

June 8, 2022

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., Compliance Filing
Docket No. ER22-772-___**

In compliance with the directives of the Commission’s May 10, 2022 “Order Accepting Tariff Revisions Subject to Conditions” in this docket, *New York Independent System Operator, Inc.*, 179 FERC ¶ 61,102 (“May 10 Order”), the New York Independent System Operator, Inc. (“NYISO”) respectfully submits revisions to sections 5.10 and 5.11 of its Market Administration and Control Area Services Tariff (“Services Tariff”).

I. BACKGROUND

The May 10 Order accepted for filing, subject to condition, revisions to the Services Tariff that modified the NYISO’s “buyer-side” capacity market power mitigation measures (“BSM Rules”), as well as certain related aspects of the NYISO-administered capacity market. The NYISO’s filing was an effort to address long-standing tension between the Commission’s obligation to protect the NYISO-administered capacity market from buyer-side capacity market power and New York State’s ongoing efforts – particularly those encompassed by the Climate Leadership and Community Protection Act (“CLCPA”)¹ – to facilitate changes to the state’s resource mix.

The NYISO proposal accepted by the May 10 Order (i) removes certain resources that serve the goals of the CLCPA, “Excluded Facilities,”² from being defined as “Examined Facilities” and reviewed under the BSM Rules; (ii) adopts a marginal capacity accreditation market design to improve the accuracy of the capacity values assigned to all Installed Capacity Suppliers from a resource adequacy perspective; and (iii) adjusts the rules governing the Installed Capacity (“ICAP”) to Unforced Capacity (“UCAP”) translation that is done for the peaking plant used to set the ICAP Reference Price for the ICAP Demand Curves during each ICAP Demand Curve reset.

With respect to the marginal accreditation proposal, certain commenters sought an adjustment to the language in the Services Tariff governing the conversion of the New York

¹ S.B. 6599, 2019 Leg., 242nd Sess. (N.Y. 2019) (codified as Ch. 106, L. 2019).

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

Control Area (“NYCA”) Minimum Installed Capacity Requirement to the NYCA Minimum Unforced Capacity Requirement (Services Tariff Section 5.10), and the calculation of the Locational Minimum Unforced Capacity Requirement (Services Tariff Section 5.11.5). The NYISO’s existing tariff language details how the NYISO calculates the NYCA Minimum Installed Capacity Requirement by multiplying the NYCA ICAP requirement by the ratio of the available UCAP to “Adjusted Installed Capacity” and how it calculates the Locational Minimum Unforced Capacity Requirement in the same manner. The NYISO’s proposal, however, revised the calculation of “Adjusted Installed Capacity” to use each resource’s Capacity Accreditation Factor, rather than Duration Adjustment Factor. Certain commenters argued that, in light of that change in the calculation of Adjusted Installed Capacity, the UCAP conversion calculations should multiply the relevant minimum ICAP requirement by the ratio of available UCAP to available Installed Capacity (rather than Adjusted Installed Capacity).

The NYISO’s April 2022 answer informed the Commission that the NYISO agreed that the term “Adjusted Installed Capacity” in the UCAP conversion formulas set out in sections 5.10 and 5.11.5 of the Services Tariff should be replaced with the term “Installed Capacity” commencing with the Capability Year that starts on May 1, 2024.³ The May 10 Order directed the “NYISO to submit a compliance filing within 30 days of the issuance date of this order revising sections 5.10 and 5.11 of its Services Tariff to replace the use of ‘Adjusted Installed Capacity’ in its UCAP requirement formulas with ‘Installed Capacity.’”⁴

II. TARIFF AMENDMENTS

The NYISO submits versions of Services Tariff §§ 5.10 and 5.11.5 to reflect the modifications directed by the Commission. These revisions will first be administered in the NYISO’s Installed Capacity market for the Capability Period that begins May 1, 2024 to align with the implementation of the NYISO’s marginal capacity accreditation rules. The tariff revisions also sunset the current calculation methodology. With respect to section 5.10, the revised tariff language clarifies that the existing UCAP requirement calculation, which uses Adjusted ICAP, will be in place only through the Capability Year commencing on May 1, 2023. This aspect of the revised tariff language reads:

For each Capability Period prior to the Capability Period that begins May 1, 2024,
the NYCA Minimum Unforced Capacity Requirement shall equal the product of
the NYCA Minimum Installed Capacity Requirement and the ratio of (1) the total
amount of Unforced Capacity that the specified Resources are qualified to provide
during such Capability Period, as of the time the NYCA Minimum Unforced
Capacity Requirement is determined as specified in ISO Procedures, to (2) the

³ See New York Independent System Operator, Inc., *Request for Leave to Answer and Answer of the New York Independent System Operator*, pp. 2, 5-6, Docket Nos. ER22-772-000 and -001 (Apr. 18, 2022).

⁴ May 10 Order at P 82.

sum of the Adjusted Installed Capacity values used to determine the Unforced Capacities of such Resources for such Capability Period.

The NYISO also proposes to add a new sentence to section 5.10 which reads:

Starting with the Capability Period that begins on May 1, 2024 and for each subsequent Capability Period, the NYCA Minimum Unforced Capacity Requirement shall equal the product of the NYCA Minimum Installed Capacity Requirement and the ratio of (1) the total amount of Unforced Capacity that the specified Resources are qualified to provide during such Capability Period, as of the time the NYCA Minimum Unforced Capacity Requirement is determined as specified in ISO Procedures, to (2) the sum of the Installed Capacity values used to determine the Unforced Capacities of such Resources for such Capability Period.

With respect to section 5.11.5, the NYISO proposes similar changes. The NYISO proposes adjusting the existing language to make clear that the existing calculation applies only through the Capability Year that commences on May 1, 2023:

For each Capability Period prior to the Capability Period starting May 1, 2024
~~The~~ Locational Minimum Unforced Capacity Requirement for each Locality shall equal the product of the Locational Minimum Installed Capacity Requirement for a given Locality ((A) with or without the UDRs if there is a capability year adjustment election by a rights holder and (B) without the Locality Exchange MW) and the ratio of (1) the total amount of Unforced Capacity that the specified Resources are qualified to provide (with or without the UDRs associated with dissimilar capability periods, as so elected by the rights holder) during each month in the Capability Period, as of the time the Locational Minimum Unforced Capacity Requirement is determined as specified in ISO Procedures, to (2) the sum of the Adjusted Installed Capacity values used to determine the Unforced Capacities of such Resources for such Capability Period (with or without the DMNCs associated with the UDRs, as so elected by the rights holder).

The NYISO also proposes to add the following sentence to section 5.11.5:

Starting with the Capability Period that begins on May 1, 2024 and for each subsequent Capability Period, the Locational Minimum Unforced Capacity Requirement for each Locality shall equal the product of the Locational Minimum Installed Capacity Requirement for a given Locality ((A) with or without the UDRs if there is a capability year adjustment election by a rights holder and (B) without the Locality Exchange MW) and the ratio of (1) the total amount of Unforced Capacity that the specified Resources are qualified to provide (with or without the UDRs associated with dissimilar capability periods, as so elected by the rights holder) during each month in the Capability Period, as of the time the Locational Minimum Unforced Capacity Requirement is determined as specified in ISO Procedures, to (2) the sum of the Installed Capacity values used to determine the Unforced Capacities of such Resources for such Capability Period

(with or without the DMNCs associated with the UDRs, as so elected by the rights holder).

III. STAKEHOLDER PROCESS

The NYISO brought this issue first to its Stakeholders at a February 24, 2022 ICAP Working Group meeting. At the May 24, 2022 ICAP Working Group the NYISO presented the proposed tariff revisions. No concerns or issues with these tariff revisions have been brought to the NYISO's attention as of the time of this filing.

IV. REQUESTED EFFECTIVE DATE

The NYISO respectfully requests that the Commission issue an order, making this filing effective today, June 8, 2022.

V. COMMUNICATIONS

All communications, pleadings, and orders with respect to this proceeding should be directed to the following individuals:

Robert E. Fernandez, Executive Vice President &
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VI. LIST OF DOCUMENTS SUBMITTED

The NYISO submits the following documents with this transmittal letter.

1. A blacklined version of the Services Tariff revisions proposed in this filing ("Attachment I"); and
2. A clean version of the Services Tariff revisions proposed in this filing ("Attachment II").

VII. SERVICE

The NYISO will send an electronic copy of this filing to the official representative of each party to this proceeding, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, a complete copy of this filing will be posted on the NYISO's website at www.nyiso.com, and the NYISO will send an electronic link to this filing to the official representative of each of its customers and to each participant on its stakeholder committees.

VIII. CONCLUSION

For the reasons set forth above, the NYISO respectfully requests that the Commission accept this compliance filing with an effective date of June 8, 2022.

Respectfully submitted,

/s/ David M. 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 8th day of June 2022.

/s/ Mohsana Akter

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