

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.)
)
) Docket No. ER21-2460-0__

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 of the Federal Energy Regulatory Commission (“Commission”),¹ the New York Independent System Operator, Inc. (“NYISO”) respectfully requests that the Commission defer the effective date of the NYISO’s previously accepted Order No. 2222 (“Order 2222”) compliance tariff revisions,² for which the Commission approved a flexible, effective date of no later than December 31, 2026.³ For the reasons discussed herein, the NYISO respectfully submits this motion requesting that the Commission: (i) approve a new, flexible effective date of no later than April 30, 2027 for implementation of the Order 2222 compliance tariff language; and (ii) to the extent necessary, grant a waiver of the previous effective date for this tariff language.

¹ 18 C.F.R. § 385.213 (2023).

² See *New York Independent System Operator, Inc.*, Order on Compliance Filing, 179 FERC ¶ 61,198 (Jun. 17, 2022) (accepting, subject to a further compliance filing, the NYISO’s proposed tariff revisions submitted on July 19, 2021, as amended on November 19, 2021) (“2022 Order on Compliance”); *New York Independent System Operator, Inc.*, Order on Compliance Filing, 183 FERC ¶ 61,035 (Apr. 20, 2023) (accepting, subject to further compliance filings, the NYISO’s proposed tariff revisions submitted on November 14, 2022); *New York Independent System Operator, Inc.*, Delegated Letter Order, Docket No. ER21-2460 (Jul. 21, 2023) (accepting the NYISO’s tariff revisions submitted on May 22, 2023); *New York Independent System Operator, Inc.*, Delegated Letter Order, Docket No. ER21-2460 (Oct. 31, 2025) (accepting the NYISO’s tariff revisions submitted on October 20, 2023, April 22, 2024, October 21, 2024, December 19, 2024, and August 13, 2025).

³ *New York Independent System Operator, Inc.*, Notice of Extension of Time, Docket No. ER21-2460 (Dec. 1, 2022) (“Order 2222 Extension Order”).

Good cause exists for the Commission to grant the requested four-month deferral of the effective date of the NYISO’s Order 2222 compliance tariff revisions. As described below and in the attached affidavit of Mr. Zachary T. Smith, the NYISO’s Director of Market Solutions (“Smith Affidavit”), the NYISO’s requested extension will facilitate its simultaneous development of the new software functionalities needed to implement both the Order 2222 requirements for the Distributed Energy Resource (“DER”) participation model accepted in this proceeding, and the Hybrid Storage Resource (“HSR”)⁴ participation model accepted by the Commission in Docket No. ER24-2133.⁵ The April 30, 2027 date will appropriately align the implementation timelines for the Order 2222 DER and the HSR participation requirements and enhance efficiencies by enabling the NYISO to develop the required additional software functionality for both projects together, rather than separately and sequentially.⁶ As such, this additional time will allow the NYISO to ensure that Market Participants can fully utilize the new Order 2222 DER participation model in a manner consistent with the Commission’s orders and that any implementation delay due to the software development workflow is minimized by the significant efficiency gains achieved by the simultaneous software development approach.⁷

⁴ Capitalized terms not otherwise defined in this submission shall have the meaning specified in the NYISO’s Open Access Transmission Tariff (“OATT”) or the Market Administration and Control Area Services Tariff (“Services Tariff”).

⁵ As further discussed *infra* Sections I & II, on May 29, 2024, the NYISO filed proposed tariff revisions to allow Hybrid Storage Resources (“HSRs”) to participate in its markets. *See New York Independent System Operator, Inc., Proposed Tariff Revisions to Implement Hybrid Storage Resources, Expand Co-located Storage Resource Participation Options*, Docket No. ER24-2133 (May 29, 2024). Then, on March 25, 2025, the NYISO filed a motion to defer the effective date of previously accepted tariff revisions and request for waiver in the HSR proceeding. *New York Independent System Operator, Inc., Motion to Defer Effective Date of Previously Accepted Tariff Revisions and Request for Waiver*, Docket No. ER24-2133 (Mar. 25, 2025) (“HSR Extension Motion”); *see* Zachary T. Smith Affidavit at P 9 (“Smith Affidavit”).

⁶ As further discussed *infra* Sections I & II, the Commission granted the NYISO’s HSR Extension Motion thereby approving an extension of the effective date to no later than April 30, 2027. *New York Independent System Operator, Inc., Order Granting Deferral of Effective Date and Waiver Request*, 191 FERC ¶ 61,171 (May 29, 2025) (“HSR Extension Order”).

⁷ As further discussed *infra* Section I, DER and Aggregation Market Participants currently may participate in the NYISO-administered Energy, Installed Capacity, and Ancillary Services markets through the NYISO’s existing

I. BACKGROUND

On June 27, 2019, the NYISO filed comprehensive revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”) to establish a new participation model for Aggregations of resources and DER, including requirements that will allow Aggregations and DER to participate in the NYISO-administered Energy, Ancillary Services, and Installed Capacity markets (“DER Participation Model”).⁸ After the Commission accepted the tariff revisions proposed in the NYISO’s June 29, 2019 filing,⁹ the Commission issued Order 2222, which directed each Independent System Operator (“ISO”) and Regional Transmission Organization (“RTO”) to revise its tariff to ensure that its market rules facilitate the participation of DER aggregations.¹⁰

Accordingly, on July 19, 2021, the NYISO submitted its Order 2222 compliance filing.¹¹ On June 17, 2022, the Commission accepted the NYISO’s initial compliance filing, subject to a further compliance filing.¹² In its order, the Commission directed the NYISO to propose an effective date by which it will allow DERs in heterogeneous Aggregations to provide all of the

DER and Aggregation participation model (“DER Participation Model”) which was implemented on April 16, 2024. *See New York Independent System Operator, Inc.*, Delegated Letter Order, Docket No. ER19-2276 (Jul. 9, 2024) (accepting the NYISO’s filing, including the specified effective date of April 16, 2024, for implementation of the DER Participation Model tariff revisions).

⁸ *New York Independent System Operator, Inc.*, Proposed Tariff Revisions Regarding Establishment of Participation Model for Aggregations of Resources, including Distributed Energy Resources, Docket No. ER19-2276 (Jun. 27, 2019). The tariff records submitted in Docket No. ER19-2276 combined with the tariff revisions accepted by the Commission in Docket No. ER23-2040 comprise the NYISO’s DER Participation Model.

⁹ *New York Independent System Operator, Inc.*, Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report, 170 FERC ¶ 61,033 (Jan. 23, 2020).

¹⁰ *Participation of Distributed Energy Resource Aggregations in Mkts. Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 2222, 172 FERC ¶ 61,247 (Sept. 17, 2020) (“Order 2222”).

¹¹ *New York Independent System Operator, Inc.*, Compliance Filing and Request for Flexible Effective Date, Docket No. ER21-2460 (Jul. 19, 2021). Note that the NYISO’s 2021 Compliance Filing was amended by its subsequent filing submitted on November 19, 2021. *See New York Independent System Operator, Inc.*, Response to October 1, 2021, Letter Requesting Additional Information, Docket No. ER21-2460 (Nov. 19, 2021).

¹² 2022 Order on Compliance, *supra* note 2.

ancillary services that they are technically capable of providing through aggregation.¹³ In response, on November 14, 2022, the NYISO filed a motion requesting to extend the effective date for implementation of its tariff revisions from the fourth quarter of 2022 to a flexible effective date no later than December 31, 2026,¹⁴ which was granted by the Commission.¹⁵

On May 29, 2024, the NYISO filed proposed tariff revisions in Docket No. ER24-2133 to allow HSR to participate in its markets, which were accepted by the Commission on July 23, 2024.¹⁶ Subsequently, on March 25, 2025, the NYISO filed a motion to defer the effective date of the HSR tariff revisions to April 30, 2027 in order to allow the NYISO to simultaneously develop the software functionality necessary to implement the operating reserves participation requirements for both HSRs and Order 2222 DERs, which has been found to result in significant software development efficiencies (“HSR Extension Motion”).¹⁷ The Commission granted the NYISO’s motion finding that, given the circumstances presented, good cause existed to grant the extension and waiver request.¹⁸

Further, as discussed in the NYISO’s December 19, 2024 filing submitted in this proceeding, the market rules proposed in that filing will enable Aggregations containing technically capable DERs to provide Operating Reserves and Regulation Service.¹⁹ Efforts to develop the software necessary to implement Operating Reserve Limits for HSRs were already

¹³ 2022 Order on Compliance, *supra* note 2 at P 344.

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

¹⁵ Order 2222 Extension Order, *supra* note 3.

¹⁶ *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER24-2133 (Jul. 23, 2024).

¹⁷ See HSR Extension Motion, *supra* note 5.

¹⁸ HSR Extension Order, *supra* note 6 at P 10.

¹⁹ *New York Independent System Operator, Inc.*, Compliance Filing, Docket No. ER21-2460 (Dec. 19, 2024) (“2024 Compliance Filing”).

well underway at that time.²⁰ Hence, the NYISO has been working diligently to develop the software design modifications needed to implement the Order 2222 DER and HSR participation programs in a timely manner.

II. Aligning the NYISO’s DER and HSR Participation Implementation Timelines Will Allow Simultaneous Development of the Software Needed for Both Order 2222 DER and HSR Participation Which Will Result in Significant Efficiencies

Good cause exists to grant the requested four-month extension to allow the NYISO to implement the Order 2222 tariff revisions following completion of its simultaneous software development process for both HSR and DER by April 30, 2027. The NYISO proposes to submit a subsequent notice filing to specify, upon at least two weeks’ prior notice, the date upon which the tariff revisions will take effect. 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.²¹

With the extension requested herein, the NYISO’s proposed implementation of its Order 2222 compliance tariff revisions will continue to meet the requirement that each ISO/RTO propose a “reasonable implementation date, together with adequate support explaining how the proposal is appropriately tailored for its region and implements Order No. 2222 in a timely manner.”²² As described in the HSR Extension Motion, when the NYISO was developing its software project plans for implementing the HSR and the Order 2222 DER requirements, the NYISO determined that significant efficiencies would be gained by developing the software functionality necessary to

²⁰ 2024 Compliance Filing, *supra* note 19.

²¹ See, e.g., *New York Independent System Operator, Inc.*, 106 FERC ¶ 61,111 at P 10 (2004); *New York Independent System Operator, Inc.*, Letter Order at 1, Docket No. ER11-2544 (Feb. 10, 2011); *New York Independent System Operator, Inc.*, 151 FERC ¶ 61,057 at P 20 (2015); *New York Independent System Operator, Inc.*, 154 FERC ¶ 61,152 at P 19 and 25 (2016).

²² Order 2222, *supra* note 10 at P 361; see *Cal. Indep. Sys. Operator Corp.*, Order on Compliance Filing, 183 FERC ¶ 61,119 at P 28 (May 18, 2023) (citing Order No. 2222, 172 FERC ¶ 61,247 at P 361) (“2023 CAISO Order”).

implement operating reserves for HSR and DER together, instead of sequentially developing a complete software suite to implement operating reserves for HSR, then modifying the completed HSR software to accommodate DER.²³ Moreover, the software functionality needed to support DER participation will be built on top of the newly developed HSR functionality and thus, the way the software development workflow is structured would not allow for earlier completion of software requirements for DER.²⁴

As Mr. Smith discusses in his Affidavit, the NYISO's software resources are finite.²⁵ NYISO staff must both code and test the operating reserves software functionality.²⁶ If the NYISO were required to implement the Order 2222 requirements by December 31, 2026, it would not have sufficient time to develop, test, and implement the required suite of necessary software changes. The NYISO's proposed implementation date of no later than April 30, 2027 provides a reasonable amount of additional time for the NYISO to develop the software modifications needed for both DER and HSR participation in a manner that will achieve increased efficiencies through the simultaneous software development approach.

The NYISO notes that its requested Order 2222 tariff revision implementation date is still before the majority of proposed effective dates for other ISOs and RTOs' compliance with Order 2222. The Commission has granted similar extensions to other ISOs/RTOs to address the complexities and long lead times involved with developing the necessary software to support Order 2222 DER participation. For example, PJM Interconnection, L.L.C. ("PJM") requested a two-year

²³ Smith Affidavit, *supra* note 5 at P 9-10.

²⁴ *Id.* at P 12.

²⁵ *Id.* at P 10.

²⁶ *Id.* If the software were to be developed sequentially by the same NYISO staff members, such individuals would need to support two separate full cycles of software development instead of the one cycle involved with developing the software for HSR and DER simultaneously. *Id.*

extension of the effective date for PJM’s Order 2222 compliance implementation (to February 1, 2028).²⁷ In its motion, PJM emphasized that it “will need to pursue a number of major software and application upgrades to effectuate full implementation, in light of the scale of Order No. 2222.”²⁸ On May 1, 2025, the Commission issued an order granting PJM’s motion to extend its Order 2222 implementation effective date finding that PJM “needs to complete major software and application upgrades before it can implement the DER Aggregator Participation Model” and that the requested extension will provide PJM with a reasonable amount of time to do so.²⁹

Similarly, when the California Independent System Operator Corporation (“CAISO”) filed a motion requesting a two-year extension of the effective date of a portion of its Order 2222 tariff revisions, it emphasized that the CAISO did not have “sufficient time to develop, test, and implement the required software changes” by the effective date in place at that time, and that its “software development capabilities are finite.”³⁰ The Commission found that CAISO had shown good cause for its request to extend the effective date and granted its motion for extension.³¹

In sum, the proposed effective date for the NYISO’s Order 2222 tariff revisions with the requested four-month extension remains consistent with Order 2222 because it is reasonable, appropriately tailored to the NYISO’s region and ensures that the NYISO will continue to implement Order 2222 in a timely manner.

²⁷ *PJM Interconnection, L.L.C.*, Order No. 2222 Compliance Filing and Motion to Modify Effective Date, Docket No. ER22-262 at 22 (Oct. 23, 2024).

²⁸ *Id.*

²⁹ *PJM Interconnection, L.L.C.*, 191 FERC ¶ 61,097 at PP 34-35 (May 1, 2025).

³⁰ *Cal. Indep. Sys. Operator Corp.*, Compliance Filing and Motion to Amend Effective Date, ER21-2455 at 11 (Aug. 15, 2022).

³¹ 2023 CAISO Order, *supra* note 22 at P 31.

III. Good Cause Exists for the Commission to Find the NYISO's Motion Satisfies the Waiver Criteria

To the extent necessary, the NYISO requests that the Commission grant a limited waiver of the previously accepted December 31, 2026 effective date for implementation of the Order 2222 tariff revisions. The Commission has granted waiver of tariff provisions where: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties.³²

All of the criteria are satisfied under the circumstances detailed herein. The NYISO requests this waiver in good faith and to address a “concrete problem” as, absent the requested waiver, the NYISO will not have sufficient time to finish developing the software functionality necessary to implement the HSR and DER participation programs and in particular, to implement Operating Reserves for HSRs and DERs.³³ In addition, the requested waiver is limited in scope as the NYISO's currently effective tariff provisions enable direct market participation of DER Aggregations through the DER Participation Model, and the requested delay is limited to four months in duration. Lastly, the requested waiver will not have undesirable consequences given that the additional time will enable the NYISO to utilize its finite resources as efficiently as possible to address the software development necessary to support full participation in the Order 2222 DER and HSR programs.

Therefore, given the circumstances detailed herein, good cause exists to grant this four-month deferral request so that the implementation schedules for Order 2222 DER participation and

³² HSR Extension Order, *supra* note 6 at P 9; *New York Independent System Operator, Inc.*, 144 FERC ¶ 61,147 at P 8 (2013); *Citizens Sunrise Transmission LLC*, 171 FERC ¶ 61,106 at P 10 (2020).

³³ See Smith Affidavit, *supra* note 5 at P 9-10 & 12.

HSR participation will be aligned and significant efficiencies will be captured as a result of the simultaneous software development approach.

IV. COPIES OF CORRESPONDENCE

Correspondence concerning this filing should be served on:

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V. 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.

VI. CONCLUSION

For the reasons elucidated above, the New York Independent System Operator, Inc. respectfully requests that the Commission grant the motion to defer the effective date of the accepted Order 2222 compliance tariff revisions to a flexible date of no later than April 30, 2027, and to grant any necessary waivers associated with the foregoing deferral request.

Respectfully submitted,

/s/ Kimberly L. Osborne

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Dated: April 15, 2026

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 15th day of April 2026.

/s/ Kerry Teti

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