

April 15, 2026

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.; Informational Report;*
Docket No. ER23-2040-00_**

Dear Secretary Reese:

The New York Independent System Operator, Inc. (“NYISO”) respectfully submits this informational filing in response to the Federal Energy Regulatory Commission’s (“Commission’s”) directive requiring such filing in its April 16, 2024, *Order Accepting Tariff Revisions* in the above-captioned proceeding (“April 2024 Order”).¹

In the April 2024 Order, the Commission accepted the NYISO’s proposed revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”) to clarify and enhance its participation model for Aggregations² of Resources, specifically Distributed Energy Resources (“DERs”).³ Further, in the April 2024 Order, the Commission accepted the NYISO’s proposal to establish a minimum capability requirement of 10 kW for individual DERs participating in an Aggregation.⁴ In addition, in response to the NYISO’s commitment to continue to evaluate this 10 kW threshold, the Commission directed the NYISO to submit an informational filing within two years providing certain information concerning this threshold.⁵

Accordingly, the NYISO submits this informational filing to address the Commission’s directive. As described in this filing, the NYISO’s minimum capability requirement remains a necessary component of the requirements for DER participation in an Aggregation and facilitates the NYISO’s ability to administer the Aggregation requirements for DER that are 10 kW or greater.

¹ *New York Independent System Operator, Inc.*, Order Accepting Tariff Revisions, 187 FERC ¶ 61,022 (Apr. 15, 2024) (“April 2024 Order”).

² 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”).

³ April 2024 Order, *supra* note 1.

⁴ *Id.* at P 63-67.

⁵ *Id.* at P 67.

I. Background

On June 27, 2019, the NYISO filed comprehensive revisions to its OATT and Services Tariff to establish a new participation model for Aggregations⁶ of Resources, specifically DERs (“June 2019 Filing”).⁷ The proposed revisions established the mechanism by which the Aggregations and DER could participate in the NYISO-administered Energy, Ancillary Services, and Installed Capacity (“ICAP”) markets (“DER Participation Model”). The Commission accepted the proposed tariff revisions on January 23, 2020.⁸ An individual DER may be “(i) a facility comprising two or more Resource types behind a single point of interconnection with an Injection limit of 20 MW or less; (ii) a Demand Side Resource;⁹ or (iii) a Generator with an Injection limit of 20 MW or less[.]”¹⁰ Market Participants enrolling DER as part of an Aggregation are known as “Aggregators.”¹¹

The NYISO subsequently proposed additional tariff revisions intended to clarify and enhance the market rules included in the June 2019 Filing.¹² As part of this filing, the NYISO proposed to establish a minimum capability requirement of 10 kW for individual DERs participating in an Aggregation. The NYISO provided additional support for this proposal in response to two deficiency letters from the Commission.¹³

On April 16, 2024, the Commission issued the April 2024 Order accepting the additional proposed tariff revisions. As part of this order, the Commission accepted the NYISO’s proposed

⁶ “Aggregation” means “[a] Resource, comprised of two or more individual Generators, Demand Side Resources, or Distributed Energy Resources, or one or more individual Demand Side Resources, at separate points of interconnection and that are grouped and dispatched as a single unit by the ISO, and for which Energy injections, withdrawals and Demand Reductions are modeled at a single Transmission Node.” Services Tariff Section 2.1.

⁷ *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.

⁸ *New York Independent System Operator, Inc.*, Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report, 170 FERC ¶ 61,033 (Jan. 23, 2020).

⁹ “Demand Side Resource” means “[a] Resource located in the NYCA that: (i) is capable of controlling demand by either curtailing its Load or by operating a Local Generator to reduce Load from the NYS Transmission System and/or the distribution system at the direction of the ISO, in a responsive, measurable and verifiable manner within time limits, and (ii) is qualified to participate in competitive Energy, Capacity, Operating Reserves or Regulation Service markets, or in the Emergency Demand Response Program pursuant to the ISO Services Tariff and the ISO Procedures.” Services Tariff Section 2.4.

¹⁰ *Id.*

¹¹ “Aggregator” means “[a] Supplier that offers Capacity, Energy, and/or Ancillary Services for an Aggregation.” Services Tariff Section 2.1.

¹² *New York Independent System Operator, Inc.*, Proposed Tariff Revisions Regarding the Participation of Distributed Energy Resources and Aggregations, Docket No. ER23-2040 (Jun. 1, 2023).

¹³ See *New York Independent System Operator, Inc.*, Response to Deficiency Letter, Docket No. ER23-2040 (Aug. 17, 2023); see *New York Independent System Operator, Inc.*, Response to Second Deficiency Letter, Docket No. ER23-2040 (Feb. 13, 2024) (“Response to Second Deficiency Letter”).

threshold of 10 kW for individual DER participation in an Aggregation. In addressing this threshold, the Commission took note of the NYISO's position that:

[The NYISO] has not ruled out reducing or eliminating the minimum capability requirement,[] it is committed to evaluating the capability and use cases of small facility Aggregation, and []experience administering the DER and Aggregation participation model will provide NYISO with essential data on the feasibility of reducing the minimum capability that, when combined with NYISO's administration of Small Customer Aggregations in the SCR program, will inform future market rule enhancements.¹⁴

On this basis, the Commission directed the NYISO to submit an informational filing within two years of the date of issuance of its order describing: “(1) its experience administering the DER and Aggregation participation model; (2) its views on the feasibility of the participation of DERs smaller than 10 kW in its DER and Aggregation participation model; (3) the estimated effect that the 10 kW minimum capability requirement has had on potential participation, including the total number of DERs under 10 kW in the New York Control Area; and (4) an update on NYISO's discussions with its stakeholders concerning the participation of DERs smaller than 10 kW.”¹⁵ Accordingly, the NYISO submits the informational report herein to address the Commission's directive.

II. Informational Report

a. Experience in Administering the DER and Aggregation Participation Model

The NYISO implemented the DER Participation Model on April 16, 2024. Since then, a total of six (6) Aggregations had enrolled as of April 2026, with all comprised of Demand Side Resources (“DSRs”). The majority of these Aggregations represent DER that transitioned from the NYISO's former, now sunsetted, Demand Side Ancillary Services Program (“DSASP”)¹⁶ during the 2025 and early 2026 timeframe and were also simultaneously enrolled in the Special Case Resource (“SCR”) program before transitioning to the DER Participation Model. Each of the DER currently participating in an Aggregation has Load curtailment capability of greater than 0.1 MW (100 kW), with the majority of such Aggregations having Load curtailment capability above 20 MW. Each of the Aggregations currently participating contain only one DER.

The NYISO's administration of the DER Participation Model thus far has proven successful in spite of a number of significant administrative challenges concerning the enrollment and ongoing participation of Aggregations. These challenges include the NYISO's review of the Aggregators' enrollment information for individual DER that constitute Aggregations and the need

¹⁴ April 2024 Order, *supra* note 1 at P 67.

¹⁵ April 2024 Order, *supra* note 1 at P 67.

¹⁶ See *New York Independent System Operator, Inc.*, Order on Compliance, 194 FERC ¶ 61,025 (Jan. 9, 2026).

to address the numerous questions from Aggregators throughout and after the enrollment process. The NYISO reviews each DER upon Aggregator submission of the Aggregation for enrollment in the NYISO-administered markets, and each DER can present unique circumstances that the NYISO must consider. This requires significant manual processing, even with the continued software improvements made to the NYISO's Aggregation System which enable the upload of enrollment data. The NYISO continues to take steps to overcome these challenges by providing guidance to Market Participants in publicly posted documents, such as the NYISO Aggregation Manual and the Aggregation System User's Guide. However, the NYISO's efforts to proactively address Market Participant questions associated with required documentation submissions will not fully resolve concerns about the additional Market Participant inquiries that would be expected to come with increased enrollment volume.

Under the NYISO's current enrollment processes, the Aggregator submits the Aggregation for enrollment by uploading various parameters for each DER facility within the Aggregation to the Aggregation System, along with supporting documentation. The Distribution Utility ("DU") reviews the Aggregation's information in parallel with the NYISO's initial review process. During this initial review, oftentimes the NYISO must reach out to the Aggregator to discuss needed revisions to the submitted data or to request additional or updated documentation to supplement the submitted enrollment data. Once the initial NYISO review and the DU safety and reliability review have been completed, the Aggregation enters a 30-day NYISO final review process. The NYISO conducts a final review of Aggregation parameters at this point, coordinates with internal departments, and, if all requirements are met, the Aggregation is approved to enter the market the following month.

As mentioned above, for purposes of the enrollment evaluation process, Aggregators are required to submit large amounts of data for an Aggregation and for each DER facility within the Aggregation, as well as up-front documentation to the NYISO for review prior to enrolling DER as part of an Aggregation. The parameters and documentation required are specifically outlined in the NYISO's Aggregation System User's Guide, Appendices A, B, C, and D.¹⁷ The documentation for the enrollment of a DER facility includes, among other items, a one-line diagram and a utility bill. The NYISO must review the one-line diagram for each DER as this indicates the meter location on the DER site and these meters, in aggregate, will ultimately be used for settlement of the Aggregation. The NYISO must also review a utility bill as this generally allows the NYISO to confirm the address, NYISO Load Zone, the correct DU, and utility account number of each DSR type DER within the Aggregation. As described below, both of these steps can be time and resource intensive based on the volume of DERs seeking to participate.

Aggregators have needed the NYISO's assistance with the submission of Dependable

¹⁷ NYISO, *Aggregation System User's Guide* (March 2026), available at <https://www.nyiso.com/manuals-tech-bulletins-user-guides>.

Maximum Net Capability (“DMNC”)¹⁸ test data, the logging of outages and derates, and the submission of real-time Out-of-Merit (“OOM”)¹⁹ entries. In particular, the NYISO has observed that Aggregators are generally less experienced with the required testing for qualification to participate in the NYISO’s ICAP market, otherwise known as DMNC testing. Consistent with typical Generators, Aggregations are required to submit a DMNC test in order to provide Capacity and receive compensation in the Capacity market. As such, the NYISO must address frequent questions received regarding this process from Aggregators.²⁰ Further, Aggregators must submit production data for each DER facility in the Aggregation after completion of the DMNC test. Allowing DER less than 10 kW to participate would likely lead to existing—and in addition, potentially new—Aggregators reaching out to the NYISO with questions on the DMNC testing process and data submission requirements.

Additionally, Generators and Aggregators alike must submit derates when all or a portion of their production is unavailable. These derates take the form of outages that are known and submitted prior to the Day-Ahead Market run for a given market day, as well as OOM requests submitted when the partial or full change in capability only becomes known after the Day-Ahead Market has run. The process of submitting such outages and requests to derate or uprate the Aggregation OOM often gives rise to questions from Aggregators about the appropriate steps to submit these outages and requests. Responding to these requests requires substantial NYISO staff time. Similarly, allowing DER less than 10 kW would likely result in an increase in questions from existing and potentially new Aggregators regarding the submission of outages and OOM requests.

Based on its experience implementing the DER Participation Model for DER which have all been 100 kW or greater thus far, the NYISO believes that the significant amount of data required for Aggregators’ enrollment and market qualification, along with other Market Participant inquiries, would increase considerably if sub-10 kW DER are allowed to enroll in the DER Participation Model. As such, allowing sub-10 kW DER to participate in the DER Participation Model would require more data processing (and more time needed to review the data) than the amount involved with Aggregations comprised of fewer participating larger DER and therefore, pose data processing challenges for the NYISO Aggregation System, as well as challenge the ability of NYISO staff to timely review data and documentation for Aggregations and respond to Aggregator questions. In sum, the additional time that NYISO staff would need to dedicate to administering the participation of sub-10 kW DER would take time away from the NYISO’s

¹⁸ “Dependable Maximum Gross Capability” or “DMNC” means “[t]he sustained maximum net output of a Generator, or, where appropriate, an Aggregation, as demonstrated by the performance of a test or through actual operation, averaged over a continuous time period as defined in the ISO Procedures.” Services Tariff Section 2.4.

¹⁹ “Out-of-Merit” or “OOM” means “[t]he designation of Resources committed and/or dispatched by the ISO at specified output limits for specified time period to meet Load and/or reliability requirements that differ from or supplement the ISO’s security constrained economic commitment and/or dispatch.” Services Tariff Section 2.15.

²⁰ These questions have included, among other topics, when the DMNC test should be conducted, notification and scheduling requirements for conducting a DMNC test, and the submission timing and formatting of the upload file to the Aggregation System after DMNC testing has been completed.

processing of other Aggregations with larger Resources.

b. Views on the Feasibility of the Participation of DER Smaller Than 10 kW in the DER and Aggregation Participation Model

As noted above, allowing the participation of DER smaller than 10 kW in the DER Participation Model would present significant challenges to the NYISO. As further discussed below, the need for NYISO operations and software development staff to accommodate DER smaller than 10 kW would draw resources away from other Aggregation administration activities and thus would delay or prevent the enrollment of other DER larger than 10 kW in the program. Hence, allowing sub-10 kW DERs to participate would adversely impact the ability of larger DER to participate in the NYISO-administered markets and support reliability.

Based on its experience administering the Emergency Demand Response Program (“EDRP”)/SCR program and the DER Participation Model, the NYISO reasonably expects that a change to the minimum capability requirement would result in a significant increase in volume of enrollment that would require an increase in NYISO staff resources and additional investment in NYISO software. More specifically, the NYISO expects that Market Participants will seek to enroll hundreds, thousands, or potentially tens of thousands of DER facilities if the NYISO were to change the current minimum capability requirement, as program participation with small kW enrollments in EDRP/SCR is typically with such a large number of Resources.

The NYISO’s views are based on its experience administering the EDRP/SCR program with Resources of this sub-10 kW and even smaller size Resources, which are able to and have enrolled in the program both as standalone Resources and as part of a Small Customer Aggregation (“SCA”). The EDRP/SCR program structure reasonably provides for the opportunity to enroll sub-10 kW DSRs, as this program does not include the same in-depth reviews, granular baseline calculations, and 6-second telemetry requirements that are required under the DER Participation Model. Even without these additional requirements, the NYISO has experienced increased demands on staff resources to review SCA and small kW enrollments in EDRP/SCR, as well as a slowdown of its Demand Response Information System (“DRIS”) software used to administer the EDRP/SCR program. Thus, given the challenges the NYISO has faced with administering the EDRP/SCR program with small kW enrollments, administration of the DER Participation Model with this increased degree of small DER enrollment volume is not feasible for the NYISO.

Moreover, allowing Resources below 10 kW to enroll in the DER Participation Model would require a significant increase to NYISO staff. Currently, as described above, the NYISO performs an initial review and then a 30-day final review prior to approving market entry of an Aggregation. To illustrate the degree of its administration efforts needed, the NYISO’s review of the one-line diagram for each individual DER can require an in-depth undertaking as the NYISO must verify the location of meters and other potential generation technologies on the site. This information is necessary as it determines the kW that are metered at the location, which is used in

the NYISO's network modeling and for settlement. This often requires substantial back-and-forth communication with Aggregators required to provide an updated one-line diagram that includes the key information with sufficient clarity, as further discussed below.

In addition, the NYISO is required to review a recent utility bill for each DSR DER entering an Aggregation to check the DU assigned to the Aggregation, ensure that the utility account number provided is correct, and confirm that a given DSR is currently receiving utility service. In general, all of this information can be determined upon review of a recent utility bill. However, verification of this information for small kW Resources in the EDRP/SCR programs today has resulted in significant outreach and coordination between the NYISO, Market Participants, and the utilities, absent a utility bill for each of the small kW Resources. The coordination that the NYISO must undertake to confirm utility account validity for small kW Resources in the EDRP/SCR program is significant, and the NYISO may need to pursue enhancements to this process should EDRP/SCR enrollments continue to grow. There is currently no automation between the NYISO and utility systems that would allow for the automation of the verification of Resources less than 10 kW in size, at scale. Hence, it would not be feasible for the NYISO to meaningfully review materials for DER facilities sized below 10 kW seeking to enroll in the DER Participation Model due to the extensive volume of data involved.

Moreover, NYISO staff have additional DER Participation Model administration responsibilities after Aggregation enrollment that would also be significantly impacted by the volume associated with allowing DER below 10 kW. As described above, Aggregations must submit DMNC test data to the NYISO to participate in the ICAP market. This submission includes data for each DER facility in the Aggregation. DMNC test data processing would only become more complex for Aggregators seeking to enroll a large volume of small kW DER and for the NYISO as its systems must process the data.

Further, after an Aggregation containing DSRs has been in the NYISO markets for a sufficient amount of time to receive a dispatch schedule, the NYISO will audit the Economic Customer Baseline Load (“ECBL”)²¹ calculation for the Aggregation. As part of this audit, the NYISO requests the metered MW for each DER for all 6-second intervals in the preceding thirty (30) days. This portion of the data request involves 432,000 rows of data for a single DER. The NYISO must then validate the calculation for the chosen audit period. It would be infeasible for the NYISO to audit the ECBL calculation under this methodology if hundreds, thousands, or tens of thousands of small kW DER were in Aggregations under the DER Participation Model.

Additionally, the NYISO must occasionally resolve duplicate Resource enrollments from

²¹ Regarding the ECBL calculation, the NYISO OATT provides that “[t]he ISO shall employ two different calculation methodologies of the [ECBL] for Demand Reductions, depending on whether the Demand Reduction is on a weekend or a weekday, during the intervals with no Regulation Service dispatch for the DER Aggregation. A Demand Side Resource’s six-second telemetry data, normalized into five-minute intervals, shall be used in each ECBL calculation methodology.” OATT Section 24.2.1.

Market Participants. At times, DER may transition from one Aggregator to another through the course of competition among Aggregators for customers. DER facilities changing Aggregators at high volume represents a significant challenge to feasible program administration. The NYISO must confirm which Aggregator has executed the most recent contract with the DER to ensure that there are no duplicate enrollments in the NYISO markets and must support a transition that is as seamless as possible to minimize any market disruption or delay. The NYISO missing duplicate enrollments and allowing a high volume of duplicate Resources into the NYISO markets poses a reliability risk, as the NYISO would overcount the contribution of duplicate Resources toward ICAP and Operating Reserves. Preventing duplicate DER, comparing contracts for DER facilities transitioning amongst Aggregators, and enabling a seamless transition to the new Aggregation would become considerably more difficult if not impossible at the high volume of enrollments that would be expected to result from allowing sub-10 kW DER to participate.

The NYISO has seen an influx of Resources smaller than 10 kW enrolling in its DRIS in recent years associated with the EDRP/SCR programs. This increase in enrollments has impaired the functioning of the DRIS system for NYISO staff retrieving data for day-to-day processes and failure of reports due to the volume of data. The volume of data being processed by DRIS due to the increase in enrollments has required the NYISO to invest heavily in DRIS operations and maintenance to maintain a production-ready level of functionality. It is not clear that this path is sustainable for DRIS and the EDRP/SCR program, even with the completed and ongoing DRIS system upgrades, without significant additional investment. The NYISO Aggregation System, recently built for enrollment in the DER Participation Model, is certain to experience similar challenges of impaired functioning if Resources below 10 kW of minimum capability were to enroll in significant numbers and would undoubtedly require significant investment to accommodate such small DER.

Further, as explained in its February 13, 2024 Response to Second Deficiency Letter submitted in this proceeding, the NYISO reiterates that based on its experience with its EDRP/SCR programs, a significant amount of manual work is required to enroll, manage, and track performance of small DSRs (e.g., apartments and other residential buildings), which can exceed the amount of administrative work necessary for traditional DSRs (e.g., commercial buildings and industrial facilities).²² These concerns discussed in the NYISO's Response to Second Deficiency Letter remain true today. In particular, it still requires a large degree of NYISO staff effort to develop, review, and approve enrollment data for thousands of very small facilities that participate in the NYISO's SCR program, which does not require the level of review and real time visibility that is required by the DER Participation Model market rules. As such, a change to the minimum capability requirement would likewise necessitate new software functionalities to process the

²² See Response to Second Deficiency Letter, *supra* note 13 at 7-11 & Attachment I (*Affidavit of Robert Pike*).

expected large volume of enrollments in the DER Participation Model program.²³

As established, when an Aggregation is submitted for enrollment, the NYISO reviews the Aggregation and each of the DER facilities that comprise the Aggregation. However, current rules also require any change to DER or Aggregation-specific enrollment data to be submitted to the NYISO Aggregation System to again be reviewed by the NYISO and, if considered a material change, to pass a DU safety and reliability review. For example, the addition of new DER facilities to an existing Aggregation would require not only NYISO review, but also an additional safety and reliability review of those DER facilities and the Aggregation as a whole. Hence, the level of administration efforts required to enroll DER less than 10 kW in the DER Participation Model would easily surpass that of the NYISO's current SCR program administration efforts if the minimum capability requirement were removed.

c. The Estimated Effect that the 10 kW Minimum Capability Requirement Has Had on Potential Participation, Including on the Total Number of DER Under 10 kW in the New York Control Area

The NYISO estimates that the minimum capability requirement has resulted in a limited impact on potential participation of sub-10 kW DER in the DER Participation Model, given the NYISO staff resource and software capability limitations discussed in this informational report. This estimation is largely based on observations made through the administration of the EDRP/SCR programs which already allow enrollment of DSRs of any size, even below 1 kW, as part of a SCA. Additionally, the NYISO has not received any enrollments from Aggregators seeking to register DER smaller than 100 kW under current DER Participation Model market rules, with the majority of enrolled Aggregations having over 20 MW of Load curtailment capability.

While the NYISO does not have the ability to determine the total number of DER under 10 kW in the New York Control Area at large, the EDRP/SCR program provides data potentially relevant to determining the number of sub-10 kW Resources that could move to the DER Participation Model if the challenges outlined by the NYISO above were addressed and Aggregators found the business case of moving to the DER Participation Model advantageous.

For administration of the EDRP/SCR program, the NYISO calculates an Average Coincident Load ("ACL") for each SCR for the Capability Period equal to the metered hourly load during the Capability Period SCR Load Zone Peak Hours. This ACL value is used as a baseline from which SCR performance in the Capacity market is measured and can be used to calculate the relative size of the Resource's Load. As of July 2025, there were 22,789 Resources enrolled in the EDRP/SCR programs with an ACL below 10 kW which contributed 15.2 MW of declared

²³ Allowing Resources below 10 kW in the SCR program has already required the NYISO to complete software upgrades to DRIS in order to resolve software performance degradation in data processing and system memory errors resulting from the unprecedented volume of enrollments.

value,²⁴ including end-use customers participating in an SCA. If the NYISO permitted DER below 10 kW and if these Resources transitioned to the DER Participation Model, the addition of 15.2 MW is minimal given the NYISO's 39,150 MW New York Control Area ICAP requirement (as of Summer 2025).

In sum, based on the foregoing, the NYISO believes that the minimum capability requirement has had a relatively limited effect on the potential participation of sub-10 kW Resources in the DER Participation Model, as these Resources already have the opportunity to participate in the EDRP/SCR program. Additionally, even if these Resources were to transition to the DER Participation Model, the MW impact of that participation would be minimal compared to the NYISO's overall reliability requirements.

d. Update on Stakeholder Discussions Concerning the Participation of DER Smaller Than 10 kW

The NYISO continues to be actively engaged in discussions with stakeholders regarding participation requirements for the DER Participation Model. The NYISO conducts a project prioritization process with stakeholders each year which aims to provide transparency and the ability to accurately determine the scope for the prioritized projects to be included in NYISO's budget. Such project prioritization activities involve resource estimations, cost estimations, and other project scoring to appropriately select a set of projects that address stakeholder requests, grid reliability, NYISO market evolution, IT technology updates, facilities updates, regulatory orders, and public policy mandates.

NYISO stakeholders should have input on whether certain market rule changes are of sufficiently high priority to move forward when weighed against other important rule enhancements that the NYISO could pursue. The DER Market Enhancements effort was prioritized as a 2026 project. Thus, NYISO is currently working with its stakeholders on the DER Market Enhancements project with the goal of identifying and addressing areas of the DER Participation Model that may unlock additional DSR enrollment opportunities. As part of this project, the NYISO is discussing the 10 kW size threshold with stakeholders, among other potential enhancements. This project provides a forum for stakeholders to voice support for DER below 10 kW, and will allow the NYISO to gauge stakeholder interest in moving forward with revisions to the minimum size threshold. Depending on the outcome of this effort, this project could ultimately result in the NYISO proposing market rule revisions to stakeholders as necessary for the chosen path forward.

In addition to continued upkeep and maintenance of the DRIS software to accommodate an influx of small kW Resources enrolling in the EDRP/SCR programs, the NYISO worked with its stakeholders in 2025 to pass and implement Emergency Demand Response Program Manual revisions that allow for more seamless participation of SCAs. An SCA allows end-use customers to combine their capabilities to participate as a single, grouped Resource in the EDRP/SCR

²⁴ The declared value is the amount of load reduction the SCR is willing to curtail when compared to the ACL baseline.

program when the individual end-use customers do not meet one or more participation requirements necessary to participate as individual SCRs or EDRP Resources. These manual revisions outlined a more seamless enrollment process for SCAs, by *inter alia* allowing Market Participants to propose an SCA to the NYISO without being required to obtain approval from NYISO stakeholders, as had previously been the practice. Notably, small resources under 10 kW still have the opportunity to participate in the EDRP and SCR program, as well as utility programs for DERs.

As detailed herein, it would require significant market rule revisions, investment in software capabilities, and increases to NYISO resourcing in order to allow DER smaller than 10 kW to participate in the NYISO-administered Energy, ICAP, and Ancillary Services markets under the DER Participation Model. Therefore, the NYISO contends that the minimum capability requirement remains just and reasonable and should be viewed in the context of other projects that the NYISO could pursue and balanced against the impact of those projects on reliability and market efficiency.

For the reasons discussed above, the NYISO's minimum capability requirement is still necessary to allow for the continued reasonable administration of the DER Participation Model in a manner that enables other above 10 kW DER to participate and contribute to reliability.

III. 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.

IV. Conclusion

The NYISO respectfully requests that the Commission: (i) accept the informational report provided herein; and (ii) continue to find that it is reasonable for the NYISO's DER Participation Model to include a minimum capability requirement that enables the NYISO to implement the program so that 10 kW and larger DERs may participate and contribute to reliability.

Respectfully submitted,

/s/ Kimberly L. Osborne

Kimberly Loan Osborne

Senior Attorney I

New York Independent System Operator, Inc.

Honorable Debbie-Anne A. Reese

April 15, 2026

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cc: Janel Burdick
Emily Chen
James Dawson
Jignasa Gadani
Leanne Khammal
Jaime Knepper
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 15th day of April 2026.

/s/ Alexander Morse

Alexander Morse
New York Independent System Operator, Inc.
10 Krey Blvd.
Rensselaer, NY 12144
(518) 285-7826