



Participants, including DADRP/DSASP participants, with substantial notice concerning the transition to the Distributed Energy Resource (“DER”) participation model (“DER Participation Model”) and the sunset of the DADRP/DSASP. As explained below and in the Avallone Affidavit, the majority of DADRP/DSASP Resources’ MW can currently transition to the new DER Participation Model.<sup>5</sup> If the NYISO is not permitted to sunset the DADRP/DSASP, it will be required to maintain for an indefinite period of time the required software and perform the responsibilities associated with the DADRP/DSASP for a decreasing number of participants, as described in Section II.B. below.

The Commission should, therefore, reject the comments and protests of Voltus in their entirety and accept the NYISO’s filing establishing an October 31, 2025 effective date for the sunset of the DADRP and DSASP.

## **I. REQUEST FOR LEAVE TO ANSWER**

The NYISO may answer pleadings that are styled as comments as a matter of right.<sup>6</sup> The Commission also has discretion to accept, and routinely accepts, answers to protests where they help clarify complex issues, provide additional information, are helpful to the development of the record in a proceeding, or otherwise assist in the decision-making process.<sup>7</sup> The NYISO’s Answer

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<sup>5</sup> See Ethan D. Avallone Affidavit at ¶¶ 8-9 (“Avallone Affidavit”).

<sup>6</sup> See 18 C.F.R. § 385.213(a)(3).

<sup>7</sup> See, e.g., *New York Indep. Sys. Operator, Inc.*, 134 FERC ¶ 61,058, at P 24 (2011) (accepting the answers to protests and answers because they provided information that aided the Commission in better understanding the matters at issue in the proceeding); *New York Indep. Sys. Operator, Inc.*, 140 FERC ¶ 61,160, at P 13 (2012); and *PJM Interconnection, LLC*, 132 FERC ¶ 61,217, at P 9 (2010) (accepting answers to answers and protests because they assisted in the Commission’s decision-making process); *Northwestern Corp.*, 179 FERC ¶ 61,131, at P 13 and n.13 (2022) (“Although the Commission’s Rules of Practice and Procedure do not permit answers to protests or answers to answers, we will accept Northwestern’s and the Businesses’ answers because they provide information that has assisted in our decision-making.”) (citing 18 C.F.R. § 385.213(a)(2)); *Tenn. Gas Pipeline Co., LLC*, 178 FERC ¶ 61,119, at P 20 (2022) (“Although the Commission’s Rules of Practice and Procedure do not permit answers to protests and answers to answers, we will accept the Applicants’ and Municipals’ answers because they provide information that has assisted in our decision-making.”) (citing 18 C.F.R. § 385.213(a)(2)); *New Fortress Energy LLC*, 174 FERC ¶ 61,207, at P 7 (“The Commission’s Rules of Practice and Procedure do not permit answers to protests or answers to answers;

to the Voltus Protest in this proceeding satisfies those standards and should be accepted because it addresses inaccurate and misleading statements, and provides additional information that will help the Commission fully evaluate the arguments in this proceeding. The NYISO, therefore, respectfully requests that the Commission accept this Answer.

## II. ANSWER

### A. Market Participants Have Received Substantial Notice of the Sunsetting of DADRP/DSASP with a Reasonable Period of Time to Transition to the New DER Participation Model

The NYISO has been providing Market Participants with notice that the new DER participation model will result in the sunsetting of the DADRP/DSASP since at least 2017. In February 2017, the NYISO issued the *Distributed Energy Resources Roadmap for New York's Wholesale Electricity Markets*.<sup>8</sup> The roadmap included a “transition plan” specifying that the new DER market rules “will supersede the [] demand response programs (DSASP and DADRP), as the new rules will offer similar benefits with increased features and flexibility.”<sup>9</sup> The NYISO subsequently issued the *Distributed Energy Resources Market Design Concept Proposal*, which similarly stated that the “NYISO’s [DADRP] and [DSASP] will be retired and replaced with the dispatchable DER market rules[.]”<sup>10</sup> The NYISO then worked with stakeholders throughout 2018 and 2019 on developing the Tariff requirements to establish the new DER Participation Model.

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however, we find good cause to waive our rules and accept the answers because they provide information that has assisted in our decision-making process.”) (citing 18 C.F.R. § 385.213(a)(2)).

<sup>8</sup> See *Distributed Energy Resources Roadmap for New York's Wholesale Electricity Markets* (Feb. 2017) (“DER Roadmap”), available at [https://www.nyiso.com/documents/20142/3067339/Distributed\\_Energy\\_Resources\\_Roadmap.pdf/](https://www.nyiso.com/documents/20142/3067339/Distributed_Energy_Resources_Roadmap.pdf/).

<sup>9</sup> *Id.* at 28.

<sup>10</sup> See *Distributed Energy Resources Market Design Concept Proposal*, at fn. 17 (Dec. 2017) (“DER Market Design Proposal”), available at <https://www.nyiso.com/documents/20142/1404696/Distributed%20Energy%20Resources%202017%20Market%20Design%20Concept%20Proposal.pdf/>; see Avallone Affidavit, *supra* note 5, at ¶ 6 & fn. 2.

On June 27, 2019, NYISO proposed, and the Commission accepted, revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff” and together, the “Tariffs”) to establish the new DER Participation Model (“June 2019 Filing”).<sup>11</sup> The June 2019 Filing proposed a flexible approach to effective dates that would allow the proposed Tariff revisions to become effective at staggered intervals.<sup>12</sup> In its subsequent compliance filing, the NYISO proposed to “submit a compliance filing at least two weeks prior to its proposed effective date that will specify the date on which the revised language will take effect,” which the Commission accepted.<sup>13</sup>

On September 29, 2023, NYISO stated in its compliance filing that it anticipated terminating DADRP and DSASP twelve (12) months after the DER Participation Model implementation effective date,<sup>14</sup> which was subsequently revised to be April 16, 2024.<sup>15</sup> The NYISO provided Market Participants with notice of the October 31, 2025 sunset date for DADRP and DSASP nearly ten (10) months in advance of this date.<sup>16</sup> Representatives for each Market Participant company, including Voltus, received notice by email on January 24, 2025, that the sunset of the DADRP and DSASP would be postponed from April 16, 2025, to October 31, 2025, to align with the end of the Summer 2025 Capability Period and to allow additional time for the

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<sup>11</sup> *New York Independent System Operator, Inc.*, Transmittal Letter, Docket No. ER19-2276 (Jun. 27, 2019) (“June 2019 Filing”).

<sup>12</sup> *Id.* at 2. “The NYISO further requests staggered effective dates for the remaining tariff revisions to allow for an orderly implementation of the proposed tariff revisions.” *Id.*

<sup>13</sup> *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER19-2276 (Apr. 21, 2020) (“April 2020 Order”).

<sup>14</sup> *New York Independent System Operator, Inc.*, Notice Establishing an Effective Date for the DER and Aggregation Participation Model, Docket No. ER19-2276 (September 29, 2023) (“September 2023 Filing”).

<sup>15</sup> *New York Independent System Operator, Inc.*, Compliance Filing, Submission of Tariff Records for the DER and Aggregation Participation Model, Docket No. ER19-2276 (Apr. 16, 2024) (“April 2024 Filing”).

<sup>16</sup> See Avallone Affidavit, *supra* note 5, at ¶ 13; see Attachment II.

transition from DADRP/DSASP to DER.<sup>17</sup> The notice the NYISO issued to its stakeholders on January 24, 2025, is included as Attachment II to the Answer. The NYISO's 2024 *Annual Report on Demand Response Programs*, which was publicly posted on February 18, 2025, similarly stated that the sunset date for DADRP and DSASP was targeted for October 31, 2025.<sup>18</sup>

In the Effective Date of Sunset Filing, the NYISO affixed an effective date of October 31, 2025, for the Tariff revisions that terminate the DADRP/DSASP.<sup>19</sup> As such, DADRP/DSASP Resources have been afforded the twelve (12) month transition period, plus a six (6) month extension, to transition to the DER Participation Model, or to an alternative wholesale market program. Given the extensive notice provided, Market Participants have had a reasonable opportunity to transition to the new DER participation model.

**B. The Clear Majority of Market Participants that Participated in DADRP/DSASP Can Currently Transition to the New DER Participation Model**

Voltus asserts in its Protest that a substantial number of Market Participants currently participating in the DADRP/DSASP cannot transition to the DER Participation Model as the Transmission Owners (“TOs”) have not adopted the necessary telemetry.<sup>20</sup> Voltus alleges that 185 MW of capability have not and are unlikely to transition to the new participation model.<sup>21</sup> Based on these assertions, Voltus requests that the Commission direct the NYISO to extend the sunset

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<sup>17</sup> See Attachment II; see Avallone Affidavit, *supra* note 5, at ¶ 7 & 13.

<sup>18</sup> NYISO 2024 *Annual Report on Demand Response Programs*, at 21-22 (Feb. 18, 2025) (“2024 Annual Report”), available at <https://www.nyiso.com/documents/20142/49931415/NYISO-2024-Annual-Report-on-Demand-Response-Programs.pdf>. “The NYISO is sunsetting DADRP and DSASP as part of the transition to the DER and Aggregation participation model. The current sunset date for DADRP and DSASP is targeted for *October 31, 2025*.” *Id.* (emphasis added).

<sup>19</sup> See Effective Date of Sunset Filing, *supra* note 4.

<sup>20</sup> See Voltus Protest, *supra* note 3.

<sup>21</sup> Voltus Protest, *supra* note 3, at 3.

period for the DADRP/DSASP.<sup>22</sup> Voltus references a prior NYISO statement that “if unforeseen circumstances arise that would materially impact the ability of DADRP and/or DSASP Resources to complete the transition process within twelve months, the NYISO may lengthen the twelve-month transition window.”<sup>23</sup>

As detailed in the Avallone Affidavit, Voltus’s claims in its Protest concerning stranded participants do not align with the reality of the transition to the DER Participation Model. There were four hundred thirty-three (433) MW of DSASP Resources and zero (0) MW of DADRP Resources operating in the NYISO markets as of April 2025.<sup>24</sup> These DADRP/DSASP Resources were located in some, but not all, of the Load Zones A through F in New York, in three TO franchise areas. Two of the three relevant TOs have successfully established telemetry connections with Aggregators transitioning DADRP/DSASP Resources to the DER Participation Model.<sup>25</sup> It is the NYISO’s understanding that one TO is still working to establish telemetry with an Aggregator.<sup>26</sup>

The DADRP/DSASP Resources MW amount in the TO franchise area that has yet to establish telemetry is **less than 5 MW of capability**.<sup>27</sup> Those less than 5 MW are the **only** DADRP or DSASP Resources that are challenged in transitioning to the DER participation model at present

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<sup>22</sup> See Voltus Protest, *supra* note 3, at 4.

<sup>23</sup> Voltus Protest, *supra* note 3, at 2 (citing *New York Indep. Sys. Operator, Inc.*, Notice Establishing an Effective Date for the Distributed Energy Resource and Aggregation Participation Model, Docket No. ER19-2276-000, et al. (Sept. 29, 2023) (citations omitted)).

<sup>24</sup> See Avallone Affidavit, *supra* note 5, at ¶ 8; *NYISO Semi-Annual Report on Demand Response Programs*, at 4 (Jun. 12, 2025) (“2025 Semi-Annual Report”), available at <https://www.nyiso.com/documents/20142/49931415/2025-Semi-Annual-Demand-Response-Report-FINAL.pdf/>. “During the analysis period of November 2024 through April 2025, there were up to twelve Demand Side Resources in the DSASP providing Operating Reserves. The DSASP Resources represented up to 433 MW of capability[.]” *Id.*

<sup>25</sup> See Avallone Affidavit, *supra* note 5, at ¶ 8.

<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

due to TO-related telemetry limitation. As explained in Section II.C. of this Answer, there is a cost to the NYISO of both (a) implementing the expansive DER program that the Commission required it to develop and implement, and (b) being required to maintain legacy programs such as DADRP and DSASP for a tiny MW quantity of participating Resources.

A limited number of other DADRP/DSASP Resources – less than 15 MW – are or may be unable to participate in the DER participation model because they are located in municipal electric utility territories where the utility distributed 4 million MWh or less in the previous fiscal year and has or may elect not to enroll their customers in the DER participation model.<sup>28</sup> Only two municipal electric utilities have DADRP/DSASP Resources located in their territories today.<sup>29</sup> In one case, the relevant municipal electric utility has already informed the NYISO that it will not participate in the NYISO’s DER program.<sup>30</sup>

Finally, all of the DADRP/DSASP Resources that are subject to the sunset are currently or have historically participated in the NYISO Special Case Resource (“SCR”) program, which provides qualified Resources with the opportunity to participate in the wholesale markets by selling Capacity into the markets and to receive Energy payments when performing in response to a NYISO call for Load reduction. Even if DADRP/DSASP Resources are unable to or decline to

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<sup>28</sup> In FERC Order No. 2222, the Commission added Section 35.28(g)(12)(iv) to the Commission’s regulations to provide that RTOs/ISOs may not accept bids from distributed energy resource aggregators aggregating customers of small utilities unless the relevant electric retail regulatory authority allows such customers of small utilities to participate in distributed energy resource aggregations (i.e., to opt in). *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 2222, 85 FR 67094 (Oct. 1, 2020), 172 FERC ¶ 61,247 (2020), *corrected*, 85 FR 68450 (Oct. 29, 2020), *order on reh’g*, Order No. 2222-A, 86 FR 16511 (Mar. 24, 2021), 174 FERC ¶ 61,197 (2021); Order No. 2222-B (Jun. 17, 2021), 175 FERC ¶ 61,227 (2021); 18 CFR § 35.28(g)(12)(iv); *see* Avallone Affidavit, *supra* note 5, at ¶ 9.

<sup>29</sup> *See* Avallone Affidavit, *supra* note 5, at ¶ 9.

<sup>30</sup> *See* Avallone Affidavit, *supra* note 5, at ¶ 9.

transition to the DER Participation Model, these Resources can still participate in the NYISO's SCR program, which provides an alternative for wholesale market participation.<sup>31</sup>

For all of the reasons detailed above, the clear majority of DADRP/DSASP Resources' MW **can** currently transition to the new DER participation model, and there are no unforeseen circumstances, including telemetry delays, that materially impact this transition. Moreover, even if there had been substantial telemetry delays, the Commission has already determined that delays associated with TO's adoption of telemetry are not grounds for delaying the elimination of the DADRP/DSASP, finding that such an approach "could create unnecessary confusion and costs for NYISO and market participants without demonstrated benefits."<sup>32</sup>

**C. Maintaining the DSASP and DADRP Will Result in Unnecessary Continuing Costs to the NYISO to Support Very Little Program Participation**

As detailed in the Avallone Affidavit, if the NYISO is required to continue administering the DADRP and DSASP model, it would incur unnecessary cost, risk, and demands on internal staff and resources to support the participation of less than 15 MW of participants in the prior model.<sup>33</sup> If the NYISO is required to extend the DSASP program beyond the October 31, 2025 sunset date, then the NYISO would need to support testing of DSASP Resource Operating Reserve capability and maintain direct-to-NYISO telemetry for these resources. This deviates from the manner in which the NYISO tests and maintains situational awareness of traditional Generators

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<sup>31</sup> See Avallone Affidavit, *supra* note 5, at ¶ 10. Note that a Resource cannot participate in both the DER Participation Model and the Special Case Resource ("SCR") program at the same time.

<sup>32</sup> *New York Independent System Operator, Inc.*, 187 FERC ¶ 61,022, at P 102 (2024).

<sup>33</sup> See Avallone Affidavit, *supra* note 5, at ¶ 11.

and Aggregations, *i.e.*, through TO telemetry.<sup>34</sup> This separate path for DSASP Resource operations introduces complexity and risk to the safe and reliable operation of the grid.<sup>35</sup>

In addition, the NYISO would need to continue to ensure that software rules pertaining to DSASP bidding, scheduling, and settlements continue to function correctly with each software release, requiring continuing quality assurance testing of the dated software.<sup>36</sup> Finally, absent the sunseting of DADRP and DSASP, the NYISO would need, among other things, to continue reporting on DADRP and DSASP participation, including but not limited to internal reports, responses to data requests received from the Commission, the Annual Report on Demand Response Programs, and reporting maintained as part of the North American Electric Reliability Corporation's requirements.<sup>37</sup>

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<sup>34</sup> *Id.*

<sup>35</sup> *Id.*

<sup>36</sup> See Avallone Affidavit, *supra* note 5, at ¶ 11.

<sup>37</sup> *Id.*

### III. CONCLUSION

For the reasons elucidated above, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this Answer, reject the Protest, and accept the October 31, 2025 Effective Date of Sunset Filing without modification.

Respectfully submitted,

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November 24, 2025

## 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 24<sup>th</sup> day of November 2025.

/s/ Elizabeth Rilling

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