

August 2, 2021

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.* Informational Report on
Co-located Storage Resources Implementation Progress; Docket No.
ER21-1001-00 ____**

Dear Secretary Bose:

On January 29, 2021, the New York Independent System Operator, Inc. (“NYISO”) filed proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) and Open Access Transmission Tariff (“OATT”) to implement Co-located Storage Resources (“CSR”) in its markets.¹ On March 30, 2021, the Federal Energy Regulatory Commission (“Commission”) issued an order accepting the NYISO’s proposed tariff revisions and instructing the NYISO to submit this Informational Report (“March Order”).²

In P 47 of its March Order the Commission directed the NYISO to “submit an informational filing on August 1, 2021 that reports on NYISO’s progress to test and complete the software changes needed to implement its CSR Participation Model and the estimated implementation date.” The NYISO submits this Informational Report to comply with the Commission’s directive.

¹ Docket No. ER21-1001-000, *New York Independent System Operator, Inc.*, Proposed Tariff Revisions to Implement Participation Model for Co-located Storage Resources (January 29, 2021) (“CSR Filing”). Capitalized terms not otherwise defined herein shall have the meaning specified in the Services Tariff and the OATT.

² *New York Independent System Operator, Inc.*, Order Accepting Proposed Tariff Revisions to Implement Participation Model for Co-located Storage Resources, 174 FERC ¶ 61,242 at P 47 (2021).

I. Informational Report

The NYISO is presently developing the manual revisions and software that it requires to implement CSR in its Energy, Ancillary Services and Capacity Markets. Proposed manual revisions will be presented to the NYISO's stakeholders for their review in August 2021.³ The NYISO has scheduled a market trial from September 7 to September 17 that will permit its Market Participants to test their systems' ability to connect and exchange data with the functionality the NYISO is developing to implement CSR (including changes to the Bid submission screen to permit the submission of CSR Scheduling Limits with hourly Bids).

The NYISO and its contractor ABB are in the process of developing the market software necessary to implement the CSR rules. The NYISO has completed more than half of the software development and began quality assurance testing of discrete components of the updated software on July 27, 2021. The NYISO expects to begin quality assurance testing of many of the bidding, scheduling and settlement functions in August 2021.

At this time, the NYISO anticipates that it will be able to implement CSR in its markets in the fourth quarter of 2021. However, there are risks that could delay implementation. The NYISO continues to look for ways to mitigate risks to a timely implementation of its CSR market rules.

The primary risks relate to delays in working through the modeling of the CSR point of injection/point of withdrawal ("POI") constraints within the unit commitment and economic dispatch. These constraints are referred to as the CSR injection and withdrawal Scheduling Limits in the accepted CSR Tariff language. The constraints NYISO will employ to enforce the CSR Scheduling Limits will allow it to provide feasible schedules to a pair of CSR Generators when the total capability the two Generators offer into the markets exceeds the capability of the equipment that connects the CSR Generators to the grid at the POI to inject (or withdraw) energy. On the surface, these types of constraints appear simple to design. However, in developing its software implementation the NYISO has found that coordinating the enforcement of the POI constraints with asset-specific constraints that apply to each CSR Generator individually, such as ramp rates and Generator-specific upper and lower operating limits, is more complex than was envisioned during the market design phase. The NYISO is working diligently to mitigate any possible delays by using parallel tracks to develop the software needed for CSR scheduling, bidding and settlements simultaneously, and testing each software component as it is completed.

Although the CSR project faces some risk of delay, the NYISO anticipates that it will be able to implement CSR in its Energy, Ancillary Services and Capacity markets by the end of

³ Manual revisions that include proposed CSR revisions are being presented to NYISO stakeholder working groups for the first time on August 3, 2021. Link to Market Issues Working Group/Installed Capacity Working Group presentation:
https://www.nyiso.com/documents/20142/23492128/CSR%20Manuals%20Updates_draft%20final_ICAP_WG.pdf/1819d8dc-f976-a927-37c1-7f75c3225573

2021. Consistent with P 47 and Ordering Paragraph (C) of the March Order, the NYISO will submit a compliance filing specifying its proposed effective date for the Tariff revisions necessary to implement CSR in its Energy, Ancillary Services and Capacity Markets at least two weeks in advance of its proposed effective date. If the NYISO determines that it will need to delay its implementation of CSR into 2022, the NYISO will notify its stakeholders and submit a filing requesting an extension of time from the Commission, explaining the reasons for any delays it experiences.

II. Service

The NYISO will send an electronic link to this filing to the official representative of each party to this proceeding, 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. In addition, the NYISO will post this filing on its website at www.nyiso.com.

III. Conclusion

The NYISO respectfully requests that the Commission accept this Informational Report as satisfying its reporting obligation under P 47 of the March Order.

Respectfully submitted,

/s/ Alex M. Schnell

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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 2nd day of August 2021.

/s/ Joy A. Zimmerlin

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