

May 22, 2023

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., Compliance Filing, Docket No.
ER21-2460-00_

Dear Ms. Bose:

In accordance with the Federal Energy Regulatory Commission’s (“Commission”) April 20, 2023 *Order on Compliance* (“2023 Order on Compliance”),¹ the New York Independent System Operator, Inc. (“NYISO”) hereby submits this compliance filing proposing revisions to Sections 32.5 and 32.1.1.1 of the NYISO’s Open Access Transmission Tariff (“OATT”) and to Section 4.1.10.5 of the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).² The proposed changes follow the Commission’s directives to: (i) modify the definition of “Small Generating Facility”³ and “Energy Resource Interconnection Service”⁴ in OATT Section 32.5, (ii) clarify the applicability of the Small Generator Interconnection Procedures in OATT Section 32.1.1,⁵ and (iii) eliminate the requirement that an Aggregator attest that its Aggregation(s) and Distributed Energy Resources (“DER”) have been authorized to participate in the NYISO-administered markets by the applicable Distribution Utility and Relevant Electric Retail Regulatory Authority in Services Tariff Section 4.1.10.5.⁶ In addition, the NYISO proposes to fix three ministerial errors in OATT Sections 32.1.1.1 and 32.5 (Appendix 2), and Services Tariff Section 4.1.10.7.

The 2023 Order on Compliance also directed the NYISO to work with its stakeholders to develop market rules that permit DER participating in an Aggregation to provide the Ancillary Services that they are technically capable of providing and to submit those market rules for Commission consideration no later than December 31, 2024.⁷ The NYISO is in the initial stages of developing the market rules and will submit its compliance filing at a later date, on or before

¹ *New York Indep. Sys. Operator, Inc.*, Order on Compliance Filing, 183 FERC ¶ 61,035 (Apr. 20, 2023) (“2023 Order on Compliance”).

² Capitalized terms that are not otherwise defined in this submission shall have the meaning specified in Section 1 of the NYISO’s OATT or Section 2 of the Services Tariff.

³ 2023 Order on Compliance at P 18.

⁴ *Id.* at P 19.

⁵ *Id.*

⁶ *Id.* at P 31.

⁷ *Id.* at P 26.

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December 31, 2024. The NYISO will update the Commission on its progress through the required informational filings beginning on October 20, 2023.⁸

I. Communications

Communications and correspondence regarding this filing should be directed to:

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II. List of Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A blacklined version of NYISO Services Tariff Section 4.1 containing the proposed compliance modifications (“Attachment I”);
2. A clean version of NYISO Services Tariff Section 4.1 containing the proposed compliance modifications (“Attachment II”);
3. A blacklined version of NYISO OATT Sections 32.1 and 32.5 containing the proposed compliance modifications (“Attachment III”); and
4. A clean version of NYISO OATT Sections 32.1 and 32.5 containing the proposed compliance modifications (“Attachment IV”).

⁸ *Id.* at P 31.

III. Background

On July 19, 2021, the NYISO submitted its initial Order No. 2222⁹ compliance filing (the “2021 Compliance Filing”).¹⁰ That filing proposed tariff revisions that built upon and enhanced the participation model for DER and Aggregations that the NYISO proposed in 2019¹¹ and the Commission accepted in 2020.¹² In combination, the NYISO’s 2019 DER and Aggregation participation model and Order No. 2222 compliance tariff revisions will open the NYISO-administered Energy, Ancillary Services, and Installed Capacity markets to DER and Aggregations, apply market rules that recognize the physical and operational characteristics of DER and Aggregations, and facilitate up-front and ongoing operational coordination among the NYISO, Aggregators, Distribution Utilities, Transmission Owners, and Relevant Electric Retail Regulatory Authorities (“RERRA”).

The Commission accepted the 2021 Compliance Filing in part and directed that the NYISO submit a further compliance filing with certain additional tariff revisions,¹³ which the NYISO submitted on November 14, 2022 (the “2022 Compliance Filing”).¹⁴ On April 20, 2023, the Commission accepted the NYISO’s 2022 Compliance Filing in part and directed certain additional tariff revisions.

IV. Proposed Tariff Revisions

The NYISO proposes the following tariff revisions consistent with the 2023 Order on Compliance.

A. Definition of Small Generating Facility

The 2022 Compliance Filing proposed to modify the definition of “Small Generating Facility” in OATT Section 32.5 to, in part, exclude interconnections to a New York distribution system solely for the purpose of participating in an Aggregation. The proposed revisions also inadvertently included duplicate clauses excluding interconnections proposed solely for the

⁹ Participation of Distributed Energy Res. Aggregations in Mkts. Operated by Reg’l Transmission Orgs., & Indep. Sys. Operators, Order No. 2222, 172 FERC ¶ 61,247 (2020), 85 Fed. Reg. 70,143 (Nov. 4, 2020) (“Order No. 2222”), order on reh’g, Order No. 2222-A, 174 FERC ¶ 61,197, order on reh’g, Order No. 2222-B, 175 FERC ¶ 61,227 (2021).

¹⁰ *New York Indep. Sys. Operator, Inc.*, Compliance Filing and Request for Flexible Effective Date, Docket No. ER21-2460-000 (Jul. 19, 2021) (2021 Compliance Filing).

¹¹ *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 (Jun. 27, 2019).

¹² *New York Indep. Sys. Operator, Inc.*, Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report, 170 FERC ¶ 61,033 (2020) (“2020 DER Order”).

¹³ *New York Indep. Sys. Operator, Inc.*, Order on Compliance Filing, 179 FERC ¶ 61,198 (Jun. 17, 2022) (2022 Order on Compliance).

¹⁴ *New York Indep. Sys. Operator, Inc.*, Compliance Filing, Docket No. ER21-2460-003 (Nov. 14, 2022) (2022 Compliance Filing).

purpose of net metering from the definition of Small Generating Facility. The 2023 Order on Compliance directed the NYISO to either remove the duplicate clause or explain why the clauses are not redundant. In compliance with the 2023 Order on Compliance the NYISO proposes to remove clause (iii) from the definition:

Small Generating Facility – The Interconnection Customer’s facility, no larger than 20 MW for the production and/or storage for later injection of electricity identified in the Interconnection Request if proposing to interconnect to the New York State Transmission System or Distribution System, but shall not include ... ~~(iii) interconnections proposed solely for the purpose of net metering;~~ (iii~~v~~) facilities proposing to interconnect to the New York State Transmission System or the Distribution System made solely for the purpose of net metering; (iv) facilities proposing to interconnect to LIPA’s distribution facilities; (vi) facilities proposing to interconnect to the Distribution System solely for the purpose of participating in the ISO markets through an Aggregation; and (vi~~i~~) the Interconnection Customer’s Interconnection Facilities....

The term “Small Generating Facility” is also defined in Attachment 1 (Glossary of Terms) to Appendix 7 (Standard Small Generator Interconnection Agreement) of OATT Section 32.5.

In compliance with the Commission’s directive in the 2023 Order on Compliance, the NYISO proposes the same revision to the definition located in Attachment 1 to Appendix 7 to maintain consistent definitions.

B. Definition of Energy Resource Interconnection Service

The 2022 Compliance Filing proposed to modify the definition of Energy Resource Interconnection Service (“ERIS”) in OATT Section 25.1.2 to clarify that, when facilities with proposed interconnections are not subject to the Small Generator Interconnection Procedures (“SGIP”), ERIS is the service provided by the NYISO to a qualified generating facility to enable the New York State Transmission System to receive Energy and Ancillary Services from the generating facility.¹⁵

As identified in the 2023 Order on Compliance, the NYISO did not propose a corresponding modification to the definition of ERIS in OATT Section 32.5.

In compliance with the Commission’s directive in the 2023 Order on Compliance, the NYISO proposes to modify the definition of ERIS in OATT Section 32.5 to be consistent with the version in OATT Section 25.1.2:

Energy Resource Interconnection Service – For facilities with proposed interconnections that are subject to the SGIP, ERIS is the ~~The~~ service provided by the ISO to interconnect the Interconnection Customer’s Small Generating Facility to the New York State

¹⁵ *Id.* at 7.

Transmission System or Distribution System in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Small Generating Facility, pursuant to the terms of the ISO OATT. For facilities with proposed interconnections that are not subject to the SGIP pursuant to Section 32.1.1 of Attachment Z to the OATT, ERIS is the service provided by the ISO to interconnect a generating facility that is qualified to participate in a NYISO market pursuant to applicable ISO Procedures, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Generating Facility.

The term “Energy Resource Interconnection Service” is also defined in Attachment 1 (Glossary of Terms) to Appendix 7 (Standard Small Generator Interconnection Agreement) of OATT Section 32.5. The NYISO therefore proposes this same revision to the definition located in Attachment 1 to Appendix 7 to maintain consistent definitions.

C. Applicability of Small Generator Interconnection Procedures

The 2022 Compliance Filing proposed modifications to OATT Section 32.1.1.1 that will, in part, exempt interconnections to the Distribution System from the SGIP when the connecting resource will participate in the NYISO-administered markets solely through an Aggregation.¹⁶ The NYISO further proposed that the ERIS value for such resources will be “the MW amount of the generating facility’s net seasonal capacity (in aggregate where it includes multiple energy production devices), as memorialized in the applicable interconnection agreement with the respective Connecting Transmission Owner.”¹⁷

The 2023 Order on Compliance noted that a Connecting Transmission Owner is a counterparty to the Standard Small Generator Interconnection Agreement, but that DER connecting to the Distribution System for the purpose of participating in an Aggregation are not subject to the SGIP and will not sign a Small Generator Interconnection Agreement. The 2023 Compliance Order directed the NYISO to revise OATT Section 32.1.1.1 to resolve the inconsistency.

The NYISO proposes the following revisions to OATT Section 32.1.1.1 in compliance with the Commission’s directive in the 2023 Order on Compliance:

For a generating facility not subject to the SGIP that is qualified to participate in a NYISO market pursuant to applicable ISO Procedures, it will be deemed to have ERIS in the MW amount of the generating facility’s net seasonal capacity (in aggregate where it includes multiple energy production devices), as memorialized in

¹⁶ 2022 Compliance Filing at 7.

¹⁷ *Id.*

the applicable interconnection agreement with the respective
~~Connecting~~ Transmission Owner.

The proposed revision addresses the identified inconsistency but maintains that the interconnection agreement must be with the appropriate Transmission Owner.

D. Market Participation Agreements

Order No. 2222 required ISOs/RTOs to revise their tariffs to establish market rules that address market participation agreements for Aggregators.¹⁸ As part of its compliance tariff revisions, the NYISO proposed to modify Services Tariff Section 4.1.10.5 to require Aggregators to attest that the individual DER and Aggregations it represents “have been authorized to participate in the ISO Administered Markets by the applicable Distribution Utility and Relevant Electric Retail Regulatory Authority.”¹⁹ The 2022 Order on Compliance found that the NYISO’s attestation requirement did not comply with Order No. 2222 because it required the Aggregator to attest that the applicable Distribution Utility and Relevant Electric Retail Regulatory Authority (“RERRA”) authorized DER and Aggregation participation in the NYISO-administered wholesale markets, rather than attest to its compliance with the tariffs and operating procedures of the applicable Distribution Utility and RERRA. The 2022 Order on Compliance therefore directed the NYISO to revise the requirement such that the Aggregator need only attest to its compliance “with the tariffs and operating procedures of the Distribution Utilities and the rules and regulations of any RERRA...”²⁰

The 2022 Compliance Filing proposed revisions to Services Tariff Section 4.1.10.5 to require an Aggregator to attest that the Aggregations and individual DER they register and enroll in the NYISO-administered markets “comply with all applicable tariffs and operating procedures of the Distribution Utility and/or Transmission Owner to whose electric facilities it interconnects,” and “comply with all applicable rules and regulations of the Relevant Electric Retail Regulatory Authority for each of the Distributed Energy Resources it enrolls.”²¹ However, the 2022 Compliance Filing did not eliminate the requirement that the Aggregator obtain authorization from the Distribution Utility and RERRA authorization *for wholesale market participation* from that section. Therefore, the 2023 Order on Compliance again directed the NYISO to remove that requirement.

The NYISO proposes to revise Section 4.1.10.5 to eliminate that requirement as directed in the 2023 Order on Compliance:

Prior to an Aggregation’s participation in the wholesale market, and each individual facility’s participation in an Aggregation, the Aggregator shall attest that the individual facility(ies) and Aggregation: (i) ~~have been authorized to participate in the ISO Administered Markets by the applicable Distribution Utility and~~

¹⁸ Order No. 2222 at P 352.

¹⁹ 2021 Compliance Filing at 47 (proposed revision to Services Tariff Sec. 4.1.10.5).

²⁰ 2022 Order on Compliance at P 28.

²¹ 2022 Compliance Filing at 21-22.

~~Relevant Electric Retail Regulatory Authority, (ii)~~ will comply with all applicable tariffs and operating procedures of the Distribution Utility and/or Transmission Owner to whose electric facilities it interconnects, (iii) will comply with all applicable rules and regulations of the Relevant Electric Retail Regulatory Authority for each of the Distributed Energy Resources it enrolls

E. Miscellaneous Revisions

In preparing this Compliance Filing, the NYISO identified three ministerial errors in OATT Sections 32.1.1.1²² and 32.5, Appendix 2,²³ and Services Tariff Section 4.1.10.7.2.1.²⁴ The NYISO therefore proposes to modify these sections to correct the errors. The proposed revisions do not modify the substance of the affected sections, but merely correct the errors.

V. **Effective Date**

The 2022 Order on Compliance directed the NYISO to propose an effective date for its Order No. 2222 compliance tariff revisions in the fourth quarter of 2022.²⁵ The NYISO subsequently submitted a Motion to Extend Effective Date seeking a flexible effective date of no later than December 31, 2026 (the “Motion”).²⁶ On December 1, 2022, the Commission granted the NYISO’s Motion.²⁷

Consistent with the NYISO’s Motion and the Commission’s Order granting the NYISO’s proposed extension, the NYISO proposes that the tariff revisions proposed in this filing become effective simultaneously with the rest of the NYISO’s Order No. 2222 compliance tariff provisions on a date that is no later than December 31, 2026.²⁸ The NYISO will submit a compliance filing at least two weeks prior to its proposed effective date that will specify the effective date for the NYISO’s Order No. 2222 compliance tariff revisions, including the revisions proposed in this filing, as described in the NYISO’s Motion.

²² Proposed revision to OATT Sec. 32.1.1.1 (removal of extraneous “to”).

²³ Proposed revision to OATT Sec. 32.5 (App. 2) (removal of extraneous “a.”).

²⁴ “After the ISO posts Day-Ahead Market Schedules, a day-ahead operating plan reflecting the schedules of Aggregations will be available for Transmission Owners.” Proposed revision to Services Tariff Sec. 4.1.10.7.2.1.

²⁵ 2022 Order on Compliance at P 344.

²⁶ *New York Indep. Sys. Operator, Inc.*, Motion to Extend Effective Date of Compliance Tariff Revisions, Docket No. ER21-2460-004 (Nov. 14, 2022).

²⁷ *New York Indep. Sys. Operator, Inc.*, Notice of Extension of Time, Docket No. ER21-2460-004 (Dec. 1, 2022).

²⁸ The NYISO’s SGIP include a definition of “Distribution System” that limits the application of the SGIP to distribution-level interconnections subject to the Commission’s jurisdiction. Therefore, prior to the effective date of these clarifying tariff revisions, the NYISO is implementing Order No. 2222’s directive regarding facilities proposing to interconnect to the Distribution System solely for the purpose of participating in the ISO markets through an Aggregation.

VI. Service

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

VII. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept this compliance filing, without requiring any modifications.

Respectfully submitted,

/s/ Gregory J. Campbell

Gregory J. Campbell

Counsel for the New York Independent System
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cc: Janel Burdick
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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 22 day of May 2023.

/s/ Stephanie Amann

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