

December 7, 2020

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Re: *New York Independent System Operator, Inc.*, Proposed Tariff Revisions to
Modify Eligibility to Utilize Meter Services Entities; Docket No. ER21-____-000;

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”),¹ the New York Independent System Operator, Inc. (“NYISO”) hereby proposes revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) to modify Market Participant eligibility to utilize Meter Services Entities (“MSEs”).² The proposed revisions support the NYISO’s continued efforts to lower barriers to entry for Demand Side Resources participating in the ISO-administered markets.

As further explained below, the proposed tariff amendments will permit Demand Response Providers and Demand Side Ancillary Services Program (“DSASP”) Providers to become Meter Services Entities or to procure metering and meter data services from approved Meter Services Entities. The proposed revisions will provide enhanced flexibility to Demand Side Resources that participate in the NYISO’s Day-Ahead Demand Response Program (“DADRP”) or in its DSASP. The NYISO respectfully requests that the Tariff revisions proposed in this filing be permitted to become effective on February 8, 2021.

I. Documents Submitted with this Filing Letter

1. A clean version of the proposed revisions to Services Tariff Sections 2.13 and 13.3 (“Attachment I”); and
2. A blacklined version of the proposed revisions to Services Tariff Sections 2.13 and 13.3 (“Attachment II”).

II. Overview

The NYISO administers four demand response programs. Two of the programs—the Emergency Demand Response Program (“EDRP”) and the Special Case Resource (“SCR”) program—support the reliability of the New York Control Area (“NYCA”), and are designed to reduce power consumption by directing Demand Side Resources to reduce facility Load served

¹ 16 U.S.C. § 824d (2012).

² Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in Section 2 of the NYISO’s Services Tariff.

by the grid during system emergencies, or when reserve shortages are anticipated or actually occur. The NYISO also administers two economic demand response programs: the Day-Ahead Demand DADRP in the Energy market, and the DSASP in the Ancillary Services market. The DADRP allows NYCA Loads to offer their Demand Reductions in the Day-Ahead Market to supply Energy, permitting flexible Load to increase the amount of supply and moderate Energy prices. The DSASP provides Demand Side Resources with an opportunity to offer Demand Reductions into the Day-Ahead and/or Real-Time Markets to provide Operating Reserves and Regulation Service.

On June 27, 2019, the NYISO submitted tariff revisions under FPA Section 205 proposing a participation model for Distributed Energy Resources (“DER”) and Aggregations (the “June 27 DER Filing”),³ which the Commission accepted in an Order issued on January 23, 2020 (the “DER Order”).⁴ The NYISO’s June 27 DER Filing proposed a comprehensive participation model for distributed resource (including generating unit, energy storage asset, and Demand Side Resource) participation in the ISO-administered Energy, Ancillary Services, and Installed Capacity markets. The June 27 DER Filing proposed two important modifications to the NYISO’s demand response programs. First, it proposed to allow participants in the NYISO’s SCR Program and EDRP to utilize MSEs, in addition to Transmission Owners, to perform metering and meter data services.⁵ Second, it proposed to eliminate the DADRP and DSASP on the date on which the DER Aggregation rules become effective. Consistent with the DER Order, the MSE rules became effective on May 1, 2020. The DER Aggregation rules are anticipated to become effective in the fourth quarter of 2022 when the NYISO implements DERs in its markets.⁶

The June 27 DER Filing did not propose to extend the authorization to utilize an MSE to Market Participants enrolling Demand Side Resources in the DADRP or the DSASP.⁷ The NYISO did not propose to extend authorization to utilize an MSE to the DADRP or DSASP programs because (i) participation in those programs has been stable for the last several years and metering services for participating Demand Side Resources has already been procured, and (ii) the DER Aggregation rules that will eliminate the DADRP and DSASP were originally

³ *New York Indep. Sys. Operator, Inc.*, Proposed Tariff Revisions Regarding Establishment of Participation Model for Aggregations of Resources, Including Distributed Energy Resources, and Proposed Effective Dates, Docket No. ER19-2276-000 (Jun. 27, 2019) (*hereinafter* “June 27 DER Filing”).

⁴ *New York Indep. Sys. Operator, Inc.*, Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report, 170 FERC ¶ 61,033 (Jan. 23, 2020) (*hereinafter* “DER Order”).

⁵ Metering and Meter Data Services for Demand Side Resources participating in the NYISO’s four demand response programs may also be procured from the applicable Transmission Owner. The June 27 DER Filing did not modify the rules applicable to obtaining metering and meter data services from a Transmission Owner.

⁶ As the NYISO evaluated resourcing requirements for the DER participation model, it became apparent that, because of the increased size, complexity, and cost of the project, it would not be possible to achieve a 2021 deployment. Therefore, the NYISO will submit a notice of the delay to the Commission, and a revised target to make the tariff revisions effective.

⁷ The Market Participants that represent Demand Side Resources in the DADRP are referred to as “Demand Reduction Providers. Market Participants that represent Demand Side Resources in the DSASP are referred to as DSASP Providers.

expected to become effective in 2021, limiting the period of time for which the MSE rules would overlap the existence of the DADRP and the DSASP.

The facts and circumstances underlying the NYISO's determination not to extend MSE utilization to DADRP and DSASP participants have changed. The NYISO has determined that it will not be able to implement its Aggregation participation model until the fourth quarter of 2022. There has also been an increase in interest in DSASP participation, which the NYISO attributes to developers and individual resources entering the market in anticipation of operating under the Aggregation participation model when the DER rules become effective.

In light of these recent developments, the NYISO believes it is appropriate to permit the MSE rules that became effective on May 1, 2020 to also apply to resources in the DADRP and DSASP. The tariff revisions proposed in this filing add Demand Reduction Providers and DSASP Providers to the types of Market Participants that may utilize an MSE. These revisions, if accepted, will improve access to the DADRP and DSASP, and will provide Market Participants with the opportunity to self-provide, or to utilize a single MSE to provide metering services for all Demand Side Resources it enrolls in any of the NYISO's demand response programs.

III. Proposed Tariff Revisions

A. Proposed Revisions to Services Tariff Section 2.13 – Definition of Meter Services Entity

The NYISO proposes the following revision to the definition of Meter Services Entity in Services Tariff Section 2.13: "Meter Services Entity ("MSE"): An entity registered with the ISO and authorized to provide metering and meter data services, as applicable, to a Demand Reduction Provider, DSASP Provider, Responsible Interface Party, or Curtailment Service Provider." This revision, in conjunction with the revisions to Services Tariff Section 13 described below, will permit Demand Reduction Providers and DSASP Providers to utilize an MSE.

B. Proposed Revisions to Services Tariff Section 13.3 – Metering Requirements for Demand Side Resources

Services Tariff Section 13.3 identifies a series of rules related to metering for Demand Side Resources. As filed in the June 27 DER Filing, the rules only apply to Responsible Interface Parties representing SCRs and to Curtailment Service Providers representing EDRP Resources.

The instant filing proposes to add "Demand Reduction Provider" and "DSASP Provider" to Services Tariff Sections 13.3.1 and 13.3.2 in each instance in which the Market Participant types Responsible Interface Party and Curtailment Service Provider are specifically identified. For example, Services Tariff Section 13.3.1.2 will be modified to state "[t]he Demand Reduction Provider, DSASP Provider, Responsible Interface Party or Curtailment Service Provider shall be responsible for ensuring that all of the metering and meter data services that are required for it to

perform its functions and fulfill its responsibilities under the ISO Tariffs and ISO Procedures are provided by the Member System and/or Meter Services Entity in accordance with the requirements in this Section 13 and ISO Procedures.”

The NYISO’s proposed revisions to Section 13.3.2.1.1 of the Services Tariff will permit Demand Reduction Providers and DSASP Providers to act as the MSE for the Demand Side Resources they enroll in the DADRP and DSASP. Permitting a Market Participant to act as the MSE for the Demand Side Resources it enrolls in the NYISO markets has the potential to reduce its market participation costs.

The revisions will, if accepted, extend the metering rules applicable to the Responsible Interface Parties and Curtailment Service Providers to Demand Reduction Providers and DSASP Providers. These rules will improve access to the NYISO’s DADRP and DSASP, and help facilitate a smooth transition to the DER Aggregation participation model in 2022.

IV. Proposed Effective Date

The NYISO respectfully requests Commission approval within the standard sixty-day notice period under Federal Power Act Section 205 (*i.e.*, by Friday, February 5, 2021). The NYISO requests an effective date of Monday February 8, 2021 for the tariff revisions proposed in this filing. Timely implementation of the tariff revisions proposed herein will improve access to the NYISO’s DADRP and DSASP for new and existing Market Participants.

V. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO’s website at www.nyiso.com.

VI. Stakeholder Approval

The proposed tariff modifications were presented to the NYISO Management Committee on November 18, 2020, and were approved unanimously. The NYISO’s Board of Directors approved the proposed revisions for filing with the Commission on December 3, 2020.

VII. Communications

All communications and correspondence regarding this filing should be directed to:

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VIII. Conclusion

The NYISO respectfully requests that the Commission accept for filing the proposed revisions to the Services Tariff that are attached hereto, without modification, within sixty days of the date of this filing with an effective date of February 8, 2021.

Respectfully submitted,

/s/ Gregory J. Campbell

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