

**New York Independent System** ) **Docket No. ER20-1718-00\_**  
**Operator, Inc.** )

In compliance accordance with the Commission’s February 17, 2022 Order addressing arguments on rehearing (“February Order”)<sup>1</sup> and in accordance with Rules 212 and 2008(a) of the Commission’s Rules of Practice and Procedure,<sup>2</sup> the New York Independent System Operator, Inc. (“NYISO”), respectfully submits this compliance filing to establish a proposed effective date for the Part A Test Enhancements, (“Part A Enhancements”) to the NYISO’s Installed Capacity<sup>3</sup> ”buyer-side” market power mitigation measures (“BSM Rules”) found in Section 23.4.5.7 of Attachment H of the Market Administration and Control Areas Services Tariff (“Services Tariff”). The Part A Enhancements were originally filed by the NYISO on April 30, 2020,<sup>4</sup> were rejected by the Commission on September 4, 2020,<sup>5</sup> and were then recently accepted by the Commission in the February Order.

<sup>5</sup> See *N.Y. Indep. Sys. Operator, Inc.*, 172 FERC ¶ 61,206 (2020).

The Part A Test, under the current BSM Rules, generally allows any resource to receive an exemption from Offer Floor mitigation when the capacity surplus would not exceed approximately five percent of the capacity requirement.<sup>6</sup> When proposed, the Part A Enhancements were expected to be an initial step in the NYISO's comprehensive review and reform of the BSM Rules. The goal of the overall reform effort was to make the BSM Rules better accommodate New York State's clean energy policies without any unduly discriminatory impacts that would harm the NYISO's Installed Capacity Market. The main purpose of the Part A Enhancements was to allow for the evaluation of the new, clean energy projects being driven by State policy before the evaluation of conventional energy projects and before the evaluation of all projects under the Part B Test,<sup>7</sup> which is based on forecasts of unit-specific economics.

As directed by the February Order, and discussed further below, the NYISO hereby elects to make the Part A Enhancements effective for the Class Year that will begin immediately following the completion of the ongoing Class Year 2021.<sup>8</sup> The NYISO also respectfully requests that the Commission grant an extension of time until August 1, 2022 for the NYISO to resubmit the necessary tariff revisions associated with the Part A Enhancements, including all conforming tariff changes that may be required to make the Part A Enhancements consistent with subsequent changes to the BSM Rules accepted over the nearly two years since the original Part A Filing was submitted to the Commission. When it files the conforming tariff changes, the NYISO will also address the effective date for the Part A Enhancements such that they will apply to the Class Year that begins immediately following Class Year 2021.

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<sup>6</sup> See Part A Filing at 5-7.

<sup>7</sup> *Id.* at 1-2

<sup>8</sup> Class Year 2021 began on March 11, 2021 and has made considerable progress. The Class Year that follows Class Year 2021 will be designated as either Class Year 2022 or Class Year 2023, depending on the schedule and number of decisional rounds of Class Year 2021.

**I. THE NYISO PROPOSES TO MAKE THE PART A ENHANCEMENTS EFFECTIVE FOR THE CLASS YEAR IMMEDIATELY FOLLOWING CLASS YEAR 2021**

The NYISO requests that the Part A Enhancements accepted by the Commission take effect for the Class Year immediately following the completion of Class Year 2021.<sup>9</sup> The NYISO made this determination after consultation with Potomac Economics, Ltd., its independent Market Monitoring Unit. Significant progress in Class Year 2021 has already been made, with several process milestones pertaining to the Part A Enhancements having long since passed, such as the NYISO's determination and posting of Public Policy Resources and the grouping of Examined Facilities into Group 1 or Group 2 Examined Facilities. Therefore, trying to implement the Part A Enhancements at this time to Class Year 2021 could be disruptive and cause confusion.

**II. REQUEST FOR EXTENSION OF TIME TO SUBMIT REQUIRED CONFORMING TARIFF LANGUAGE TO MAKE THE PART A ENHANCEMENTS CONSISTENT WITH SUBSEQUENTLY ACCEPTED CHANGES TO THE BSM RULES**

Because the proposed Part A tariff revisions were filed nearly two years ago, the NYISO must develop an updated tariff filing, including the currently effective base tariff. These revisions will specify the applicable Class Year, as discussed above. Initially, the NYISO intended to implement the Part A Enhancements for the Class Year 2019 Study and included tariff language explaining that the revisions would apply to the Class Year 2019 and all

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<sup>9</sup> The Part A Enhancements would also be implemented to all Expedited Deliverability Studies that begin after Class Year 2021 is completed.

subsequent BSM evaluations of Examined Facilities. Class Year 2019 was completed in January 2021, and Class Year 2021 began in March 2021.

The tariff revisions must also add the Part A Enhancements to the currently effective version of the Services Tariff that includes language that went into effect after the Part A Enhancements were originally filed. The NYISO will not only need to make conforming changes to the tariff to replace dates and milestone references (for the specific Class Year) related to implementing these revisions, but also expects that several additional updates will be required to align the Part A Enhancements with currently effective provisions. Tariff revisions that became effective after the filing of the Part A Enhancements include those related to Special Case Resources,<sup>10</sup> the Renewable Exemption and Self-Supply Exemption,<sup>11</sup> and Co-Located Storage Resources.<sup>12</sup> The Part A Enhancements will also need to be aligned with the pending tariff amendments associated with the NYISO's proposal to amend the BSM Rules in Docket No. ER22-772-000 (the "CMR Filing").<sup>13</sup>

Therefore, the NYISO respectfully requests that the Commission grant an extension of time to submit all conforming tariff changes necessary to implement the Part A Enhancements to the upcoming Class Year. The extension would encompass conforming tariff changes that will be required reflecting the Commission action on the CMR Filing, no later than August 1, 2022. The proposed effective date for all such changes would be consistent with the NYISO's decision to implement the Part A Enhancements for the upcoming Class Year.

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<sup>10</sup> See *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER17-996-000 *et seq.*

<sup>11</sup> See *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER16-1404-000 *et seq.*

<sup>12</sup> See *N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER22-418-001 (Letter Order issued January 13, 2022).

<sup>13</sup> The NYISO filed this market design with the Commission on January 5, 2022. The CMR proposal represents a significant change to the BSM Rules treatment of Resources and UDR Projects that are identified in New York State's Climate Leadership and Community Protection Act ("CLCPA") or otherwise meet the definition of "Excluded Facilities" proposed in the CMR Filing. It is currently pending before the Commission, with a proposed effective date of May 11, 2022.

### III. CONCLUSION

For the reasons set forth above, the NYISO respectfully requests that the Commission accept this compliance filing to make the Part A Enhancements effective for the upcoming Class Year immediately following Class Year 2021 and grant the NYISO an extension of time to file the necessary conforming tariff changes to integrate the Part A Enhancements with all other accepted BSM Rules no later than August 1, 2022.

Respectfully Submitted,

/s/ David Allen

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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 21st day of March 2022.

/s/ Mitchell W. Lucas

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