSE requests to be made in connection with an EDS would be by March 20, 2020. However, if any entity were planning to seek a SSE in that timeframe, it is virtually certain that they would have informed the NYISO, and submitted necessary data for the NYISO to make an evaluation, by now. It therefore seems apparent that no SSE request will be submitted this month. The next potential opportunity would likely be in August of 2020, should the March 20, 2020 EDS be completed during the month of July but, again, there has been no indication that any resource will seek such an exemption. Given the lack of SSE requests in the nearly four years since the April 2016 Filing, it seems very unlikely that one would be made before the NYISO submits a compliance filing by the proposed date.

By contrast, projects representing over 1000 MW of installed capacity are known, with certainty, to be seeking a Renewable Exemption in Class Year 2019. The NYISO is working diligently to make a timely compliance filing so that the Renewable Exemption will be in place when BSM Determinations are made for Class Year 2019, which is likely to happen in the late summer. If the NYISO is not granted an extension of the SSE filing deadline it would very likely need to request more time to work on the Renewable Exemption, which has much greater near-term significance. Similarly, the staff resources needed to develop and file SSE compliance tariff revisions are also needed for the Comprehensive Mitigation Review initiatives, the Grid in

¹² The Expedited Deliverability Study tariff provisions were accepted by the Commission's January 31, 2020 letter order in Docket No. ER20-638-000.

Transition initiatives, and the ICAP Demand Curve reset process. It would be a more effective use of the NYISO's staff resources to focus on these projects for the next several months.

Granting the requested extension would enable the NYISO to develop and submit a SSE compliance filing well before the start of the next Class Year process. As noted above, the NYISO does not believe that any SSE exemptions will be sought before then.

III. COMMUNICATIONS

Communications regarding this proceeding should be sent to:

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IV. CONCLUSION

In conclusion, for the reasons set forth above, the Commission should grant the NYISO's requested 180 day extension of time until September 21, 2020 to submit compliance tariff revisions addressing the Self-Supply Exemption. The NYISO respectfully requests that the Commission adopt the standard five day answer period applicable to motions for extensions of time. It also asks that the Commission issue an order accepting this request as soon as practicable before the current March 23 filing deadline so that the NYISO will have certainty regarding its compliance obligations.

Respectfully Submitted,

/s/ David M. Allen

David M. Allen

Senior Attorney

New York Independent System Operator, Inc.

March 11, 2020

cc: Anna Cochrane
James Danly
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Kurt Longo
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 11th day of March 2020.

/s/ Joy A. Zimmerlin

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