

# Attachment I

**Admission and Denials of Material Allegations  
of the New York Independent System Operator, Inc.**

Pursuant to Rule 213(c)(2)(i) of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.213(c)(2)(i) (2018), the NYISO sets forth the following admissions and denials to the material factual and legal allegations in the Complaint. To the extent that any fact or allegation in the Complaint is not specifically addressed here or elsewhere in the NYISO’s answer, it is denied.

1. The NYISO denies that the currently effective BSM Rules interfere with New York State’s policy objectives in a manner that justifies granting the Complaint at this time. Complaint at 3, 26.
2. The NYISO denies that its “current BSM Rules are used as both a shield to preserve the market position of incumbent generators and as a sword against new market entrants. . . .” Complaint at 3-4.
3. The NYISO denies that its application of the BSM Rules at this time violates Order No. 841 or “represent a significant barrier to market entry and participation.” Complaint at 25, 36.
4. The NYISO admits that the “Services Tariff currently includes physical withholding rules which provide that sellers’ market behavior will not be considered anti-competitive unless it increases capacity prices by at least \$0.50/kilowatt-month” and that “[t]here is no comparable threshold to trigger the BSM Rules.” Complaint at 26. However, the NYISO denies that the differences between the rules is unjustified or unduly discriminatory. *Id.*
5. The NYISO denies that its existing BSM Rules are “overbroad” or that they present a barrier to the entry of energy storage resources at this time that can only be addressed by granting the relief requested in the Complaint. Complaint at 26-27, 33.
6. The NYISO denies that new entry will necessarily have only short-term price impacts or will necessarily be quickly offset by retirements. Complaint at 28.
7. The NYISO admits that “[o]ther policies and market forces occurring in parallel with Energy Storage Resource deployments” may cause “some capacity resources to exit the market and others to enter it.” Complaint at 28.
8. The NYISO admits that the existing BSM Rules do not explicitly incorporate State policy goals. Complaint at 29.

9. The NYISO denies that it is “selectively insulating” any resources in its capacity market, or is applying mitigation to address only “short-term price decreases.” Complaint at 29.
10. The NYISO denies that “there is no rational basis to apply BSM measures to Energy Storage Resources.” Complaint at 29.
11. The NYISO denies that granting the relief requested by the Complaint at this time is the only way to avoid interference with New York State’s generation resource mix and environmental policy objectives. Complaint at 32.
12. The NYISO denies that the currently effective BSM Rules “exclude” from the ICAP Market, or otherwise impose an undue burden on, energy storage resources. Complaint at 33.
13. The NYISO denies that the currently effective BSM Rules, at this time, unreasonably prevent energy storage resources from participating in the ICAP Market, or unreasonably prohibit energy storage resources from maximizing the capacity, energy, and ancillary services that they are able to provide in the NYISO. Complaint at 35.
14. The NYISO denies that subjecting Energy Storage Resources to the BSM rules at this time is unjust, unreasonable, unduly discriminatory, inconsistent with Order No. 841, or incompatible with New York State policy objectives. Complaint at 36.