

February 24, 2020

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., Compliance Filing; Docket Nos.
ER19-2276-000, -001, -002

Dear Ms. Bose:

On June 27, 2019 the New York Independent System Operator, Inc. (“NYISO”) submitted proposed revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”)¹ to establish a new participation model for Aggregations of resources and Distributed Energy Resources (“DER”), including requirements that will allow Aggregations and DER to participate in the NYISO-administered Energy, Ancillary Services, and Installed Capacity markets.² The Federal Energy Regulatory Commission (“Commission”) accepted the NYISO’s proposed tariff revisions in its January 23, 2020, *Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report* in the above-captioned proceedings (“January 2020 Order”).³

The January 2020 Order also directed the NYISO to submit a compliance filing to: (i) establish an effective date for tariff revisions for which the NYISO had previously not proposed an effective date; (ii) incorporate minor tariff revisions proposed by the New York Transmission Owners (“NYTOs”); and (iii) revise certain Buyer-Side Mitigation tariff records reflecting the Commission’s December 20, 2019, Order in Docket No. ER19-467-000, *et al.*⁴ The NYISO submits this compliance filing to address the directives of the January 2020 Order.

¹ Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in the NYISO’s OATT or its Services Tariff.

² New York Independent System Operator, Inc., Proposed Tariff Revisions Regarding Establishment of Participation Model for Aggregations of Resources, Including Distributed Energy Resources, and Proposed Effective Dates, Docket No. ER19-2276-000 (June 27, 2019) (“June 2019 Filing”).

³ *New York Independent System Operator, Inc.*, Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report, 170 FERC ¶ 61,033 (Jan. 23, 2020).

⁴ *New York Independent System Operator, Inc.*, Order on Compliance Filing, 169 FERC ¶ 61,225 (2019) (“December 2019 Order”).

I. Communications

Communications and correspondence regarding this filing should be directed to:

Robert E. Fernandez, Executive Vice President & General Counsel
Karen Georgenson Gach, Deputy General Counsel
Raymond Stalter, Director, Regulatory Affairs
Alex M. Schnell, Assistant General Counsel/ Registered Corporate Counsel *
Gregory J. Campbell, Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-4702
rfernandez@nyiso.com
kgach@nyiso.com
rstalter@nyiso.com
aschnell@nyiso.com
gcampbell@nyiso.com

* -- Person designated for service.

II. List of Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A blacklined version of the NYISO Services Tariff sections containing the proposed compliance modifications ("Attachment I");
2. A clean version of the NYISO Services Tariff sections containing the proposed compliance modifications ("Attachment II");
3. An exhibit showing a blackline of the proposed revisions to Services Tariff sections 23.2.1 and 23.4.5.7 that were directed to be removed in the January 2020 Order ("Attachment III"); and
4. An exhibit showing a clean copy of currently effective Services Tariff sections 23.2.1 and 23.4.5.7 ("Attachment IV").

III. Background

On June 27, 2019, the NYISO submitted a Federal Power Act Section 205 filing proposing to amend its OATT and Services Tariff to integrate Aggregations and DER. The revisions will enable a Market Participant to group individual facilities located on the transmission and/or distribution systems to form a single entity - an Aggregation - for the purpose of participating in the NYISO-administered Energy, Ancillary Services, and Installed Capacity markets. The revisions will significantly enhance opportunities for both existing and

new facilities to participate in the NYISO-administered markets, including facilities that cannot currently participate or cannot fully participate in the markets due to, among other things, their size, physical or operational characteristics, or commitments to the local distribution system or host load.

On January 23, 2020, the Commission accepted the June 2019 Filing, and directed the NYISO to submit a compliance filing with certain revisions. The NYISO submits this compliance filing and tariff revisions to address the Commission's directives, as explained in Part IV below.

IV. Proposed Tariff Revisions

A. Tariff Revisions Recommended by the New York Transmission Owners

The NYTOs identified a limited set of edits to the NYISO's proposed tariff revisions in comments submitted in this proceeding on July 18, 2019.⁵ The NYTOs stated that the recommended edits would enhance the revisions submitted by the NYISO.⁶ The NYISO supported the NYTO's requested edits in its August 2, 2019 Answer in this proceeding, agreeing that the recommended edits would improve the proposed tariff revisions.⁷ The NYISO's Answer proposed to submit revised tariff sections in this docket reflecting the NYTO's edits.⁸ The January 2020 Order accepted the proposed edits as requested by the NYTOs.⁹

The NYISO submits with the instant filing revisions to Services Tariff Sections 4.5.7.1, 5.12.1, 5.12.6, 15.3.6.1(C), 17.2.2.4, and 23.3.1.2.1.4 reflecting the recommendations of the NYTOs. The edits were accepted by the Commission in the January 2020 Order, and will become effective as described in Part IV(C) of this compliance filing.

B. Removal of Buyer Side Mitigation Market Power Mitigation Measures Related to "Category III" Facilities

The NYISO's December 3, 2018, filing in Docket No. ER19-467-000 (the "Order No. 841 Compliance Filing") proposed modifications to Services Tariff Sections 23.2.1 and 23.4.5.7 related to its Buyer-Side Market Power Mitigation Measures (the "BSM Rules") for Installed Capacity.¹⁰ The NYISO's June 2019 Filing did not propose any substantive changes to the BSM Rules, and in particular, did not propose to reinstate the rules applicable to "Category III"

⁵ *New York Transmission Owners*, Motion to Intervene and Comments, Docket No. ER19-2276-000 at 7 (July 18, 2019).

⁶ *Id.*

⁷ *New York Independent System Operator, Inc.*, Request for Leave to Answer and Answer, Docket No. ER19-2276-000 at 17 (Aug. 2, 2019).

⁸ *Id.*

⁹ January 2020 Order at P 136.

¹⁰ December 2018 Filing at 51-54

facilities.¹¹ The NYISO did, however, submit with the June 2019 Filing “clean” tariff records that included the modifications to Services Tariff Sections 23.2.1 and 23.4.5.7 submitted in the Order No. 841 Compliance Filing.

Subsequent to the June 2019 Filing, the Commission rejected the proposed reinstatement of the BSM Rules related to “Category III” facilities in Docket No. ER19-467, and directed the NYISO to remove the proposed revisions from Services Tariff Sections 23.2.1 and 23.4.5.7.¹²

The NYISO encloses as Attachment III a redlined version of Services Tariff Sections 23.2.1 and 23.4.5 showing the removal of all of the revisions to the BSM Rules that were proposed in the Order No. 841 Compliance Filing. Subsequent to the June 2019 Filing, the NYISO proposed and the Commission accepted, revisions to the Services Tariff, including Sections 23.2.1 and 23.4.5.7, in a Federal Power Act Section 205 Filing (the “Class Year Filing”).¹³ The Class Year Filing, which did not propose any changes to “Category III” facilities, sought to expedite and enhance the efficiency of the NYISO’s interconnection process and made conforming revisions to the BSM Rules.¹⁴ The tariff revisions proposed in the Class Year Filing became effective on February 18, 2020.¹⁵ The NYISO submits as Attachment IV a clean copy of currently effective Services Tariff Sections 23.2.1 and 23.4.5.7 reflecting the Commission-accepted Class Year Filing, which do not include any of the rules related to “Category III” facilities the Commission directed to be removed in the January 2020 Order.

C. Proposed Effective Date

The June 2019 Filing proposed a series of effective dates that would allow the proposed tariff revisions to become effective at staggered intervals beginning on May 1, 2020.¹⁶ The NYISO proposed that a certain set of tariff revisions related to the market rules for Aggregations and DER become effective on a date to be determined, but in any event no earlier than October 1, 2021.¹⁷ The NYISO advised the Commission that it was unable to propose a precise effective

¹¹ January 2020 Order at P 133.

¹² December 2019 Order at P 51.

¹³ *New York Independent System Operator, Inc.*, Docket No. ER20-638-000 (Jan. 31, 2020) (unpublished letter order).

¹⁴ *New York Independent System Operator, Inc.*, Proposed Tariff Revisions Regarding Interconnection Process Improvements, Docket No. ER20-638-000 (December 19, 2019).

¹⁵ *New York Independent System Operator, Inc.*, Docket No. ER20-638-000 (Jan. 31, 2020) (unpublished letter order).

¹⁶ The NYISO proposed to make the tariff revisions concerning Meter Services Entities for Demand Side Resources, Dual Participation, and Interconnection Procedures effective May 1, 2020, and the tariff revisions concerning Resources with Energy Duration Limitations effective March 1, 2021. The NYISO does not propose to change the effective dates for those provisions in the instant filing.

¹⁷ June 2019 Filing at 110.

date until the development and testing of the software changes necessary to implement the Aggregation participation model is completed.¹⁸

The January 2020 Order noted that the NYISO submitted several tariff records with a requested effective date of “12/31/9998,” and directed the NYISO to submit a compliance filing proposing revised effective dates reflecting the dates upon which the NYISO intends to implement those tariff records.¹⁹

In the approximately eight months since the NYISO proposed its Aggregation and DER participation model, it has been working to develop the requirements for the software applications that will effectuate that participation model. Importantly, on February 4, 2020, the NYISO successfully deployed its upgraded Energy Management System (“EMS”) and Business Management System (“BMS”), the culmination of a years-long project to modernize the hardware and software platforms responsible for operating the NYISO’s wholesale Energy markets, and monitoring and maintaining the reliability of the bulk electricity grid. The software necessary to implement the Aggregation and DER participation model will be developed for the updated EMS/BMS platforms.

The NYISO currently anticipates deploying the Aggregation and DER participation model in the fourth quarter of 2021, no later than December 31, 2021. The December 31 date is a backstop date. The NYISO is working diligently to be able to make the tariff revisions effective prior to that date. However, the NYISO is not able to accurately propose a precise effective date upon which the tariff revisions will become effective at this time.

As it has done in many previous proceedings, the NYISO proposes to submit a compliance filing at least two weeks prior to its proposed effective date that will specify the date on which the revised tariff language will take effect.²⁰ Consistent with Commission precedent, such filing will provide adequate notice to the Commission and Market Participants of the implementation for integration of Aggregations and DER.²¹

V. 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

¹⁸ June 2019 Filing at 110.

¹⁹ January 2020 Order at P 35.

²⁰ The NYISO will resubmit all of the tariff revisions filed in compliance with Order No. 841 with the appropriate effective date along with the proposed two-week notice.

²¹ See, e.g., *New York Indep. Sys. Operator, Inc.*, 106 FERC ¶ 61,111 at P 10 (2004); Docket No. ER 11-2544-000, *New York Indep. Sys. Operator, Inc.*, Letter Order at 1 (February 10, 2011); Docket No. ER15-485-000, *New York Indep. Sys. Operator, Inc.*, Letter Order at 2 (January 15, 2015); *New York Indep. Sys. Operator, Inc.*, 151 FERC ¶ 61,057 at P 20 (2015).

Jersey Board of Public Utilities. In addition, the complete filing will be posted on the NYISO's website at www.nyiso.com.

VI. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept this compliance filing without any modifications.

Respectfully submitted,

/s/ Gregory J. Campbell

Gregory J. Campbell

*Counsel for the New York Independent System
Operator, Inc.*

cc:	Anna Cochrane	Daniel Nowak
	James Danly	Larry Parkinson
	Jignasa Gadani	Douglas Roe
	Jette Gebhart	Frank Swignoski
	Kurt Longo	Eric Vandenberg
	John C. Miller	Gary Will
	David Morenoff	