

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

New York Independent System Operator, Inc.

Docket No. ER24-2133-00_

**MOTION OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.
TO DEFER EFFECTIVE DATE OF PREVIOUSLY ACCEPTED TARIFF REVISIONS
AND REQUEST FOR WAIVER**

Pursuant to Rule 212 of the Rules of Practice and Procedure promulgated by the Federal Energy Regulatory Commission (“FERC” or “Commission”),¹ the New York Independent System Operator, Inc. (the “NYISO”) respectfully requests that the Commission defer the effective date for the tariff revisions to implement Hybrid Storage Resources (“HSR”) in its Energy, Ancillary Services and Installed Capacity markets, which were accepted in this proceeding with a flexible effective date between June 1, 2025 and December 31, 2025. The NYISO respectfully requests a new, flexible effective date no later than April 30, 2027, for the Tariff revisions implementing HSR in its Energy, Ancillary Services and Installed Capacity markets.²

The NYISO’s requested delay should be granted because: (1) there are significant efficiencies to be gained if the NYISO develops its new Operating Reserve software for HSR and Distributed Energy Resources (“DER”) simultaneously, instead of developing the software to implement Operating Reserves for HSR, then modifying it to accommodate DER; and (2) the NYISO does not anticipate that any Market Participants will be harmed by the requested delay because no HSR are expected to be ready to participate in the NYISO’s Energy, Ancillary

¹ 18 C.F.R. § 385.212 (2023).

² Capitalized terms not otherwise defined herein have the meaning specified in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).

Services or Installed Capacity markets before early-to-mid 2027. Additional information supporting the requested delay is provided below and in the attached Affidavit of Kevin Pytel, the NYISO’s Director of Product and Project Management.

I. BACKGROUND

On May 29, 2024, the NYISO filed proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) and its Open Access Transmission Tariff (“OATT”) (“May 29 Filing”) to allow HSR to participate in its markets. On July 23, 2024, the Director of the Division of Electric Power Regulation – East, acting pursuant to authority delegated by the Commission under 18 C.F.R. § 375.307, issued an order accepting the NYISO’s proposed tariff revisions (“Letter Order”).³ The Letter Order accepted the NYISO’s request for a flexible effective date between June 1, 2025 and December 31, 2025, for the tariff revisions the NYISO developed to implement HSR in its Energy, Ancillary Services and Capacity markets.⁴

In Docket No. ER24-2133, which addresses the NYISO’s obligations related to implementing DER in its markets consistent with Commission Order No. 2222, the Commission instructed that the NYISO must permit heterogenous Aggregations of DER to provide all of the Ancillary Services that they are technically capable of providing.⁵ In that Docket, the NYISO proposed to use the Operating Reserve Limits and other capabilities that the NYISO is

³ Docket No. ER24-1655-000, *New York Independent System Operator, Inc.*, Letter Order (July 23, 2024).

⁴ There were three different sets of Tariff revisions included with the HSR filing. Each of the sets of revisions had different effective dates. The revisions addressed in this Motion are set forth in Attachments IX - XII to the NYISO’s May 29, 2024, filing. All of the other Tariff revisions proposed in the HSR filing have already become effective.

⁵ *New York Indep. Sys. Operator, Inc.*, 183 FERC ¶ 61,035 at P 26 (2023). The Commission previously clarified that “technically capable” means that a DER meets “all of the technical, operational, and/or performance requirements that are necessary to reliably provide that service.” *New York Indep. Sys. Operator, Inc.*, 181 FERC ¶ 61,054, at P 14 (2022). The NYISO, however, is not required to permit a heterogeneous DER Aggregation to simultaneously offer multiple Operating Reserves products, which is inconsistent with the NYISO’s DER and Aggregation market design, existing Ancillary Services market rules, and the software the NYISO has developed over the last twenty-five years to implement its Ancillary Services market design. *Id.*

developing to enable HSR to provide Operating Reserves to facilitate the provision of Operating Reserves by DER as well. The NYISO's December 19, 2024, DER compliance filing in Docket No. ER21-2460 proposes to adapt functionality and Tariff rules the NYISO initially developed for HSR to also address DER. The NYISO's filing explained that it will be necessary to delay implementation of HSR in order to most efficiently implement HSR in conjunction with the required Order No. 2222 enhancements to DER.⁶ The DER compliance filing is currently pending before the Commission.

II. ALLOWING THE NYISO TO DEVELOP SOFTWARE TO IMPLEMENT OPERATING RESERVE CAPABILITIES FOR HSR AND DER SIMULTANEOUSLY WILL ENHANCE EFFICIENCY WITHOUT HARMING MARKET PARTICIPATION

In the NYISO's December 19, 2024, Order No. 2222 DER compliance filing, the NYISO proposes to employ a modified version of the Operating Reserve rules it developed for HSR to comply with a Commission mandate that the NYISO must permit heterogeneous Aggregations of DER to provide all of the Ancillary Services that they are technically capable of providing. The Commission's mandate focuses significantly on the provision of Operating Reserves by heterogeneous (mixed resource type) DER.⁷

The attached Affidavit of Kevin Pytel, the NYISO's Director of Project and Product Management explains that while developing its project plan for implementing HSR and Order No. 2222 DER requirements in its markets, the NYISO determined there are significant

⁶ *New York Indep. Sys. Operator, Inc.*, Compliance Filing, Docket No. ER21-2460 at p. 8 (December 19, 2024).

⁷ *New York Indep. Sys. Operator, Inc.*, 183 FERC ¶ 61,035 at P 26 (2023). The Commission previously clarified that "technically capable" means that a DER meets "all of the technical, operational, and/or performance requirements that are necessary to reliably provide that service." *New York Indep. Sys. Operator, Inc.*, 181 FERC ¶ 61,054, at P 14 (2022). The NYISO, however, is not required to permit a heterogeneous DER Aggregation to simultaneously offer multiple Operating Reserves products, which is inconsistent with the NYISO's DER and Aggregation market design, existing Ancillary Services market rules, and the software the NYISO has developed over the last twenty-five years to implement its Ancillary Services market design. *Id.*

efficiencies to be gained by developing the software functionality necessary to implement Operating Reserves for HSR and DER together, rather than developing a complete software suite to implement Operating Reserves for HSR, then modifying the completed HSR software to accommodate DER. As Mr. Pytel's explains in P 9 of his Affidavit:

...coding two sets of modifications that overlap this closely sequentially is inefficient and significantly increases the overall timeline and the amount of resource hours required. The NYISO relies on one set of resources (which includes both NYISO Staff and employees of an outside consultant/software vendor) to code and test the Operating Reserves functionality. If the changes were to be developed sequentially the same set of resources would need to support two full cycles of the Software Development Lifecycle instead of one.

Given the NYISO's ambitious 2025 project schedule, both the NYISO and its stakeholders are expected to benefit from the more efficient use of NYISO Staff and consultant resources.

The cost of the potential for significant increased efficiency that Mr. Pytel identifies is the need to delay implementation of HSR in the NYISO's Energy, Ancillary Service and Capacity markets from late 2025 to early-to-mid 2027 so that software to address both HSR and Order No. 2222 DER requirements can be developed together. The NYISO does not anticipate Market Participants will be harmed by the requested delay because there are no proposed HSR in the NYISO's pending Transition Cluster Study. The NYISO anticipates that its next Cluster Study will commence in mid-2026. The NYISO does not expect it will be possible for a project that is assessed in its next interconnection Cluster Study to begin participating in the ISO-Administered Energy, Ancillary Services or Installed Capacity Markets until after April 30, 2027.

III. MOTION AND REQUEST FOR WAIVER

For the reasons explained above and in the attached Affidavit of Kevin Pytel, the NYISO respectfully requests a new, flexible effective date, no later than April 30, 2027, for the tariff

revisions to implement HSR in its Energy, Ancillary Services and Installed Capacity markets.⁸ The NYISO proposes to submit a subsequent notice filing to specify, upon at least two weeks' prior notice, the date on which the Tariff revisions set forth in Attachments IX to XII of the NYISO's May 29, 2024, filing in this docket will take effect, and to submit up-to-date tariff sections as necessary to reflect other pending tariff revisions that may become effective between now and the date when these revisions become effective.

The NYISO currently anticipates that the effective date for the proposed tariff revisions will be December 2026. However, the NYISO will not be able to propose a precise effective date until the software changes necessary are ready for deployment and testing thereof is completed. Consistent with Commission precedent, the subsequent filing obligation will provide adequate notice to the Commission and Market Participants of the effective date for the tariff revisions.⁹

To the extent necessary, the NYISO requests that the Commission grant a limited waiver of the effective date for the HSR Energy, Ancillary Service and Installed Capacity Market tariff revisions accepted in the Letter Order. The Commission has traditionally granted tariff waiver requests when: (i) the applicant acted in good faith; (ii) the waiver request is limited in scope; (iii) a concrete problem needs to be remedied, and (iv) the request does not have undesirable consequences such as harming third parties.¹⁰

⁸ To the extent necessary, the NYISO requests waiver of the 120-day maximum notice period under 18 C.F.R. § 35.3. There would be good cause for such a waiver because of the NYISO's need to complete, test, and validate software revisions before implementing the relevant tariff revisions.

⁹ See, e.g., *New York Independent System Operator, Inc.*, 106 FERC ¶ 61,111 at P 10 (2004); Docket No. ER11-2544-000, *New York Independent System Operator, Inc.*, Letter Order at 1 (February 10, 2011); Docket No. ER15-485-000, *New York Independent System Operator, Inc.*, Letter Order at 2 (January 15, 2015); *New York Independent System Operator, Inc.*, 151 FERC ¶ 61,057 at P 20 (2015); and *New York Independent System Operator, Inc.*, 154 FERC ¶ 61,152 at P 19 and 25 (2016).

¹⁰ See, e.g., *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,147 at P 8 (2013); *New York Independent System Operator, Inc.*, 139 FERC ¶ 61,108 at P 14 (2012); *PJM Interconnection, L.L.C.*, 137 FERC ¶ 61,184 at P 13 (2011); *ISO New England, Inc.*, 134 FERC ¶ 61,182 at P 8 (2011); *California Independent System Operator Corp.*, 132 FERC ¶ 61,004 at P 10 (2010); *accord ISO New England Inc. –EnerNOC, Inc.*, 122 FERC ¶ 61,297 (2008);

(continued...)

All of the criteria are satisfied in this proceeding. The waiver is requested in good faith and to address a “concrete problem.” Granting the requested waiver will enable the NYISO to make more efficient use of its limited resources to meet its Order No. 2222 compliance obligations and its commitment to implement HSR in its Energy, Ancillary Service and Installed Capacity markets. Granting the requested waiver would also enable the NYISO to implement the required Operating Reserve enhancements for DER sooner than would be possible if the NYISO is required to implement Operating Reserves enhancements for HSR, then DER, sequentially. The requested waiver is limited in scope. It only impacts the timing of implementation of HSR in the NYISO’s Energy, Ancillary Services and Installed Capacity markets, and the requested delay does not extend past April 30, 2027. Finally, the requested waivers will not have undesirable consequences, such as harming the legitimate interests of third parties. As explained above, the NYISO does not expect it will be possible for a project that is assessed in its next interconnection Cluster Study to begin participating in the ISO-Administered Energy, Ancillary Services or Installed Capacity Markets until after April 30, 2027, so the requested delay to no later than April 30, 2027, is not expected to delay market participation by any known set of resources.

IV. DOCUMENTS

The Affidavit of Kevin Pytel, the NYISO’s Director of Product and Project Management, is included as Attachment I to this filing.

Central Vermont Public Service Corp., 121 FERC ¶ 61,225 (2007); *Waterbury Generation LLC*, 120 FERC ¶ 61,007 (2007); *Acushnet Co.*, 122 FERC ¶ 61,045 (2008).

V. COPIES OF CORRESPONDENCE

Correspondence concerning this filing should be served on:

Robert E. Fernandez, Executive Vice President, General Counsel, and
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VI. SERVICE

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

VII. REQUESTED RELIEF

The NYISO respectfully requests that the Commission accept its proposal to defer the effective date of the accepted tariff revisions that will enable HSR to participate in its Energy, Ancillary Service and Installed Capacity markets until a flexible date no later than April 30, 2027, and to grant any necessary waivers associated with this deferral request.

Respectfully submitted,

NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.

/s/ Alex M. Schnell

Alex M. Schnell

Assistant General Counsel /

Registered Corporate Counsel

Dated: March 25, 2025

cc: Janel Burdick
Emily Chen
Jignasa Gadani
Jette Gebhart
Leanne Khammal
Jaime Knepper

Kurt Longo
David Morenoff
Jason Rhee
Douglas Roe

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 25th day of March 2025.

/s/ Alexander Morse

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