

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

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New York Independent System Operator, Inc.     )  
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Docket No. ER19-467-\_\_\_\_\_

**MOTION OF NEW YORK INDEPENDENT SYSTEM OPERATOR, INC.  
TO EXTEND EFFECTIVE DATE OF COMPLIANCE TARIFF REVISIONS**

In accordance with Rules 212 and 2008 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”),<sup>1</sup> the New York Independent System Operator, Inc. (“NYISO”)<sup>2</sup> respectfully submits this motion to extend the effective date for the revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”) to comply with Order No. 841<sup>3</sup> to a date *no later* than September 30, 2020.

On December 3, 2018, the NYISO submitted proposed revisions to its OATT and Services Tariff to comply with Order No. 841 (“December 2018 Filing”). In that filing, the NYISO requested that the Commission grant an extension of the Order No. 841 implementation deadline for its compliance tariff revisions until a date no earlier than May 1, 2020. As explained in the December 2018 Filing, the NYISO required additional time, in part, because the Energy Management System (“EMS”) and Business Management System (“BMS”) software platforms upon which the proposed revisions would be implemented were undergoing a

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<sup>1</sup> 18 C.F.R. §§ 385.212, 385.2008.

<sup>2</sup> Capitalized terms that are not otherwise defined in this submission shall have the meaning specified in the NYISO’s Open Access Transmission Tariff (“OATT”) or its Market Administration and Control Area Services Tariff (“Services Tariff”).

<sup>3</sup> *Electric Storage Participation in Markets Operated by Regional Transmission Organizations and Independent System Operators*, Order No. 841, 162 FERC ¶ 61,127 (Feb. 15, 2018), 83 Fed. Reg. 9580 (Mar. 6, 2018), Errata Notice (Feb. 28, 2018) (“Order No. 841”), *order on reh’g*, Order No. 841-A, 167 FERC ¶ 61,154 (2019). All citations to Order No. 841 in this submission are to the revised order included with the February 28, 2018, errata notice.

significant, years-long upgrade. In its December 20, 2019, order (“December 2019 Order”), the Commission granted the NYISO’s extension of the implementation deadline required by Order No. 841. However, the Commission denied the NYISO’s requested flexible effective date and directed the NYISO to propose an effective date that is no later than May 1, 2020.

The NYISO has now successfully deployed its EMS/BMS upgrades and respectfully requests that the Commission extend the permitted effective date of its compliance tariff revisions until a to-be-determined date *no later* than September 30, 2020. As explained below, good cause exists to extend the effective date. The NYISO is working diligently, along with its contractors, to implement the proposed Energy Storage Resource participation model on the new EMS/BMS. However, substantial software testing, staff training, and market trials must be completed before the NYISO will be able to reliably implement the new energy storage functionality and requirements. The NYISO, therefore, requests a limited extension of the effective date directed in the December 2019 Order based on its best estimate of the timeframe for completing the necessary implementation steps, with a backstop date no later than September 30, 2020. If the NYISO is able to reliably effectuate the compliance tariff revisions before September 30, 2020, it will request that the Commission make them effective as of that earlier date.

## **I. COMMUNICATIONS**

Communications and correspondence regarding this filing should be directed to:<sup>4</sup>

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## **II. Background**

On December 3, 2018, the NYISO submitted its compliance filing in response to Order No. 841.<sup>5</sup> Specifically, the NYISO proposed tariff revisions to establish a new participation model for Energy Storage Resources that recognizes their physical and operational characteristics, and facilitates their participation in the NYISO-administered Energy, Ancillary Services, and Installed Capacity markets. The NYISO subsequently submitted further

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<sup>4</sup> The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2014) to permit service on counsel in multiple locations.

<sup>5</sup> *New York Independent System Operator, Inc.*, Compliance Filing and Request for Extension of Time of Effective Date, Docket No. ER19-467-000 (December 3, 2018) (“December 2018 Filing”).

information in response to the Commission's request for additional information concerning the December 2018 Filing<sup>6</sup> and submitted amendments to its initial filing.<sup>7</sup>

In the December 2018 Filing, the NYISO requested that the Commission grant an extension of the 365 day implementation timeframe required by Order No. 841<sup>8</sup> and requested that the Commission grant the NYISO a flexible effective date pursuant to which the compliance tariff revisions would become effective no earlier than May 1, 2020.<sup>9</sup> The NYISO explained that it would not be possible to implement necessary software upgrades before May 1, 2020, due to a years-long effort to upgrade its EMS/BMS platforms.<sup>10</sup>

The EMS/BMS platforms comprise the hardware and software that run the NYISO's wholesale Energy markets and monitor and maintain the reliability of the bulk electricity grid. The EMS is used by NYISO's system operators to monitor the reliable operation of the grid and for situational awareness, and includes applications that monitor load flows and perform contingency analyses, such as outage monitoring and automatic generation control. The BMS is a suite of applications that comprise the Security Constrained Unit Commitment, Real-Time

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<sup>6</sup> *New York Independent System Operator, Inc.*, Response to April 1, 2019 Letter and Notification of Implementation Issues that Necessitate Additional Limited Compliance Tariff Revisions, Docket No. ER19-467-001 (May 1, 2019).

<sup>7</sup> The NYISO submitted minor amendments to the material in its December 2018 Filing to address two implementation issues concerning the ability of electric storage facilities to participate in the NYISO-administered markets as Generators that are Energy Limited Resources. *New York Independent System Operator, Inc.*, Order No. 841 Compliance Filing, Docket No. ER19-467-002 (May 31, 2019); *see* December 2019 Order at PP 43-48 (accepting NYISO's new participation model for Energy Storage Resources as complying with Order No. 841 and not requiring changes to the NYISO's Energy Limited Resource participation model).

<sup>8</sup> Order No. 841 at PP 6, 348.

<sup>9</sup> December 2018 Filing at p 64. In its December 2018 Filing, the NYISO requested separate effective dates for its revisions to its Service Tariff concerning the proposed reinstatement of "Category III" Examined Facilities. *Id.* at pp 65-66. The Commission, however, did not accept these revisions in the December 2019 Order, so the NYISO does not address the related effective date requests here.

<sup>10</sup> December 2018 Filing at 64.

Commitment, and Real-Time Dispatch software used to develop schedules and prices for the NYISO's Energy and Ancillary Services markets.

The software necessary to implement the Energy Storage Resource compliance tariff revisions is being coded for deployment on the upgraded EMS/BMS platforms.<sup>11</sup> The NYISO explained that it could perform much of the software development work prior to the completion of the upgraded EMS/BMS platforms, but that certain additional work, including testing of the new energy storage software, could only be performed after the upgraded EMS/BMS was completed.<sup>12</sup>

On December 20, 2019, the Commission accepted the NYISO's compliance filing in large part, but rejected certain elements of the NYISO's proposal. The December 2019 Order granted the NYISO's requested extension of the implementation timeframe beyond the 365 day period required in Order No. 841,<sup>13</sup> but rejected the NYISO's request for a flexible effective date that would be no earlier than May 1, 2020. The Commission expressed concern that the NYISO's proposal "inappropriately creates uncertainty for existing and prospective market participants . . . ."<sup>14</sup> The Commission also stated that "[n]early a full year has elapsed since NYISO proposed this effective date in its compliance filing" and that "we expect that NYISO has made sufficient progress to implement its software upgrade."<sup>15</sup> Accordingly, the December 2019 Order directed the NYISO to propose an effective date for its Order No. 841 compliance revisions "that is no later than May 1, 2020."<sup>16</sup>

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<sup>11</sup> *Id.* at 65.

<sup>12</sup> *Id.*

<sup>13</sup> December 2019 Order at P 222.

<sup>14</sup> *Id.* at P 223.

<sup>15</sup> *Id.*

<sup>16</sup> *Id.*

On January 21, 2020, out of an abundance of caution, the NYISO requested rehearing of this determination to the extent that it was intended to prevent the NYISO from making a subsequent filing to demonstrate the need to extend the May 1, 2020, deadline.<sup>17</sup> The NYISO's rehearing request emphasized that the initial software development work to implement the Energy Storage Resource participation model it designed had recently been completed but that additional time is needed for testing, training, and market trials before implementing the Order No. 841 compliance tariff revisions. The NYISO is also in the process of developing additional software to address the limited further compliance revisions directed by the December 2019 Order.

### **III. Motion to Extend Effective Date**

The NYISO respectfully requests that the Commission extend the effective date of the compliance tariff revisions until a to-be-determined date *no later* than September 30, 2020. As described below, good cause exists to extend the effective date. The requested effective date will provide Market Participants with certainty concerning the timeframe for the NYISO's implementation of its Energy Storage Resource participation model, while also ensuring that the required software testing and staff training can be reliably completed and implemented.

In the fourteen months since the December 2018 Filing, the NYISO has been working diligently, along with its contractors, to perform those steps that could be achieved to effectuate the proposed Energy Storage Resource participation model prior to the deployment of the completed, upgraded EMS/BMS platform. This has included the development of the software applications necessary to implement the rules and requirements submitted in the December 2019

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<sup>17</sup> *New York Independent System Operator, Inc.*, Request for Rehearing of New York Independent System Operator, Inc., Docket No. ER19-467-003 at pp 13-16 (January 21, 2020).

Filing. In addition, the NYISO has been able to perform certain early testing of these rules and requirements. However, the NYISO has been unable to perform the majority of the necessary testing, staff training and market trials, as the upgrades to the EMS/BMS platforms were not yet complete.

On February 4, 2020, the NYISO successfully deployed the completed, upgraded EMS/BMS platforms. With these platforms in place, the NYISO can now proceed with the final sequence of Energy Storage Resource participation model development, testing, and training.

The software testing includes simulated simultaneous evaluation of Bids and operation by multiple Energy Storage Resources at different locations across the state. The NYISO will be reviewing how changes to various Energy Storage Resource Bid parameters and market conditions impact the performance of the NYISO's EMS and BMS. The NYISO will also conduct integrated testing across the impacted NYISO systems to confirm that the software operates in a manner that is consistent with the tariff revisions submitted in this docket in compliance with Order Nos. 841 and 841-A. The NYISO expects that its remaining testing sequence will identify improvements that must be made before the Energy Storage Resource software can be reliably deployed. Along with the required testing, the NYISO will conduct system operator training to educate its system operators on the new system capabilities and will conduct market trials to provide Market Participants the opportunity to gain experience with and test the new software.

Based on the deployment date of the upgraded EMS/BMS platforms, the NYISO has determined that the required testing and training activities cannot practicably be completed by May 1, 2020. The NYISO expects the testing and training to be completed in the next six months, and no later than September 30, 2020. Once the necessary testing and training is

completed, the NYISO will be in a position to deploy the software, and make the compliance revisions effective.

The NYISO, therefore, respectfully requests that the Commission extend the effective date of the compliance tariff revisions until a to-be-determined date no later than September 30, 2020. The September 30, 2020, date constitutes a backstop date by which the Energy Storage Resource participation model will be implemented and provides certainty to Market Participants that the new requirements will be in place no later than that date. The NYISO will work diligently to implement the requirements prior to the September 30 date. If it is able to complete the testing and training prior to this date, then the NYISO will request that the Commission make its compliance tariff provisions effective on an earlier date. 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.<sup>18</sup> Consistent with Commission precedent, such filing will provide adequate notice to the Commission and Market Participants of the implementation for integration of Energy Storage Resources.<sup>19</sup>

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<sup>18</sup> 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.

<sup>19</sup> 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).

#### IV. CONCLUSION

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept this motion and extend the effective date for the tariff revisions proposed in this proceeding to a to-be-determined date no later than September 30, 2020.

Respectfully submitted,

/s/ Gregory J. Campbell

Gregory J. Campbell

*Counsel for*

*New York Independent System Operator, Inc.*

February 14, 2020

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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 14<sup>th</sup> day of February 2020.

/s/ Joy A. Zimmerlin

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