



May 15, 2018

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: New York Independent System Operator, Inc.'s Compliance Filing; Docket No.
RM16-6-000, ER18-____-000

Dear Ms. Bose:

In compliance with the Federal Energy Regulatory Commission's ("Commission's") Order No. 842,¹ the New York Independent System Operator, Inc. ("NYISO") respectfully submits revisions to its Large Facility Interconnection Procedures ("LFIP") and Large Generation Interconnection Agreement ("LGIA") set forth in Attachment X of its Open Access Transmission Tariff ("OATT") and its Small Generator Interconnection Procedures ("SGIP") and Small Generator Interconnection Agreement ("SGIA") set forth in Attachment Z of its OATT.²

In Order No. 842, the Commission revised its *pro forma* Large Generator Interconnection Procedures ("LGIP"), LGIA, SGIP, and SGIA to establish requirements regarding primary frequency response for newly interconnecting generating facilities.³ The NYISO proposes to revise its LFIP and LGIA and its SGIP and SGIA to incorporate the revisions, with a limited number of independent entity variations described below. The proposed variations conform the revisions in Order No. 842 with the terminology and procedures of the NYISO OATT previously accepted by the Commission.

The NYISO respectfully requests that the revisions become effective on May 15, 2018, as described in Part V below. The NYISO submits that with this compliance filing it fully complies with the requirements set forth in Order No. 842. The NYISO reviewed the proposed revisions with its stakeholders and did not receive any objections.

¹ *Essential Reliability Services and the Evolving Bulk-Power System—Primary Frequency Response*, Order No. 842, 83 Fed. Reg. 9636 (Mar. 6, 2018), 162 FERC ¶ 61,128 (2018) ("Order No. 842").

² Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in Attachment Z of the NYISO OATT, and if not defined therein, in Attachment X of the NYISO OATT and Section 1 of the NYISO OATT.

³ Order No. 842 at P 1.

I. Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the NYISO's OATT ("Attachment I"); and
2. A blacklined version of the proposed revisions to the NYISO's OATT ("Attachment II").

II. Communications

All communications, pleadings and order with respect to this proceeding should be sent to the following individuals:

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III. Background

In its Order Nos. 2003 and 2006,⁴ the Commission established *pro forma* interconnection procedures and agreements to set forth the terms and conditions under which public utilities must provide interconnection services to Large Generating Facilities (of more than 20 MW) and Small Generating Facilities (of no more than 20 MW). The *pro forma* interconnection procedures and

⁴ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. 31,146 (2003) ("Order No. 2003"), order on reh'g, Order No. 2003-A, FERC Stats. & Regs. 31,160 (2004), order on reh'g, Order No. 2003-B, FERC Stats. & Regs. 31,171 (2004), order on reh'g, Order No. 2003-C, FERC Stats. & Regs. 31,190 (2005), affirmed sub nom. *Nat'l Ass'n of Regulatory Util. Com'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007); *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 70 Fed. Reg. 34190 (June 13, 2005), 111 FERC ¶ 161,220 (2005) ("Order No. 2006"), order on reh'g, Order No. 2006-A, 113 FERC ¶ 61,195, 70 Fed. Reg. 71760 (Nov. 30, 2005).

agreements have since been revised by the Commission in various proceedings.⁵ In compliance with these orders, the NYISO incorporated the Commission's interconnection procedures and agreements into its OATT, with certain variations that were accepted by the Commission under the "independent entity variation" standard.⁶

On February 15, 2018, the Commission issued Order No. 842 to amend its *pro forma* interconnection procedures and agreements to require newly interconnecting large and small generating facilities, both synchronous and non-synchronous, to install, maintain, and operate equipment capable of providing primary frequency response as a condition of interconnection.⁷ The Commission directed each public utility transmission provider to submit a compliance filing demonstrating that it meets the requirements of Order No. 842.⁸

IV. Compliance Revisions

The NYISO proposes revisions to its interconnection procedures and agreements in Attachments X and Z of its OATT to adopt the Commission's revisions to its *pro forma* interconnection procedures and agreements set forth in Order No. 842 with a limited number of variations described below.

In Order No. 842, the Commission provided that RTOs/ISOs may propose independent entity variations from its *pro forma* provisions.⁹ In addition, the Commission provided that RTOs/ISOs may demonstrate that previously-approved variations continue to be permissible under the independent entity variation standard.¹⁰

⁵ E.g., *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 145 FERC ¶ 61,159 (2013), *clarifying*, Order No. 792-Am 146 FERC ¶ 61,214 (2014); *Reactive Power Requirements for Non-Synchronous Generation*, Order No. 827, FERC Stats. & Regs. ¶ 31,385 (2016), 155 FERC ¶ 61,277 (2016); *Requirements for Frequency and Voltage Ride Through Capability of Small Generating facilities*, Order No. 828, 156 FERC ¶ 61,062 (2016).

⁶ See, e.g., *New York Independent System Operator, Inc. and New York Transmission Owners*, Order Conditionally Accepting Large Generator Interconnection Procedures and Large Generator Interconnection Agreement, 108 FERC ¶ 61,159 (2004) (accepting compliance filings and directing certain changes); *New York Independent System Operator, Inc. and New York Transmission Owners*, Letter Order, Docket No. ER04-449-004 (2005); *New York Independent System Operator, Inc. and New York Transmission Owners*, Order on Compliance Filing, 149 FERC ¶ 61,209, (2014); *New York Independent System Operator, Inc. and New York Transmission Owners*, Order on Small Generator Interconnection Compliance Filing, 118 FERC ¶ 61,130 (2007) (accepting compliance filing in part and directing certain changes); *New York Independent System Operator, Inc. and New York Transmission Owners*, Order Granting Rehearing in Part and Denying Rehearing in Part and Accepting Compliance Filing, 119 FERC ¶ 61,333 (2007) (granting in part and denying in part request for rehearing, clarifying aspects of February 2007 order, and accepting compliance filing in part and directing certain changes); *New York Independent System Operator, Inc. and New York Transmission Owners*, Letter Order, Docket Nos. ER06-311-004 and ER06-311-005 (March 3, 2008).

⁷ Order No. 842 at P 33.

⁸ *Id.* at P 253.

⁹ *Id.* at PP 234.

¹⁰ *Id.* at P 254.

The Commission has accepted previous variations to the NYISO's interconnection procedures pursuant to its independent entity variation standard.¹¹ The independent entity variation standard provides ISOs/RTOs with flexibility in adopting the Commission's *pro forma* language because ISOs/RTOs have different operating characteristics, depending on their geographic size and location, and are less likely to act in an unduly discriminatory manner than non-independent transmission providers.¹² The Commission has explained that under this standard, "the Commission will review the proposed variations to ensure they do not provide an unwarranted opportunity for undue discrimination or produce an interconnection process that is unjust and unreasonable."¹³ It has recognized that where changes to interconnection procedures "are clarifying and/or ministerial in nature and/or NYISO has supplied sufficient justification," such modifications are acceptable under the independent entity variation standard.¹⁴ In addition, the Commission has recognized that the independent entity variation standard "is more flexible than the 'consistent with or superior to' standard and the regional differences standard."¹⁵

The independent entity variations proposed in this compliance filing conform the revisions in Order No. 842 with the terminology and procedures of the NYISO OATT previously accepted by the Commission. For the reasons explained below, these proposed variations from the Commission's *pro forma* revisions are fully justified under the Commission's independent entity variation standard.

A. Independent Entity Variation Required for Consistent Application of Reliability Standards

In Order No. 842, the Commission established uniform minimum operating requirements for droop, deadband, and timely and sustained primary frequency response while allowing for the application of future NERC Reliability Standards that include equivalent or more stringent operating requirements.¹⁶ The NYISO proposes to revise these operating requirements to allow for the possibility of future, more stringent reliability standards not only from the North America Reliability Corporation ("NERC"), as proposed in the order, but also from the other reliability councils to which New York generation facilities are subject and for the local Transmission District in which the facility is directly interconnected. Specifically, the NYISO proposes to replace the *pro forma* term "NERC Reliability Standards" with the term "Applicable Reliability Standards," which is defined in the NYISO's LGIA and SGIA.¹⁷ The term "Applicable Reliability Standards" includes NERC Reliability Standards, as well as the requirements and guidelines established by the Northeast Power Coordinating Council ("NPCC"), the New York State Reliability Council ("NYSRC"), and the local Transmission District in which the

¹¹ See, e.g., *New York Independent System Operator, Inc.*, 135 FERC ¶ 51,014 (2011); *New York Independent System Operator, Inc.*, 124 FERC ¶ 61,238 (2008).

¹² *New York Independent System Operator, Inc.*, 108 FERC ¶ 61,159 at P 4 (2004); Order No. 2003 at P 827.

¹³ *New York Independent System Operator, Inc.*, 124 FERC ¶ 61,238 at P 17 (2008).

¹⁴ *Id.* at PP 17-18.

¹⁵ Order No. 2003 at P 26.

¹⁶ Order No. 842 at P 70.

¹⁷ Specifically, NYISO proposes this revision in Sections 9.5.5, 9.5.5.1, and 9.5.5.2 of its LGIA and Sections 1.8.3, 1.8.3.1, and 1.8.3.2 of its SGIA.

Interconnection Customer's facility is directly interconnected.

The NYISO's proposed variation from the Commission's *pro forma* language would align the new primary frequency response requirements with the existing requirements of the LGIA and SGIA. For example, Section 9.1 of the NYISO's LGIA already requires that each party "comply with Applicable Laws and Regulations and Applicable Reliability Standards."¹⁸

In addition, the NYISO's proposed variation from the Commission's *pro forma* language is consistent with the Federal Power Act, which permits the State of New York to "establish rules that result in greater reliability within that State, as long as such action does not result in lesser reliability outside the State than that provided by the reliability standards" approved by the Commission.¹⁹ Allowing for the application of future "Applicable Reliability Standards," in addition to the Commission's uniform minimum operating requirements, will result in the same or greater reliability than simply the application of future "NERC Reliability Standards" without resulting in lesser reliability outside of the State of New York.

B. Independent Entity Variation with Respect to the Term "Transmission Provider"

Both the NYISO and the New York Transmission Owners ("NYTOs") have responsibilities in the interconnection process in New York that are assigned to the "Transmission Provider" in the Commission's *pro forma* LGIA and SGIA. The Commission has previously accepted the NYISO's proposed revisions to the *pro forma* term "Transmission Provider" that allocate the Transmission Provider's responsibilities between the NYISO and the NYTOs in a manner that reflects their roles in interconnection and system operations in New York.²⁰

Consistent with the existing allocation of the Transmission Provider's responsibilities in the NYISO's LGIA and SGIA, the NYISO proposes to replace the term "Transmission Provider" as used in the Commission's revisions in Order No. 842 with the terms "NYISO," "NYISO and the Connecting Transmission Owner," and "NYISO and/or the Connecting Transmission Owner," as applicable, to clarify the respective roles of the NYISO and the Connecting Transmission Owners as they relate to the generating facility's provision of primary frequency response.²¹

¹⁸ NYISO LGIA, OATT § 30.14, App'x 3, Art. 9.1. Relatedly, Section 3.4.4 of NYISO's SGIA addresses disconnection of facilities as may be required under "Applicable Reliability Standards." NYISO SGIA, OATT § 32.5, App'x 7, Art. 3.4.4.

¹⁹ 16 U.S.C. § 824o(i)(3).

²⁰ See, e.g., *New York Independent System Operator, Inc. and New York Transmission Owners*, Order Granting Rehearing in Part and Denying Rehearing in Part and Accepting Compliance Filing, 119 FERC ¶ 61,333 (2007) at P 34 (accepting compliance revisions filed by NYISO and NYTOs on March 22, 2007, in the Order No. 2006 proceeding, including the split of responsibilities between the NYISO and NYTO in the SGIP and SGIA).

²¹ Specifically, the NYISO proposes this revision in Sections 9.5.5, 9.5.5.1, and 9.5.5.4 of its LGIA and Sections 1.8.3, 1.8.3.1 and 1.8.3.4 of its SGIA.

C. Independent Entity Variation with Respect to the Term “Interconnection Customer”

The term “Developer,” as used in the NYISO’s Commission-approved LGIA,²² is a tariff-defined term referring to a project developer for a Large Facility (versus a Small Generating Facility). The NYISO uses the term “Developer” instead of “Interconnection Customer” throughout its LFIP and LGIA. To avoid confusion and for consistency with the other provisions in the LGIA and LFIP not subject to revision under Order No. 842, the NYISO proposes to continue to use the term “Developer” in place of “Interconnection Customer” in new Sections 9.5.5 through 9.5.5.4 of the LGIA.

D. Independent Entity Variation with Respect to the Term “Transmission System”

The term “New York State Transmission System” as used in the NYISO’s Commission-approved LGIA and SGIA is a tariff-defined term that defines the scope of the New York State electric transmission system that is subject to the NYISO’s interconnection procedures.²³ The NYISO uses the term “New York State Transmission System” instead of “Transmission System” throughout NYISO’s interconnection procedures and agreements. To avoid confusion and for consistency with the other provisions in the NYISO’s LGIA and SGIA not subject to revision under Order No. 842, the NYISO proposes to continue to use the term “New York State Transmission System” in place of “Transmission System” in its proposed revisions to the LGIA and SGIA.²⁴

E. Additional Miscellaneous Variations

The NYISO proposes a few additional minor clarifying or ministerial variations in adopting the Commission’s language. First, consistent with the NYISO’s LGIA and SGIA, the NYISO has substituted the word “Article” for the word “Section” in the provisions added in response to Order No. 842. In addition, the NYISO has adjusted heading numbers to maintain consistency and coherence within its existing LGIA and SGIA.

Second, the NYISO identified a missing word in the fourth sentence of both Section 9.6.4 of the Commission’s *pro forma* LGIA and Section 1.8.4 of its *pro forma* SGIA. The NYISO proposes to insert the word “on” in the corresponding provisions in Section 9.5.5 of NYISO’s LGIA and in Section 1.8.3 of NYISO’s SGIA.

²² *New York Independent System Operator, Inc.*, 108 FERC ¶ 61,159 at PP 17-19 (2004).

²³ The NYISO’s LGIA and SGIA define “New York State Transmission System” as the “entire New York State electric transmission system, which includes (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.” NYISO LGIA, OATT § 30.14, App’x 3, Art. 1; NYISO SGIP, OATT §32.5, App’x 1.

²⁴ Specifically, the NYISO proposes this variation in Sections 9.5.5, 9.5.5.1, and 9.5.5.4 of NYISO’s LGIA and Sections 1.8.3, 1.8.3.1, and 1.8.3.4 of NYISO’s SGIA.

Third, the Commission directed public utility transmission providers to remove certain language from Section 9.6.2.1 of its *pro forma* LGIA that is not present in the corresponding Section 9.5.4 of the NYISO's Commission-approved LGIA as a result of a previously accepted variation. Accordingly, the NYISO proposes to revise the portion of Section 9.5.4 that still reflects the Commission's *pro forma* language.

The Commission directed public utility transmission providers to include certain prompts in the Interconnection Request form in the LGIP for newly interconnecting customers to provide primary frequency response operating range information for proposed electric storage resources. The NYISO previously modified its Interconnection Request form in its LFIP including inserting electric storage related questions. Accordingly, the NYISO proposes to locate the prompts for primary frequency response operating information in the electric storage resources portion of its Interconnection Request form.

Finally, the NYISO proposes to add “%” at the end of the prompts in its Interconnection Request forms in its LFIP and SGIP that request Minimum State of Charge and Maximum State of Charge for the proposed energy storage resource. This variation is meant to clarify the type of data newly interconnecting customers must provide and is consistent with the Commission's explanation of an electric storage resource's State of Charge in Order No. 841.²⁵

V. Effective Date

The Commission directed that its *pro forma* revisions will apply to all newly interconnecting large and small generating facilities that execute or request the unexecuted filing of an LGIA or SGIA on or after May 15, 2018, and existing large and small generating facilities that take any action that requires the submission of a new interconnection request that results in the filing of an executed or unexecuted interconnection agreement on or after May 15, 2018.²⁶ Accordingly, the NYISO respectfully requests that its tariff revisions become effective on May 15, 2018.

VI. Service

The NYISO will send an electronic link to this filing to the official representative of each party to this proceeding, to the official representative of 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. In addition, a complete copy of the documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

²⁵ *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 162 FERC ¶ 61, 127 at P 208 (2018) (“Order No. 841”) (“State of Charge represents the amount of energy stored in proportion to the limit on the amount of energy that can be stored, typically expressed as a percentage.”).

²⁶ Order No. 842 at P 272.

VII. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept this compliance filing.

Respectfully submitted,

/s/ Sara B. Keegan

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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 May 2018.

By: /s/ John C. Cutting

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