

December 19, 2025

By Electronic Delivery

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: New York Independent System Operator, Inc., Proposed Tariff Revisions
Regarding Clarifications to Bidding Requirements for Distributed Energy
Resources and Energy Storage Resources;
Docket No. ER26-____-000

Dear Ms. Reese:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),² the New York Independent System Operator, Inc. (“NYISO”) respectfully submits proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) and its Open Access Transmission Tariff (“OATT”). The proposed revisions clarify certain market bidding requirements applicable to Energy Storage Resources (“ESR”), Aggregations consisting entirely of ESRs, and Distributed Energy Resources (“DER”).³ The revisions ensure that the rules are internally consistent within the NYISO’s Tariffs and align with the requirements and capabilities of ESRs and DERs. The NYISO also proposes certain additional clarifying and conforming tariff revisions.

The NYISO’s stakeholder Management Committee approved the tariff changes unanimously on October 29, 2025, and the NYISO’s Board of Directors approved the tariff changes for filing with the Commission. The NYISO respectfully requests that the tariff revisions proposed in this filing become effective the day immediately following the end of the statutory sixty-day notice period under FPA Section 205 (*i.e.*, February 18, 2026).

I. List of Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the Services Tariff (“Attachment I”);

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13 (2025).

³ Capitalized terms that are not defined in this filing letter shall have the meaning specified in the Services Tariff.

2. A blacklined version of the proposed revisions to the Services Tariff (“Attachment II”);
3. A clean version of the proposed revisions to the OATT (“Attachment III”); and
4. A blacklined version of the proposed revisions to the OATT (“Attachment IV”).

II. Background

In developing revisions to its DER Aggregation rules in connection with its compliance with Order No. 2222, the NYISO identified that certain clarifications were required to the bidding rules applicable to ESRs and DERs.⁴ Following input from Commission staff that the ESR-related revisions were not strictly required by the Commission’s April 2023 compliance order in the NYISO’s Order No. 2222 proceeding, the NYISO removed those revisions. However, the NYISO believes the changes it removed are necessary to provide clarity about when ESRs (including Aggregations made up entirely of ESRs) and withdrawal-eligible DER Aggregations are treated the same, and when the Tariff rules differ for the two Resource types. As described in Section V below, the NYISO reviewed the clarifications proposed in this filing with its stakeholders, which unanimously approved the proposed revisions to the Services Tariff and OATT. As part of the stakeholder process, the NYISO identified certain additional clarifications based on its own review and stakeholder input that supplement the clarifications it initially submitted in the Order No. 2222 proceeding.

The NYISO’s Services Tariff establishes the requirements for the participation of ESRs and DER Aggregations, including Aggregations consisting entirely of ESRs, in the NYISO-administered markets. Section 4.2 of the Services Tariff establishes the bidding requirements for Market Participants participating in the NYISO-administered Day-Ahead Market, including the bidding requirements for ESRs, Aggregations consisting entirely of ESRs, and DER

⁴ In December 2024, the NYISO submitted an Order No. 2222 compliance filing in Docket No. ER21-2460. See *New York Independent System Operator, Inc.*, Compliance Filing, Docket No. ER21-2460-009 (Dec. 19, 2024) (“December 2024 Compliance Filing”). The December 2024 Compliance Filing addressed the directives of the Commission in its April 20, 2023 Order concerning the NYISO’s compliance with Order No. 2222. *New York Independent System Operator, Inc.*, 183 FERC ¶ 61,035 (2023) (“April 2023 Compliance Order”). The NYISO proposed in the December 2024 Compliance Filing to include revisions to clarify the NYISO’s bidding rules for ESRs and Aggregations of ESRs, consistent with the changes to the rules addressing DER. However, following input from Commission staff that the ESR-related revisions were not strictly required by the April 2023 Compliance Order, the NYISO removed those revisions in an August 13, 2025 filing in Docket No. ER21-2460. *New York Independent System Operator, Inc.*, Update to December 2024 Compliance Filing Regarding Proposed Tariff Revisions, Docket No. ER21-2460 (Aug. 13, 2025). The Commission accepted the NYISO’s Order No. 2222 DER compliance filing after the NYISO submitted its update. *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER21-2460 (Oct. 31, 2025). In its August 13, 2025 filing, the NYISO informed the Commission of its intent to re-present the backed-out tariff revisions to stakeholders for their review and approval, and to re-file the changes for the Commission’s consideration pursuant to Section 205 of the Federal Power Act. The NYISO has addressed the backed-out (primarily ESR) revisions as part of this filing.

Aggregations. Similarly, Section 4.4 of the Services Tariff establishes the bidding requirements for Market Participants participating in the NYISO's Real-Time Market.

The Services Tariff establishes the following bidding modes: ISO-Committed Fixed, ISO-Committed Flexible, Self-Committed Fixed, and Self-Committed Flexible.

ISO-Committed Fixed and ISO-Committed Flexible Bids require the NYISO to economically evaluate and decide whether to schedule resources. Under the ISO-Committed Fixed bidding mode, a Generator requests that the NYISO commit and schedule it in the Day-Ahead Market,⁵ or, in the Real-Time Market, schedule it no more frequently than every 15 minutes.⁶ ISO-Committed Flexible is a bidding mode in which a Dispatchable Generator is committed by the NYISO and follows Base Point Signals issued by the NYISO.⁷

With Self-Committed Fixed and Self-Committed Flexible bidding modes, resources can self-schedule (or self-commit) their minimum output regardless of the Locational Based Marginal Pricing ("LBMP"). Self-Committed Fixed is a bidding mode in which a Generator is self-committed and opts not to be Dispatchable over any portion of its operating range. Self-Committed Flexible is a bidding mode in which a Dispatchable Generator self-commits to a specified output level, but is also made available to follow NYISO-issued Base Point Signals within a portion of its operating range.⁸

In addition to the changes proposed to clarify how ESRs, Aggregations of ESRs, and Aggregations of DER are treated, the NYISO proposes revisions, as described below, to Section 13 of its Services Tariff to make clear that municipal electric utilities are eligible to provide metering and meter data services to Aggregations and demand response resources.

III. Description of Proposed Revisions to the Services Tariff and OATT

A. Definitions in Services Tariff Section 2 and OATT Section 1

The NYISO proposes the following revisions to the definitions of defined terms in the Services Tariff and OATT to clarify the bidding requirements applicable to ESRs, Aggregations consisting entirely of ESRs, and DER Aggregations.

The Services Tariff contains many references to ESRs and Aggregations consisting entirely of ESRs that truncate the description of the Energy Level Management option (i.e., Self-Managed Energy Level or ISO-Managed Energy Level) that the ESR or Aggregation of ESRs employs, rather than reciting the entire litany. The NYISO's stakeholders requested that the

⁵ All Day-Ahead Schedules are hourly.

⁶ Use of the ISO-Committed Fixed bidding mode in the Real-Time Market requires NYISO approval. *See* Services Tariff § 4.4.1.2.4.

⁷ *See* Services Tariff § 2.9, definition of ISO-Committed Flexible.

⁸ *See* Services Tariff § 2.19, definition of Self-Committed Flexible.

Tariff be revised to more clearly explain these truncated references. In Services Tariff Section 2.5, the NYISO proposes to revise the definition of “Energy Level Management” to expressly reference and authorize the use of the truncated references that the Services Tariff employs, including “ISO-Managed Energy Storage Resource” and “Self-Managed Aggregation comprised entirely of Energy Storage Resources.”

In Services Tariff Section 2.9 and OATT Section 1.9, the NYISO proposes to revise the definition of “ISO-Committed Flexible.” The proposed revisions clarify that only Aggregations consisting entirely of ESRs, or Aggregations that solely depend on wind or solar energy as their fuel, are permitted to utilize the ISO-Committed Flexible bidding mode. The NYISO identified this clarification subsequent to the submission of its December 2024 Order No. 2222 compliance filing.

In Services Tariff Section 2.12, the NYISO proposes to revise the definition of “Lower Operating Limit” to clarify that Self-Managed ESRs, Self-Managed Aggregations consisting entirely of ESRs, and DER Aggregations may submit bids to inject energy using the Self-Committed Fixed or Flexible bidding modes. The revised definition clarifies that these Resource types may include a Lower Operating Limit greater than or equal to zero MW with their Self-Committed Fixed or Flexible Bid.

In Services Tariff Section 2.14, the NYISO proposes to revise the definition of “Normal Upper Operating Limit.” The proposed revisions clarify that Self-Managed ESRs, Self-Managed Aggregations consisting entirely of ESRs, and withdrawal-eligible DER Aggregations may submit bids to withdraw energy using the Self-Committed Fixed or Flexible bidding modes, and may include a Normal Upper Operating Limit less than zero MW with their Self-Committed Fixed or Flexible Bid.

Finally, in Services Tariff Section 2.14, the NYISO proposes to revise the definition of “Non-Competitive Proxy Generator Bus” to delete extraneous language that was inadvertently included in a past filing, and align the Services Tariff definition with the definition for the same term established in Section 1.14 of the OATT.

B. Services Tariff Section 4

The NYISO proposes conforming revisions to the bidding requirements established in Section 4 of the Services Tariff to align with the changes to the defined terms.

The NYISO proposes the following revisions to the Day-Ahead Market bidding requirements. In Services Tariff Section 4.2.1.3.1, the NYISO proposes to clarify that Suppliers should submit ISO-Committed Flexible or Fixed Day-Ahead Bids for their ESRs to withdraw or inject Energy. Consistent with the NYISO’s proposed revisions in Services Tariff Section 2.12, the NYISO proposes to add in Section 4.2.1.3.1 that (1) Self-Managed ESRs, Self-Managed Aggregations comprised entirely of ESRs, and DER Aggregations may submit Day-Ahead Self-Committed Fixed or Flexible Bids to inject energy with a Lower Operating Limit greater than zero MW, and (2) Self-Managed ESRs, Self-Managed Aggregations comprised entirely of ESRs, and withdrawal-eligible DER Aggregations may submit Day-Ahead Self-Committed Fixed or

Flexible Bids to withdraw energy with a Normal Upper Operating Limit that is less than zero MW. Otherwise, ESRs and Aggregations are not permitted to submit Bids that include a Lower Operating Limit that exceeds zero MW, or an Upper Operating Limit that is less than zero MW. Finally, the NYISO proposes revisions to align Services Tariff Section 4.2.1.3.2 with the NYISO's proposed definitional change in Section 2.9 addressing single resource type wind or solar Aggregations.

The NYISO proposes the following revisions to the Real-Time Market bidding requirements. In Services Tariff Section 4.4.1.2.1, the NYISO proposes to add that Self-Managed ESRs, Self-Managed Aggregations comprised entirely of ESRs, and DER Aggregations may submit Self-Committed Fixed or Flexible Bids to inject Energy with a Lower Operating Limit greater than zero MW. Additionally, Self-Managed ESRs, Self-Managed Aggregations comprised entirely of ESRs, and withdrawal-eligible DER Aggregations may submit real-time Self-Committed Fixed or Flexible Bids with a Normal Upper Operating Limit less than zero MW. Otherwise, ESRs and Aggregations are not permitted to submit Bids that include a Lower Operating Limit that exceeds zero MW, or an Upper Operating Limit that is less than zero MW. In Services Tariff Section 4.4.2.1, the NYISO proposes to add that the Beginning Energy Level of Aggregations comprised entirely of ESRs will be used to ensure that the Operating Reserves scheduled from the Aggregation can be sustained for one hour if the Operating Reserves are converted to Energy.

C. Services Tariff Section 13

Section 13.3.1.1 of the Services Tariff establishes that the municipal electric utility for the municipality in which a Demand Side Resource is electrically located may provide metering and meter data services. The NYISO proposes to add conforming language in the subsequent metering provisions in Sections 13.3.1.2, 13.3.1.3, and 13.3.1.4 – to clarify in those provisions that municipal electric utilities may provide metering and meter data services.

IV. Effective Date

The NYISO respectfully requests that the Commission accept the proposed tariff revisions for filing with an effective date of February 18, 2026, which is the day immediately following the end of the statutory sixty-day notice period for this filing.

V. Stakeholder Approval

The tariff revisions proposed in this filing were discussed with stakeholders at the Installed Capacity Working Group meetings on July 24, 2025, August 14, 2025, and September 22, 2025. The proposed tariff revisions were reviewed and unanimously approved at the October 14, 2025, Business Issues Committee meeting. At its October 29, 2025, meeting, the Management Committee unanimously approved the proposed tariff revisions and recommended approval by the NYISO Board of Directors. At its November 2025 meeting, the NYISO Board of Directors approved the NYISO to make this tariff filing under Section 205 of the FPA.

VI. Communications and Correspondence⁹

Communications regarding this filing should be directed to:

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VII. Service

This filing will be posted on the NYISO's website at www.nyiso.com. In addition, the NYISO will e-mail an electronic link to this filing to the official representative of each party to this proceeding, to 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. The NYISO will also make a paper copy available to any interested party that requests one.

⁹ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2025) to permit service on counsel in Washington, D.C., Richmond, VA, and Rensselaer, NY.

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VIII. Conclusion

Wherefore, for the foregoing reasons, the NYISO respectfully requests that the Commission accept the proposed changes identified in the filing with an effective date of February 18, 2026.

Respectfully Submitted,

/s/ Michael J. Messonnier, Jr.

Michael J. Messonnier, Jr.

Hunton Andrews Kurth LLP

Counsel for the

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