

July 1, 2021

Submitted Electronically

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: *New York Independent System Operator, Inc.*, Proposed Tariff Amendments to
Revise the Regulation Movement Multiplier;
Docket No. ER21-____-000.

Dear Ms. Bose:

In accordance with Section 205 of the Federal Power Act¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), the New York Independent System Operator, Inc. (“NYISO”) submits proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) to revise the uniform Regulation Movement Multiplier (“RMM”).²

The NYISO Management Committee (“MC”) unanimously approved the proposed revisions on May 26, 2021. The NYISO respectfully requests that the proposed revisions be permitted to take effect on August 31, 2021 (*i.e.*, the day following the end of the statutory 60-day notice period).

I. List of Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the Services Tariff (“Attachment I”); and
2. A blackline version of the proposed revisions to the Services Tariff (“Attachment II”).

¹ 16 U.S.C. § 824d.

² Capitalized terms not otherwise defined herein shall have the meaning specified in the Services Tariff.

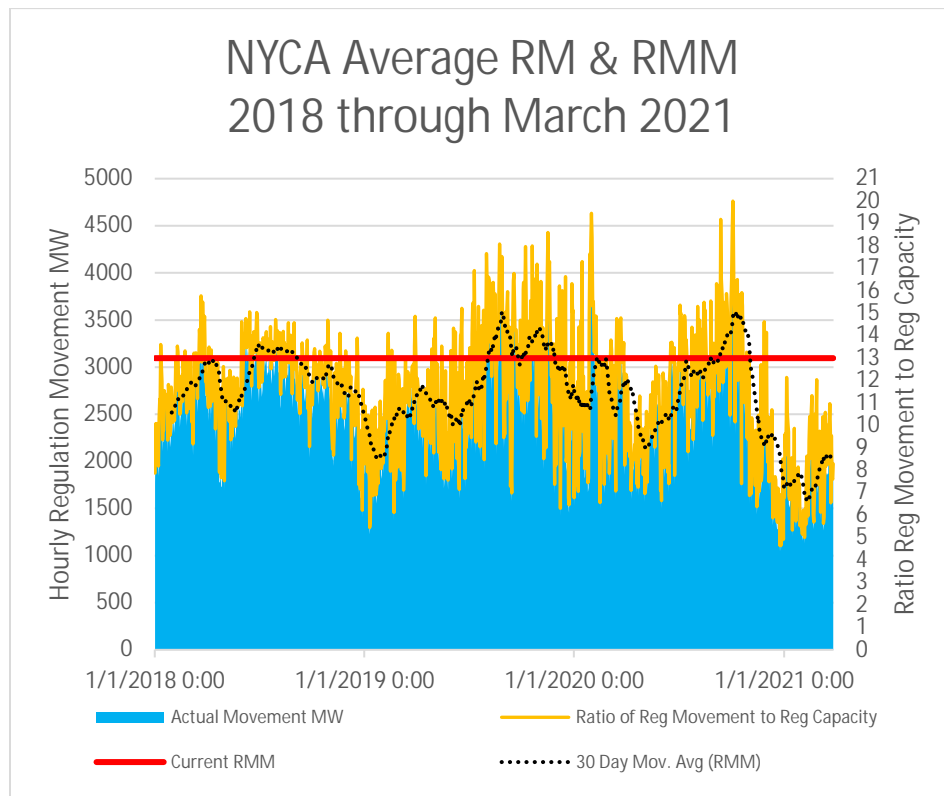
II. Background

Regulation Service, or “frequency regulation,” is instructed by the NYISO as Regulation Capacity in the Day-Ahead Market and as Regulation Capacity and Regulation Movement in the Real-Time Market. Day-Ahead and Real-Time Bids to provide Regulation Service must include a Bid for Regulation Capacity and a Bid for Regulation Movement. The NYISO schedules Regulation Service Suppliers in real-time by using their Regulation Capacity MW offer and a single, composite price offer made up of the sum of i) the price offered for Regulation Capacity and ii) the product of the price offered for Regulation Movement and the uniform RMM. The Commission previously approved the use of a uniform RMM to support the NYISO’s calculation of the composite price offer.³ Translating a Regulation Service Supplier’s two Bids into a single composite price offer (*i.e.*, a single Regulation Service Bid) equips the NYISO’s scheduling and dispatch software with a better representation of the likely cost of each Supplier to provide both the Regulation Capacity and Regulation Movement components of Regulation Service and allows a least cost comparison among individual offers.⁴ The RMM is set based on the average ratio of Regulation Movement instructed in an interval to the Regulation Capacity required for the same interval.

Recent analysis has demonstrated that a revised RMM value of 8 would more accurately reflect the dispatched movement of Regulation Service providers. The NYISO developed the revised RMM by analyzing historic data for the time period January 2018 through January 2021 (see Figure 1 below). The NYISO used the same methodology in analyzing the data that it had used to develop the initial RMM of 10 and the currently effective RMM of 13. That is, for each Regulation Service provider scheduled during a given hour of this historical period, the NYISO calculated a Regulation Movement MW value for each 6-second interval that a Regulation Service provider is instructed to deliver for the purpose of providing Regulation Service. For purposes of this calculation, directions to a Resource to provide Energy were not counted as Regulation Movement MW. The Regulation Movement MW were then summed across all Regulation Service providers for the given hour, and divided by the NYISO Regulation Capacity requirement (in MW) for that hour. The average hourly ratio of the Regulation Movement MW-to-Regulation Capacity requirement since October 2020 has been approximately 8. Therefore, the NYISO is proposing to update the RMM to reflect this more recent data.

³ See, *New York Independent System Operator, Inc.*, 143 FERC ¶ 61,194. In 2015, the Commission approved an update to the uniform RMM value. See, *New York Independent System Operator, Inc.*, Docket No. ER15-1010-000, unpublished letter order, (March 13, 2015).

⁴ See, Docket No. ER15-1010-000, *New York Independent System Operator, Inc.*, Proposed Tariff Amendments to Revise the Regulation Movement Multiplier (February 6, 2015), Affidavit of Mr. Rana Mukerji, NYISO Senior Vice President of Market Structures.

Figure 1:

The average hourly ratio of Regulation Movement MW-to-Regulation Capacity requirement (in MWs) from the last RMM change in 2015 until October 2020 was approximately 12 and the RMM was set to 13. However, since October 2020, the increased efficiency with which NYISO procures Regulation Movement has produced an average hourly ratio of Regulation Movement MW-to-Regulation Capacity requirement (in MW) of approximately 8. The October 2020 through January 2021 data set reflects a tuning of the NYISO’s Automatic Generation Control (“AGC”) software system in the September/October 2020 timeframe. The tuning allows the NYISO to procure Regulation Movement more efficiently, thus lowering the average hourly ratio of Regulation Movement to Regulation Capacity. The NYISO expects the proposed RMM value of 8 will produce a better estimate of resource cost that appropriately accounts for the recent improvements to the NYISO’s AGC software system.

III. Description of Proposed Revisions to the Services Tariff

The NYISO proposes to revise Section 2.18 of the Services Tariff to change the RMM from 13 to 8 as shown below:

Regulation Movement Multiplier: A factor with the value of ~~thirteen~~ eight (~~13~~8), used with the Regulation Movement Bids, to schedule Regulation Service providers in both the Day-Ahead and Real-Time Energy markets. The ISO calculates the Regulation Movement Multiplier based on the historical relationship between the number of MW of Regulation Capacity that the ISO seeks to maintain in each hour and the number of Regulation Movement MW instructed by AGC in each hour.

IV. Effective Date

The NYISO respectfully requests an August 31, 2021 effective date for the tariff revisions proposed in this filing (*i.e.*, the day following the end of the statutory 60-day notice period).

V. Stakeholder Approval

The Management Committee unanimously approved the proposed revisions to the Services Tariff on May 26, 2021. The NYISO Board of Directors approved the proposed tariff revisions on June 15, 2021.

VI. Correspondence

All communications and correspondence concerning this filing should be directed to:

Robert E. Fernandez, Executive Vice President & General Counsel
Karen G. Gach, Deputy General Counsel
Raymond Stalter, Director, Regulatory Affairs
*James H. Sweeney, Senior Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-7678
jsweeney@nyiso.com

* Person designated for receipt of service

VII. Service

The NYISO will send an electronic link to this filing to the official representative of each of its customers, each participant on its stakeholder committees, the New York State Public Service Commission, and the New Jersey Board of Public Utilities. The NYISO will also post the complete filing on its website at www.nyiso.com.

VIII. Conclusion

The NYISO respectfully requests that the Commission accept the tariff revisions proposed in this filing, without modification, with an effective date of August 31, 2021.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney, Senior Attorney

New York Independent System Operator, Inc.

cc: Janel Burdick
Matthew Christiansen
Jignasa Gadani
Jette Gebhart
Leanne Khammal
Kurt Longo
John C. Miller
David Morenoff
Douglas Roe
Frank Swigonski
Eric Vandenberg
Gary Will