

November 14, 2022

**By Electronic Delivery**

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

Re: New York Independent System Operator, Inc., Compliance Filing, Docket No. ER21-2460-000, *et al.*

Dear Ms. Bose:

The New York Independent System Operator, Inc. (“NYISO”) hereby submits this compliance filing to fulfill the directives of the Federal Energy Regulatory Commission’s (“Commission”) June 17, 2022, *Order on Compliance Filing* in the above-captioned proceeding (“2022 DER Order”).<sup>1</sup>

On July 19, 2021,<sup>2</sup> the NYISO submitted revisions to its Open Access Transmission Tariff (“OATT”) and Market Administration and Control Area Services Tariff (“Services Tariff”) in compliance with the requirements of Order No. 2222 (“2021 DER Filing”). The NYISO explained why the 2021 DER Filing, in combination with the NYISO’s 2019 Distributed Energy Resource (“DER”) and Aggregation filing,<sup>3</sup> which was accepted by the Commission on January 23, 2020,<sup>4</sup> satisfactorily complied with all of Order No. 2222’s instructions.

The 2022 DER Order accepted the NYISO’s compliance filing but directed the NYISO to submit a second compliance filing addressing certain market rules related to: (i) small utility opt-in requirements, (ii) interconnection procedures, (iii) resource eligibility to participate in the NYISO markets through a DER Aggregator, (iv) DER locational requirements, (v) information and data requirements, (vi) metering and telemetry system requirements, (vii) coordination between the NYISO, Aggregators, and Distribution Utilities, (viii) modifications to the list of DER in an Aggregation, and (ix) market participation agreements.<sup>5</sup> The 2022 DER Order also directed the NYISO to propose an effective date for the Order No. 2222-compliant tariff

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<sup>1</sup> *New York Indep. Sys. Operator, Inc.*, Order on Compliance Filing, 179 FERC ¶ 61,198 (Jun. 17, 2022) (2022 DER Order).

<sup>2</sup> *New York Indep. Sys. Operator, Inc.*, Compliance Filing and Request for Flexible Effective Date, Docket No. ER21-2460-000 (Jul. 19, 2021) (2021 DER Filing).

<sup>3</sup> *New York Indep. Sys. Operator, Inc.*, Proposed Tariff Revisions Regarding Establishment of Participation Model for Aggregations of Resources, Including Distributed Energy Resources, and Proposed Effective Dates, Docket No. ER19-2276 (Jun. 27, 2019) (“2019 DER Filing”).

<sup>4</sup> *New York Indep. Sys. Operator, Inc.*, Order Accepting Tariff Revisions and Directing Compliance Filing and Informational Report, 170 FERC ¶ 61,033 (2020) (“2020 DER Order”).

<sup>5</sup> Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in Section 1 of the NYISO’s OATT or Section 2 of the Services Tariff.

revisions in the fourth quarter of 2022.<sup>6</sup> As further described in Part IV(J) of this compliance filing, the NYISO has submitted a Motion to extend the effective date of the tariff revisions proposed in the 2021 DER Filing, as modified herein, until no later than December 31, 2026.

The NYISO submits this compliance filing to address the directives in the 2022 DER Order. The proposed tariff revisions included herein are expressly required by the 2022 DER Order, necessary to implement or clarify the existing tariff language to accommodate those directives, or are non-substantive organizational or clarifying adjustments. Including all of these revisions in this compliance filing will make the NYISO's Order No. 2222-related tariff provisions clearer and more accurate, and is therefore consistent with Commission precedent.<sup>7</sup>

The NYISO respectfully submits that it will fully comply with the requirements set forth in Order No. 2222 and the 2022 DER Order when it is able to fully implement the tariff revisions proposed in the 2021 DER Filing, as modified herein.

## **I. Communications**

Communications and correspondence regarding this filing should be directed to:

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## **II. List of Documents Submitted**

The NYISO submits the following documents with this filing letter:

1. A blacklined version of the NYISO Services Tariff sections containing the proposed compliance modifications ("Attachment I");
2. A clean version of the NYISO Services Tariff sections containing the proposed compliance modifications ("Attachment II");

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<sup>6</sup> 2022 DER Order at P 344.

<sup>7</sup> The Commission has previously authorized the NYISO to include these kinds of limited, but necessary, clarifications in compliance filings and should follow that precedent here. *See New York Indep. Sys. Operator, Inc.*, 125 FERC ¶ 61,206 (2008), *reh'g*, 127 FERC ¶ 61,042 (2009) (accepting proposed additional tariff revisions that were necessary to implement the modifications directed by the Commission and to correct drafting errors or ambiguities in a compliance filing).

3. A blacklined version of the NYISO OATT sections containing the proposed compliance modifications (“Attachment III”); and
4. A clean version of the NYISO OATT sections containing the proposed compliance modifications (“Attachment IV”).

### **III. Background**

On July 19, 2021, the NYISO submitted its compliance filing in response to Order No. 2222. The 2021 DER Filing proposed tariff revisions that enhanced the participation model for DER and Aggregations that the NYISO proposed in 2019 and the Commission accepted in 2020. In combination, the NYISO’s 2019 DER and Aggregation participation model and Order No. 2222 compliance tariff revisions will open the NYISO-administered Energy, Ancillary Services, and Installed Capacity markets to DER and Aggregations, apply narrowly tailored market rules that recognize the physical and operational characteristics of DER and Aggregations, and facilitate up-front and ongoing operational coordination among the NYISO, Aggregators, Distribution Utilities, Transmission Owners, and Relevant Electric Retail Regulatory Authorities (“RERRA”). Subsequent to the 2021 DER Filing the NYISO submitted further information in response to the Commission’s request for additional information.<sup>8</sup>

On June 17, 2022, the Commission accepted the 2021 DER Filing in part and directed that the NYISO submit a further compliance filing with certain additional tariff revisions. The NYISO submits in this filing tariff revisions addressing the Commission’s directives, which revisions are explained in Part IV below.

### **IV. Proposed Tariff Revisions**

#### **A. Small Utility Opt-In**

Order No. 2222 directed that Independent System Operators (“ISO”) and Regional Transmission Organizations (“RTO”) not accept bids from DER Aggregators aggregating customers of small utilities (defined as a utility that distributed four million MWh or less in the prior fiscal year) unless the applicable RERRA allows such customers to participate in the ISO/RTO markets as DER in an Aggregation.<sup>9</sup> The NYISO, therefore, was required to amend its tariffs so that (i) customers of distribution utilities that distributed more than four million MWh in the previous fiscal year are permitted to offer into the NYISO-administered markets, and (ii) customers of distribution utilities that distributed four million MWh or less in the previous fiscal year are prohibited from offering into the NYISO-administered markets *unless* the applicable RERRA permits such customers to be offered into such markets.<sup>10</sup>

The July 2021 Filing proposed to comply with Order No. 2222’s directive by prohibiting enrollment of an individual DER in the NYISO-administered markets when the DER is a customer of a Load Serving Entity (“LSE”) that distributed less than or equal to four million MWh in the NYISO’s immediately prior and completed fiscal year. Supporting this

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<sup>8</sup> New York Indep. Sys. Operator, Inc., Response to October 1, 2021, Letter Requesting Additional Information, Docket No. ER21-2460-001 (Nov. 19, 2021).

<sup>9</sup> Order No. 2222 at P 56.

<sup>10</sup> *Id.* at P 65.

requirement, the NYISO further proposed that an Aggregator determine whether a DER is a customer of a small LSE when the Aggregator initially enrolls the DER in the NYISO-administered markets, and annually thereafter. For each DER that is a customer of a small LSE, the NYISO proposed to require the Aggregator to attest that the RERRA authorized the customers of that LSE to participate in an Aggregation.

The Commission determined that the NYISO partially complied with Order No. 2222's small utility opt-in requirements, and required further tariff revisions.<sup>11</sup> Specifically, the 2022 DER Order directed the following modifications to Services Tariff Section 4.1.10:

1. Replace the term Load Serving Entity with Distribution Utility;<sup>12</sup>
2. Move the definition of "Distribution Utility" from Services Tariff Section 4.1.10.5 to Section 4.1.10;<sup>13</sup>
3. Replace the phrase "meeting the annual MWh threshold identified above" with the phrase "that distributed 4 million MWh or less in the previous fiscal year;"<sup>14</sup>
4. Replace the phrase "meets such threshold" with the phrase "distributed 4 million MWh or less in the previous fiscal year;"<sup>15</sup>
5. Insert the phrase "for the forthcoming Capability Year" to clarify that the small utility opt-in requirements apply on a Capability Year basis, beginning on May 1 of a calendar year;<sup>16</sup> and
6. Clarify an Aggregator's responsibilities when a RERRA changes its opt-in determination and the timing of a DER's ineligibility to participate thereafter.<sup>17</sup>

In compliance with the 2022 DER Order, the NYISO hereby proposes tariff revisions addressing the directives identified above. The NYISO replaced "Load Serving Entity" with "Distribution Utility,"<sup>18</sup> and moved the definition of Distribution Utility from Services Tariff Section 4.1.10.5 to 4.1.10. The NYISO also defined a new term, "Small Utility" as "a Distribution Utility that distributed less than or equal to four million MWh in the ISO's immediately prior and completed fiscal year (which runs January 1 through December 31)."<sup>19</sup> The NYISO was therefore able to replace the phrases "meeting the annual MWh threshold" and "meets such threshold" with the defined term "Small Utility." For example, the NYISO proposes to amend Services Tariff Section 4.1.10 to state:

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<sup>11</sup> June 2022 Order at P 33.

<sup>12</sup> *Id.* at P 34. The NYISO has defined "Distribution Utility" as "an entity, such as a Transmission Owner or Public Power Entity, that owns and operates facilities used for the retail distribution of electricity and provides retail service(s) under tariffs approved by the applicable Relevant Electric Retail Regulatory Authority."

<sup>13</sup> *Id.* at P 35.

<sup>14</sup> *Id.*

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

<sup>16</sup> *Id.* at P 38.

<sup>17</sup> *Id.* at P 40.

<sup>18</sup> Proposed revisions to Services Tariff Section 4.1.10.

<sup>19</sup> *Id.*

An individual Resource that is a customer of a ~~Load Serving Entity~~ Small Utility ~~that distributed less than or equal to four million MWh in the ISO's immediately prior and completed fiscal year (which runs January 1 through December 31)~~ shall not be enrolled in an Aggregation for the forthcoming Capability Year, unless the Relevant Electric Retail Regulatory Authority affirmatively authorizes the customers of that ~~Load Serving Entity~~ Small Utility to participate in the ISO-administered markets in an Aggregation.

As indicated above, the NYISO added the phrase “for the forthcoming Capability Year” to Services Tariff Section 4.1.10 to clarify that Small Utility opt-in determinations are made on a Capability Year basis.

Finally, the NYISO added the following language to Services Tariff Section 4.1.10 to address a potential situation where a RERRA revokes a prior authorization for customers of a Small Utility to participate in the NYISO-administered markets:

If at any time during a Capability Year a Relevant Electric Retail Regulatory Authority (i) revokes its prior authorization for one or more customers of a Small Utility to participate in the ISO Administered Markets, and (ii) notifies the applicable Aggregator of such decision, the Aggregator shall notify the ISO as soon as practicable in accordance with the ISO's Aggregation Manual. Such notification to the ISO shall include identification of the specific Distributed Energy Resource(s) affected by the Relevant Electric Retail Regulatory Authority's determination and the Aggregation in which the Distributed Energy Resource(s) participates. If such notification is received by the ISO before April 1 of a calendar year, the ISO shall remove the identified Distributed Energy Resource(s) from its Aggregation for the forthcoming Capability Year. If such notification is received on or after April 1, but prior to May 1, the ISO shall remove the identified Distributed Energy Resource(s) from its Aggregation as of June 1, and for the remainder of the Capability Year.

An Aggregator may re-enroll a Distributed Energy Resource affected by the Relevant Electric Retail Regulatory Authority's determination if (i) the applicable Distribution Utility distributes greater than four million MWh in a subsequent completed ISO fiscal year (*i.e.*, when the Distribution Utility is no longer a Small Utility), or when the applicable Relevant Electric Retail Regulatory Authority re-authorizes participation of the affected Distributed Energy Resource(s).

These rules attempt to balance RERRA decision-making, Aggregator expectations, and NYISO operations. If a RERRA were to revoke the ability for customers of a Small Utility to participate in an Aggregation in the middle of a Capability Year and that decision was permitted to become effective immediately, an Aggregator may be unable to, for example, supply MW of

capacity that it had already committed to supply through one of the NYISO's capacity auctions. This scenario could have three negative consequences: (i) the Aggregator becoming subject to a penalty for selling more capacity than it was able to supply, (ii) the NYISO needing to procure capacity on short notice in order to meet its reliability needs, and (iii) New York consumers paying a higher price for the replacement capacity. In light of these and other potential outcomes, the NYISO proposes that a customer of a Small Utility be disqualified only on a Capability Year boundary (with the exception of notices received between April 1 and April 30 of a calendar year, which disqualification will become effective on June 1), and with appropriate notice to the Aggregator and the NYISO so that the removal of affected DER capacity can be appropriately reflected in the ICAP Market Auctions and negative outcomes mitigated.

#### B. Distributed Energy Resource Interconnection

In Order No. 2222 the Commission declined to exercise jurisdiction over the interconnection of DER to distribution system electric facilities for the purpose of participating in ISO/RTO markets exclusively as part of an Aggregation.<sup>20</sup>

The July 2021 Filing proposed to modify OATT Attachment Z, Sections 32.1.1 and 32.5 to exempt the interconnection of facilities participating in the NYISO-administered markets solely through an Aggregation from the Small Generator Interconnection Procedures ("SGIP").<sup>21</sup> The NYISO further proposed to modify the definition of "Small Generating Facility" in OATT Section 32.5.<sup>22</sup> Finally, the NYISO clarified that the interconnection of a DER solely for the purpose of participation in an Aggregation would not be a "first use" of a distribution facility for the purpose of determining whether the distribution facility is subject to Commission jurisdiction.<sup>23</sup>

The Commission determined that the NYISO partially complied with Order No. 2222's interconnection requirements,<sup>24</sup> and directed the NYISO to revise OATT Attachment Z, Sections 32.1.1 and 32.5 to "(1) specify that the interconnection to the distribution system of facilities participating in NYISO's markets exclusively through an Aggregation is not subject to the Small Generation Interconnection Procedures, and (2) revise the definition of Small Generating Facility to exempt facilities connecting to the distribution system that participate in the NYISO's markets exclusively through an Aggregation from the Small Generator Interconnection Procedures."<sup>25</sup>

The NYISO proposes revisions to OATT Sections 32.1.1 and 32.5 in compliance with the Commission's directives. The proposed revisions (i) clarify the application of the SGIP in

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<sup>20</sup> Order No. 2222 at P 90.

<sup>21</sup> 2021 DER Filing at 38-39.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.* at 39.

<sup>24</sup> 2022 DER Order at P 53.

<sup>25</sup> *Id.* at P 54.

OATT Section 32.1.1, and (ii) modify the definition of “Small Generating Facility” in OATT Section 32.5.<sup>26</sup>

The 2022 DER Order also pointed to what could be interpreted as an inconsistency in OATT Attachment S that seemed to exempt Aggregations from the requirements to obtain Capacity Resource Interconnection Service (“CRIS”) and/or Energy Resource Interconnection Services (“ERIS”). The Commission therefore directed the NYISO either (i) revise OATT Attachment S to clarify any inconsistencies (or explain why revisions are not necessary), and (2) identify and explain the relevant tariff language that codify the CRIS and ERIS rules for DER that are not subject to the SGIP.<sup>27</sup> The NYISO proposes revisions to OATT Sections 25 and 32.1.1 in compliance with these directives.

With respect to CRIS, the NYISO proposes to add greater clarity to the current rules that subject DER greater than 2 MW that utilize a Distribution Utility’s interconnection procedures (and are not subject to the NYISO’s SGIP or Large Facility Interconnection Procedures) to OATT Attachment S’s deliverability requirements.<sup>28</sup> The NYISO also proposes to add additional clarity in OATT Section 25.3.1 as it applies to facilities 2 MW or smaller that are interconnecting to the Distribution System and that are not subject to the SGIP pursuant to Section 32.1.1 of Attachment Z to the OATT. These revisions clarify the existing rule under which such facilities may obtain CRIS in accordance with ISO Procedures without being evaluated for deliverability under the NYISO Deliverability Interconnection Standard.”<sup>29</sup> These modifications clarify the NYISO’s existing rules under which a DER that interconnects to a distribution system that is not pursuant to the SGIP will need to obtain CRIS in the same manner as other Resources.

Next, the NYISO proposes to modify the definition of “Energy Resource Interconnection Service” in OATT Section 25.1.2 to clarify that, for facilities with proposed interconnections that are not subject to the SGIP, ERIS is the service provided by the NYISO to a qualified generating facility to enable the New York State Transmission System to receive Energy and Ancillary Services from the generating facility.<sup>30</sup> The NYISO also proposes to define the amount of ERIS a qualified DER as “... the MW amount of the generating facility’s net seasonal capacity (in aggregate where it includes multiple energy production devices), as memorialized in the applicable interconnection agreement with the respective Connecting Transmission Owner.”<sup>31</sup> These tariff modifications clarify what an ERIS value means for DER that are not subject to the SGIP and how the NYISO will identify the amount of ERIS such DER will obtain.

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<sup>26</sup> Proposed revisions to OATT Secs. 32.1.1 and 32.5.

<sup>27</sup> 2022 DER Order at P 57.

<sup>28</sup> Proposed revision to OATT Sec. 25.1.1.

<sup>29</sup> Proposed revision to OATT Sec. 25.3.1.

<sup>30</sup> Proposed revision to OATT Sec. 25.1.2 (definition of “Energy Resource Interconnection Service”).

<sup>31</sup> Proposed revision to OATT Sec. 32.1.1.

C. Eligibility to Participate in RTO/ISO Markets Through a Distributed Energy Resource Aggregator

Order No. 2222 required each ISO/RTO to establish Aggregators as a type of Market Participant and allow Aggregators to register Aggregations under one or more participation models that accommodate the physical and operational characteristics of Aggregations.<sup>32</sup> The 2021 DER Filing proposed that, with certain exceptions, its 2019 DER and Aggregation participation model satisfactorily complied with Order No. 2222's directive.<sup>33</sup>

The 2022 DER Order stated that the NYISO's proposal partially complied with the participation eligibility requirements and directed additional tariff revisions.<sup>34</sup> First, the 2022 DER Order directed the NYISO to modify the Services Tariff so that DER are able to provide all of the Ancillary Services that they are technically capable of providing.<sup>35</sup> Second, the order directed the NYISO to modify the Services Tariff so that DER are prohibited from providing the "same service" in the wholesale markets and in retail markets or programs.<sup>36</sup>

*i. Provision of Ancillary Services*

The 2021 DER Filing proposed that Aggregations be eligible to qualify to provide Regulation Service and Operating Reserves, and that the specific Ancillary Services an Aggregation may qualify to provide depends on the individual facilities within the Aggregation. Specifically, the NYISO proposed that an Aggregation be eligible to qualify to provide only those Ancillary Services that every facility within the Aggregation is qualified to provide.<sup>37</sup>

The 2022 DER Order, however, found that "so long as some of the DERs in the Aggregation can satisfy the relevant requirements to provide certain ancillary services ... those DERs should be able to provide those ancillary services through aggregation,"<sup>38</sup> and reiterated the instruction from Order No. 2222 to "allow distributed energy resources to provide all services that they are technically able of providing through aggregation."<sup>39</sup> Recognizing the reliability concerns presented by the NYISO, however, instead of directing specific tariff modifications, the Commission directed the NYISO to develop tariff modifications that would permit DER to provide the Ancillary Services for which they are technically capable while continuing to meet applicable reliability requirements. The 2022 DER Order further directed the NYISO to propose a reasonable effective date by which it will comply with this instruction.<sup>40</sup>

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<sup>32</sup> Order No. 2222 at P 130.

<sup>33</sup> 2021 DER Filing at 15.

<sup>34</sup> 2022 DER Order at P 88.

<sup>35</sup> *Id.* at P 93.

<sup>36</sup> *Id.* at P 135.

<sup>37</sup> 2021 DER Filing at 17-19.

<sup>38</sup> 2022 DER Order at P 93.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*



On July 18, 2022, the NYISO submitted a request for clarification, or in the alternative rehearing, of the Commission's instruction to permit DER to provide all Ancillary Services for which they are technically capable.<sup>41</sup> The NYISO's concerns were focused on the provision of Operating Reserves. On October 24, 2022, the Commission issued its *Order Addressing Arguments Raised on Rehearing* ("Rehearing Order").<sup>42</sup> The Rehearing Order modified the Commission's discussion on the provision of Ancillary Services and reached the same result,<sup>43</sup> but explained the NYISO is not required to allow a heterogeneous Aggregation to simultaneously make available multiple operating reserve products.<sup>44</sup> The additional explanation that the Commission provided in its Rehearing Order will assist the NYISO's efforts to fully comply with the Commission's instructions.

Pursuant to the 2022 DER Order and the Rehearing Order, the NYISO will develop market rules that permit DER participating in an Aggregation to provide the Ancillary Services that they are technically capable of providing, review them with its stakeholders and present them to the Commission for its consideration well in advance of implementing the proposed rules. The NYISO is already working with its stakeholders to develop the market rules that it will propose to comply with the Commission's directive.<sup>45</sup> The NYISO believes that it can implement the Commission's directive, as clarified, at the same time it implements the remaining tariff revisions proposed in this docket, *i.e.*, no later than December 31, 2026.

## *ii. Double Counting of Services*

Order No. 2222 directed ISO/RTOs to revise their tariffs to (i) allow DER to dual participate in retail markets or programs and in the wholesale markets, (ii) allow DER to provide multiple wholesale market services, and (iii) include narrowly designed restrictions on DER dual participation in order to prevent double counting of services.<sup>46</sup>

The NYISO's Services Tariff permits Resources to dual participate in both retail markets and programs and in the wholesale markets it operates.<sup>47</sup> Once the 2019 DER and Aggregation participation model is implemented the NYISO will also permit qualified Aggregations to dual participate. The 2021 DER Filing proposed to modify Services Tariff Section 4.1.10 to prevent

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<sup>41</sup> New York Indep. Sys. Operator, Inc., Request for Clarification or, in the Alternative, Rehearing, Docket No. ER21-2460-002 (Jul. 18, 2022).

<sup>42</sup> *New York Indep. Sys. Operator, Inc.*, Order Addressing Arguments Raised on Rehearing, 181 FERC ¶ 61,054 (Oct. 24, 2022) (Rehearing Order).

<sup>43</sup> *Id.* at P 3.

<sup>44</sup> *Id.* at P 14.

<sup>45</sup> See *NYISO FERC Order No. 2222 Compliance – Part 3*, Installed Capacity Working Group (Oct. 20, 2022) at 21-36; available at: <https://www.nyiso.com/documents/20142/33916814/NYISO%20FERC%20Order%202222%20Compliance%20-%20Part%203.pdf/>. See also, *Hybrid Aggregated Storage (HSR) Model – Energy and Capacity Market Design Proposal*, Market Issues Working Group/Installed Capacity Working Group (Aug. 4, 2022) at 11-22; available at: <https://www.nyiso.com/documents/20142/32687686/8%20-%209%20HSR%20Capacity%20and%20Energy%20Market%20Design%20Final.pdf/>.

<sup>46</sup> Order No. 2222 at P 160.

<sup>47</sup> See Services Tariff Sec. 4.1.11.

double counting of services. Specifically, the NYISO proposed to prohibit a DER from providing a wholesale market service when that DER “provides the same or substantially similar service in a retail market or program.”<sup>48</sup>

The 2022 DER Order directed the NYISO to narrow its restriction against dual participation by removing the phrase “or substantially similar” from its proposed tariff modifications. The NYISO proposes herein to modify Services Tariff Section 4.1.10.6 in accordance with the Commission’s direction:

A Resource participating in an Aggregation shall not be eligible to supply Energy, Operating Reserves, Regulation Service, or Installed Capacity in the ISO Administered Markets when the Resource provides the same ~~or substantially similar~~ service in a retail market or program.

When a Resource participates in one or more retail markets or programs, an Aggregator may only register that Resource in an Aggregation that does not provide the same ~~or substantially similar~~ service in the ISO-administered markets. For example, if a Resource provides Installed Capacity ~~or a substantially similar service~~ to a retail market or program, the Aggregator shall not enroll the Resource in an Aggregation that also supplies Unforced Capacity in the ISO’s Installed Capacity market. The Aggregator may, however, enroll the Resource in an Aggregation that only supplies Energy and Ancillary Services in the ISO-Administered Markets.<sup>49</sup>

The 2022 DER Order further instructed the NYISO to amend Services Tariff Section 4.1.10.5 to require an Aggregator to attest that each DER it enrolls in the NYISO-administered wholesale markets does not provide the same service(s) in a retail service or program. The NYISO therefore proposes to revise Services Tariff Section 4.1.10.5 to require that “[p]rior to an Aggregation’s participation in the wholesale market, and each individual facility’s participation in an Aggregation, the Aggregator shall attest that the individual facility(ies) and Aggregation: ... (iv) will not provide the same service in the ISO Administered Markets as it provides in a retail program or market in accordance with Services Tariff Section 4.1.10.6.”<sup>50</sup>

#### D. Locational Requirements

Order No. 2222 required ISO/RTOs to revise their tariffs to establish locational requirements for DER to participate in an Aggregation that are as geographically broad as technically feasible.<sup>51</sup> Pursuant to the 2019 DER and Aggregation participation model each individual facility within an Aggregation must be electrically located in the New York Control

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<sup>48</sup> 2021 DER Filing at 41.

<sup>49</sup> Proposed revision to Services Tariff Sec. 4.1.10.6.

<sup>50</sup> Proposed revision to Services Tariff Sec. 4.1.10.5.

<sup>51</sup> Order No. 2222 at P 204.

Area (“NYCA”) and electrically connected to the same NYISO-identified Transmission Node.<sup>52</sup> The 2021 DER Filing proposed that the NYISO’s previously accepted locational requirements complied with Order No. 2222.<sup>53</sup> While the Commission accepted the NYISO’s Transmission Node proposal, it found that the proposed tariff revisions were “insufficiently clear regarding how NYISO will identify or change its Transmission Nodes.”<sup>54</sup> The Commission therefore directed the NYISO to add the criteria it will use to establish an initial set of Transmission Nodes in the NYCA and to review and update Transmission Nodes to the Services Tariff.

In compliance with the Commission’s directive, the NYISO proposes to add the following paragraph to Services Tariff Section 4.1.10.2:

Transmission Nodes shall be initially identified, and evaluated annually thereafter, based on distribution system topology and the use of good utility practices. The factors that will be considered in identifying Transmission Nodes include: (i) transmission and/or distribution load pockets, (ii) thermal limits of lines and protective equipment, (iii) boundaries between Transmission Districts, (iv) concentration of load relative to total average system load, and (v) distribution system substation topology. The topology of each distribution system is unique and therefore additional factors may be identified by the applicable Member System that are specific to a particular distribution system.

The proposed tariff modification identifies the generally applicable factors the NYISO and each Member System used to initially identify, and will use to annually reevaluate, Transmission Nodes in the NYCA. However, it is impossible today to predict with specificity all of the characteristics of the NYCA distribution systems that may affect the electrical location of a Transmission Node moving forward. Therefore, the NYISO proposes that specific Member Systems be allowed to identify additional factors, specific to their Distribution Systems, that affect the location of Transmission Nodes.

Finally, in the 2019 DER Filing the NYISO proposed to post to its website any changes to the list of Transmission Nodes at least ninety days prior to the beginning of a Capability Year (which begins on May 1). The ninety-day posting requirement offered Aggregators sixty days to review the impact of Transmission Node changes on its Aggregations, and the NYISO thirty days to process any Aggregation modifications necessitated by the Transmission Node changes. Order No. 2222 directed that Distribution Utilities have no more than sixty days to review the safety and reliability impact of new and modified Aggregations that connect to its electric facilities.

The addition of the Distribution Utilities’ sixty-day Aggregation and DER review period necessitates that the NYISO move up the date on which it posts notice of any changes to Transmission Nodes. The NYISO therefore proposes to change the ninety-day notice provision

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<sup>52</sup> 2019 DER Filing at 25.

<sup>53</sup> *Id.* at 13, 25-27.

<sup>54</sup> 2022 DER Order at P 153.

to 150 days: “The ISO shall also review and update (if needed) the identified Transmission Nodes on an annual basis, and will post a notice of any changes to the identified Transmission Nodes at least ~~ninety~~ one hundred and fifty (90150) days prior to the beginning of the Capability Year.”<sup>55</sup> The modification will continue to provide sixty days for Aggregators to propose changes to their Aggregations, sixty days for distribution utilities to review changes to Aggregations, and the NYISO thirty days to process changes to Aggregations.

E. Information and Data Requirements

Order No. 2222 directed ISO/RTOs to revise their tariffs to include data and information requirements for Aggregations, including: (i) requirements for Aggregators to provide physical and operational characteristics of Aggregations; (ii) a requirement that Aggregators provide a list of all of the individual DER in their Aggregations; and (iii) the identification of any necessary information that must be submitted to the ISO for the individual DER.

The 2019 DER Filing requires each Aggregator to (i) be a NYISO Customer, (ii) comply with the existing registration requirements set forth in Services Tariff Section 9 and the ISO Procedures, (iii) designate one or more persons to receive NYISO communications and (iv) comply with applicable metering requirements set forth in Services Tariff Section 13 and the ISO Procedures. In the 2021 DER Filing, the NYISO further proposed to collect individual DER and Aggregation physical and operating data,<sup>56</sup> and provide it to the applicable Distribution Utility.<sup>57</sup>

The 2022 DER Order found that the NYISO partially complied with the information and data requirements established by Order No. 2222.<sup>58</sup> Specifically the Commission directed the NYISO to make the tariff revisions below. The NYISO’s compliance proposals are identified for each directive.

*1. Require Aggregators to update the list of individual DER in an Aggregation and the Aggregation’s associated information as it changes.*<sup>59</sup>

NYISO hereby proposes to modify Services Tariff Section 4.1.10.3 to require an Aggregator to “update the list of individual Resources enrolled in an Aggregation as it changes, providing the ISO with at least ninety (90) calendar days’ notice prior to the change becoming effective.” The NYISO further proposes to require that “[w]hen an Aggregator updates the list of individual Resources enrolled in an Aggregation it shall also update the associated information and data for the applicable Aggregation if the modification changes the Aggregation’s performance.”

*2. Add to the Services Tariff requirements for Aggregators that establish the information and data that an Aggregator must provide about the physical and operational*

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<sup>55</sup> Proposed revision to Services Tariff Sec. 4.1.10.2.

<sup>56</sup> 2021 DER Filing at 47.

<sup>57</sup> *Id.* at 43.

<sup>58</sup> 2022 DER Order at P 169.

<sup>59</sup> *Id.* at P 170.

*characteristics of its Aggregation, including any data that must be submitted for individual DER.*<sup>60</sup>

In new Services Tariff Section 4.1.10.7.1.1, the NYISO proposes to require Aggregators to “provide to the ISO all physical and operational information and data identified in Section 4.1.10.7.1.4” of the Services Tariff at the time a DER enrolls in the NYISO-administered markets and when a DER or Aggregation’s information changes. The NYISO further specifies that the information be submitted to the NYISO electronically, and in accordance with the ISO Procedures. Finally, the NYISO proposes to require Aggregators to attest to the completeness and accuracy of the information and data provided upon the submission of that data.

3. *Add to the Services Tariff the information that must be submitted for individual DER.*<sup>61</sup>

In new Services Tariff Section 4.1.10.7.1.4, the NYISO proposes to require Aggregators to submit all of the identified physical and operational characteristics of Aggregations and individual DER pursuant to Services Tariff Section 4.1.10.7.1.1.<sup>62</sup>

4. *Establish how information about individual DER will be shared with NYISO and affected distribution utilities.*<sup>63</sup>

In new Services Tariff Section 4.1.10.7.1.1, the NYISO proposes to require Aggregators to submit the required information to the ISO electronically, and in accordance with ISO Procedures. Once the information and data is received by the NYISO and uploaded to the applicable database, the NYISO will make the information available to Distribution Utilities as stated in new Services Tariff Section 4.1.10.7.1.2. Under the NYISO’s current software design, the NYISO will email the applicable Distribution Utility a hyperlink at which it can access the data.

5. *Establish the physical parameters that Aggregators must submit to the NYISO upon registration of an Aggregation, if those parameters are not already included in the general registration requirements or bidding parameters applicable to Aggregations.*<sup>64</sup>

In addition to the physical and operating information each Customer is required to provide to take or provide any services under the Services Tariff pursuant to Services Tariff Section 9, the NYISO adds new Services Tariff Section 4.1.10.7.1.4 identifying all of the information that an Aggregator must provide for an Aggregation and for each individual DER.

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<sup>60</sup> *Id.* at P 172.

<sup>61</sup> *Id.*

<sup>62</sup> Proposed Services Tariff Section 4.1.10.7.1.4 only lists the physical and operational parameters that will be collected by the NYISO and provided to the applicable Distribution Utility. The parameters will define and explain (to the extent necessary) in the NYISO’s forthcoming Aggregation System User’s Guide.

<sup>63</sup> 2022 DER Order at P 172.

<sup>64</sup> *Id.*

F. Metering and Telemetry System Requirements

Order No. 2222 required ISO/RTOs to revise their tariffs to establish metering and telemetry requirements necessary for Aggregation participation in the wholesale markets. The NYISO's 2019 DER Filing included metering and telemetry requirements for DER and Aggregations.<sup>65</sup> The NYISO's 2021 DER Filing proposed to utilize those existing metering requirements as a basis for its compliance with Order No. 2222.

The 2022 DER Order found that the NYISO partially complied with the metering and telemetry requirements established by Order No. 2222, and directed the NYISO to make the tariff revisions below. The NYISO's compliance proposals are identified for each directive.

1. *Identify the meter data submission deadline for revenue-quality meter data, and specify which entity is responsible for submitting such data.*<sup>66</sup>

The NYISO hereby proposes to revise Services Tariff Section 4.1.10.4 to state that each Aggregation's Meter Authority (*i.e.*, either the Member System or the Meter Services Entity) should submit the Aggregation's revenue-quality meter data to the ISO by noon of the business day following the delivery day. The NYISO specifically uses the term "should." In the normal course of business, Meter Authorities submit meter data for Generators by noon on the first business day after the delivery pursuant to the ISO Procedures. However, the NYISO recognizes that issues may arise that delay meter data submission. Therefore, Aggregators may utilize the same processes available to other Market Participants to submit or supplement their revenue quality meter data used for settlement as described in Section 4 of the NYISO's Revenue Metering Requirements Manual.<sup>67</sup>

2. *Include in the Services Tariff references to the specific documents that contain the applicable metering and settlement technical details.*<sup>68</sup>

The NYISO hereby proposes to include in Services Tariff Section 4.1.10.4 references to the billing and payment provisions of Services Tariff Section 7 and OATT Section 2.7, metering requirements of Services Tariff Section 13, and Section 4 of the Revenue

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<sup>65</sup> 2019 DER Filing at 51-60.

<sup>66</sup> 2022 DER Order at P 208.

<sup>67</sup> *See, e.g.*, Revenue Metering Requirements Manual Sec. 4.4.1 (requiring Meter Authorities to report the highest quality data available so the NYISO can accurately calculate daily Advisory Billing, but that "meter data review takes place for all historical months the NYISO is preparing to invoice (e.g., the 4-month settlement adjustment or the Final Bill Close out invoice).").

<sup>68</sup> 2022 DER Order at P 208.

Metering Requirements Manual. The NYISO also directs Market Participants more generally to the Accounting and Billing Manual.

3. *Incorporate revisions to Services Tariff Sec. 13 that the Commission accepted in Docket No. ER19-2276-000, et al.*<sup>69</sup>

The 2019 DER Filing proposed several metering and telemetry market rules. Certain of those rules are already in place (*e.g.*, the market rules establishing Meter Services Entity requirements). The NYISO intends to make the remaining metering and telemetry rules effective on the same date as the remaining provisions of the 2019 DER Filing, which is expected to be in 2023.

4. *Include in the Services Tariff references to the specific documents that contain the applicable telemetry technical details.*<sup>70</sup>

The NYISO proposes to amend Services Tariff Section 4.1.10.4 to add references to the Control Center Requirements Manual and Direct Communications Manual, which describe the telemetry data requirements and technical requirements for telemetry data.

5. *To the extent that the NYISO proposes that metering and telemetry data comes from or flows through distribution utilities, establish protocols for sharing metering and telemetry data that minimize costs and other burdens and addresses privacy and cyber security.*

The NYISO does not require Aggregation revenue-quality meter data or telemetry data to flow through Distribution Utilities. Instead, meter and telemetry data for Aggregations will flow through the applicable Member System to the NYISO (as is required for all other Generators), or to the NYISO and Member System in parallel.<sup>71</sup> The 2019 DER Filing established new market rules under which third parties called Meter Services Entities (“MSE”) may provide metering and meter data services for Demand Side Resources and DER. As that filing noted, each Aggregator will “have the opportunity to evaluate whether the local Member System or a [MSE] would best meet its metering and meter data service needs,” and that the Aggregator “may also serve as its own [MSE]” upon satisfaction of the applicable eligibility requirements.<sup>72</sup> The option to choose a MSE, which is not available to traditional Generators, allows Aggregators to determine which metering and meter data service provider type best suits its needs. In compliance with the Commission’s directive, the NYISO proposes to modify Services Tariff Section 4.1.10.4 to clarify that: (i) each Aggregation must have a secure telemetry connection to the applicable Member system, (ii) Aggregations are not required to submit metering and

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<sup>69</sup> *Id.* at P 208, n.427.

<sup>70</sup> *Id.* at P 212.

<sup>71</sup> Certain Member Systems are also a Distribution Utility. However, for the purposes of metering and telemetry, the NYISO only requires the Aggregator interact with the Member System Transmission Owner, which is the same requirement as for Generators. Aggregators and distribution utilities may, at their own prerogative, agree to the interchange of meter and telemetry data. Meter and Telemetry data exchanged between the distribution utility and Aggregator will not be used by the NYISO for real-time operations or financial settlements.

<sup>72</sup> 2019 DER Filing at 53.

telemetry data to a Distribution Utility, and (iii) that the communication of all telemetry and revenue quality meter data must employ encryption and authentication practices equivalent or better than those used by Generators, which practices must meet applicable Internet Protocol Security (IPSEC) requirements and other related requirements as detailed in the Control Center Requirements Manual and Direct Communications Procedure.

G. Coordination Between the RTO/ISO, Aggregator, and Distribution Utility

Order No. 2222 directed RTOs and ISOs to establish market rules addressing coordination between the ISO/RTO, Aggregator, Distribution Utility, and RERRA to facilitate DER integration in the wholesale markets, and broke such coordination processes into three categories: (i) the role of distribution utilities, (ii) ongoing operational coordination, and (iii) the role of RERRAs. The 2021 DER Filing proposed new Services Tariff Section 4.1.10.7 (ISO – Utility Operational Coordination) in compliance with Order No. 2222.

The 2022 DER Order stated that the 2021 DER Filing partially complied with Order No. 2222's requirements and identified a number of additional tariff modifications.

*i. Role of Distribution Utilities*

The 2022 DER Order found that the NYISO partially complied with Order No. 2222 and Order No. 2222-A's requirements related to the role of Distribution Utilities and directed the NYISO to make the tariff revisions below. In evaluating potential modifications to the Services Tariff in compliance with these directives, the NYISO split Services Tariff Section 4.1.10.7.1 into four new subsections that address Aggregator, NYISO, and Distribution Utility requirements related to the role of Distribution Utilities, and identified the physical and operational characteristics of individual DER and Aggregations that Aggregators must provide to the NYISO. The NYISO's specific compliance proposals are identified for each directive.

- 1. Modify Services Tariff Section 4.1.10.7.1 to state: “[a] Distribution Utility shall have sixty (60) calendar days to review the reliability and safety impact of each new Distributed Energy Resource connecting or connected to its electric facilities upon that Distributed Energy Resource’s initial enrollment to participate in the ISO-Administered Markets,” and to delete the phrase “of new facilities in that Section.”<sup>73</sup>*

The NYISO hereby proposes to clarify that a Distribution Utility has sixty calendar days to review the reliability and safety impact of each DER that is “connecting or connected to its electric facilities upon each [DER’s] initial enrollment to participate in the ISO Administered Markets, and when there is any change to an Aggregation,” and removes the phrase “of new facilities” from same.<sup>74</sup>

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<sup>73</sup> 2022 DER Order at P 263.

<sup>74</sup> Proposed new Services Tariff Sec. 4.1.10.7.1.3.



2. *Revise Services Tariff Section 4.1.10.7.1 of its Services Tariff to specify that the NYISO will consider information provided by the applicable Distribution Utility in its evaluation of individual DER.*<sup>75</sup>

The NYISO hereby proposes to specify that “[i]f a Distribution Utility notifies the ISO within sixty days that a Distributed Energy Resource’s participation in the ISO Administered Markets poses a significant threat to the reliability and/or safety of the Distribution Utility’s electric facilities, the ISO shall incorporate such finding(s) in its review of the Distributed Energy Resource Aggregation registration process.”<sup>76</sup>

3. *Include in the Services Tariff all or a subset of the capability criteria that will be used by Distribution Utilities to evaluate whether each DER is capable of participating in an Aggregation.*<sup>77</sup>

The NYISO hereby proposes to include in new Services Tariff Section 4.1.10.7.1.3 categories of information Distribution Utilities will use to evaluate DER. The NYISO notes in this section that each Distribution Utility may have its own review process and that the process may evolve over time. The criteria identified is not a comprehensive list of review criteria utilized by Distribution Utilities.

4. *Clarify that the scope of Distribution Utility review of distribution system reliability impacts is limited to incremental impacts from a DER’s participation in an Aggregation that were not previously considered by the Utility during the interconnection process for the DER.*<sup>78</sup>

The NYISO hereby proposes to clarify that the Distribution Utility’s review of a DER and/or Aggregation that has been modified since its original enrollment in the ISO-Administered Markets is limited to “only those safety and reliability impacts that have not been previously evaluated; that is, to the incremental impacts caused by a change to a [DER’s] physical and/or operating characteristics, and any resulting changes to the Aggregation.” The NYISO further clarifies that the Distribution Utility is not permitted to re-study the impacts of a DER that were previously assessed during the Utility’s interconnection process, or provided to the Utility by the ISO upon the DER’s initial enrollment in the wholesale markets.<sup>79</sup>

5. *Revise Services Tariff Section 4.1.10.7 to require that Distribution Utilities submit an articulable showing when a DER presents a significant risk to the safe and reliable operation of the distribution system.*<sup>80</sup>

The NYISO hereby proposes to add a new requirement such that when a Distribution Utility determines that a DER or group of DERs presents significant risk(s) to the safe

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<sup>75</sup> 2022 DER Order at P 265.

<sup>76</sup> Proposed revisions to new Services Tariff Sec. 4.1.10.7.1.3.

<sup>77</sup> 2022 DER Order at P 266.

<sup>78</sup> *Id.* at P 268.

<sup>79</sup> Proposed new Services Tariff Sec. 4.1.10.7.1.3.

<sup>80</sup> 2022 DER Order at P 269.

and reliable operation of its distribution system, it must provide the NYISO an articulable justification of the risk(s) in writing, along with an explanation of any measures necessary to mitigate the concern(s).<sup>81</sup>

6. *Revise Services Tariff Section 4.1.10.7.1 to state: “The ISO shall ~~may~~ limit the capacity and/or wholesale market services a Distributed Energy Resource is authorized to supply to address the reliability and/or safety concerns communicated in writing by the Distribution Utility to the ISO to the extent such concerns are not resolved to the satisfaction of the Distribution Utility through the course of the enrollment process.”*

The NYISO hereby proposes to modify the NYISO’s obligations consistent with the Commission’s directive: “[t]he ISO shall ~~may~~ limit the capacity and/or wholesale market services a Distributed Energy Resource is authorized to supply to address the reliability and/or safety concerns communicated in writing by the Distribution Utility to the ISO to the extent such concerns are not resolved to the satisfaction of the Distribution Utility through the course of the enrollment process.”

7. *Explain what data it will provide to the Distribution Utility to facilitate the review process.*

In new Services Tariff Subsection 4.1.10.7.1.2, the NYISO states that it shall provide to the Distribution Utility the physical and operational data collected for the DER upon the Resource’s enrollment in the ISO-Administered markets to facilitate review. New Services Tariff Subsection 4.1.10.7.1.4 contains a comprehensive list of the information an Aggregator must provide for individual DER and for Aggregations. The NYISO will provide all of the information collected pursuant to Services Tariff Section 4.1.10.7.1.4 to the applicable Distribution Utility.

Finally, the 2022 DER Order directed the NYISO to correct certain typographical errors appearing in the tariff language accompanying the 2021 DER Filing. The NYISO also makes several revisions to Services Tariff Section 4.1.10.7.1 and to Services Tariff Section 4.1.10.7.2 to correct typographical errors identified by the New York Transmission Owners as directed by the 2022 DER Order.<sup>82</sup>

## ***ii. Ongoing Operational Coordination***

The 2022 DER Order found that the NYISO partially complied with Order No. 2222’s requirements related to ongoing operational coordination and directed the NYISO to make the tariff revisions below.<sup>83</sup> In evaluating potential modifications to the Services Tariff in compliance with these directives, the NYISO split Services Tariff Section 4.1.10.7.2 into three

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<sup>81</sup> Proposed new Services Tariff Sec. 4.1.10.7.1.3.

<sup>82</sup> 2022 DER Order at P 275. The NYISO modified certain sentences in Services Tariff Section 4.1.10.7.1 in compliance with other directives contained in the 2022 DER Order and therefore the tariff language proposed in this filing does not exactly match the tariff language cited in paragraph 275. Additionally, the NYISO modified Services Tariff Section 4.1.10.7.2 to read “ISO Procedures” rather than “ISO’s manuals” as the term “ISO Procedures” is a defined term in Section 2.9 of the Services Tariff and encompasses the ISO Manuals.

<sup>83</sup> 2022 DER Order at P 289.

new subsections that address the Aggregator, NYISO, and Distribution Utility roles in the established coordination processes. The NYISO's specific compliance proposals are identified for each directive.

1. *Specify the non-performance penalties that will apply to an Aggregation when the Aggregation does not perform because a Distribution Utility overrides NYISO's dispatch signal.*<sup>84</sup>

In new Services Tariff Section 4.1.10.7.2.2, the NYISO hereby proposes to state that "Aggregations that are unable to operate to achieve the ISO's dispatch due to the direction of the Distribution Utility will remain subject to applicable penalties and charges, including those penalties described in Services Tariff Sections 5.12.12, 5.14.2, and 23.4, and charges described in Services Tariff Section 15.3A." The NYISO is not proposing any new penalties that are specific to DER at this time, and is instead clarifying that existing penalties in each of those Sections may apply to Aggregators and/or Aggregations when warranted.

2. *Define more clearly the data flows and communication between NYISO, Aggregators, and Distribution Utilities.*<sup>85</sup>

The NYISO hereby proposes to add new Services Tariff Sections 4.1.10.7.2.1, 4.1.10.7.2.2, and 4.1.10.7.2.3 to identify the roles, responsibilities, and communication requirements for the NYISO, Aggregator, and Distribution Utility.

- a. New Services Tariff Subsection 4.1.10.7.2.1 describes the NYISO's responsibility to issue schedules and dispatch instructions as described throughout Services Tariff Section 4 and make available to Transmission Owners a day ahead operating plan reflecting the schedules of Aggregations. These processes are the same for Generators and are further described in the Day-Ahead Scheduling Manual and Transmission and Dispatch Operations Manual.
- b. New Services Tariff Section 4.1.10.7.2.2 describes Aggregator communication responsibilities. In addition to the tariff language proposed in the 2021 DER Filing, the NYISO proposes to add a requirement that, when a Distribution Utility notifies an Aggregator that a Resource participating in its Aggregation must be derated or forced out of service, the Aggregator must promptly update its Day-Ahead and/or Real-Time Market Bids if necessary to reflect the derate or full outage. When an Aggregator is not able to update its Bids (due to, for example timing of the notification from the Distribution Utility) the Aggregator must notify the NYISO of a full or partial Forced Outage in accordance with Services Tariff Section 5.12 and Section 3 of the NYISO's Outage Scheduling Manual.
- c. New Services Tariff Section 4.1.10.7.2.3 contains tariff language proposed in the 2021 DER Filing regarding a Distribution Utility's authority to derate or declare unavailable individual DER when the Utility determines operation of

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<sup>84</sup> *Id.* at P 292.

<sup>85</sup> *Id.* at P 294.

the DER is reasonably expected to pose a threat to the Distribution Utility's electric facilities. Note that the NYISO previously proposed that the Utility contact the applicable Aggregator as soon as practicable in these conditions. The NYISO does not propose any new market rules in newly created Section 4.1.10.7.2.3.

**iii. *The Role of RERRAs***

Order No. 2222 required each ISO/RTO to specify how it will accommodate and incorporate voluntary RERRA involvement in coordinating the participation of DER in its markets.<sup>86</sup> The NYISO proposed to require Aggregators to ensure compliance with all applicable rules and regulations promulgated by the RERRA and included in a Distribution Utility's tariffs, and to provide the opportunity for RERRAs to both review and provide feedback on a DER and/or Aggregation's participation in the wholesale markets.<sup>87</sup>

The 2022 DER Order found that the NYISO partially complied with Order No. 2222's directives and instructed the NYISO to revise the Services Tariff to require that any information provided by the RERRA to the NYISO about an Aggregation is shared with the applicable Aggregator.<sup>88</sup>

In compliance with the Commission's directive, the NYISO proposes to add a requirement in Services Tariff Section 4.1.10.7.3 that information provided by the RERRA will be shared with the applicable Aggregator:

All information submitted to the ISO by the Relevant Electric Retail Regulatory Authority related to a Distributed Energy Resource or Aggregation's participation in the ISO-Administered markets shall be treated as confidential, and provided only to the applicable Aggregator during the Distributed Energy Resource's registration process.

**H. Modification to the List of Resources in an Aggregation**

Order No. 2222 required each ISO/RTO to establish rules that address modification of the list of DER in an Aggregation. Specifically, that Aggregators must update the list of DER in each Aggregation and any associated information without being required to re-register or re-qualify the entire Aggregation.<sup>89</sup> The NYISO proposed that, upon ninety days' notice to the NYISO, an individual DER may leave one Aggregation and enter a new Aggregation of the same type (*e.g.*, an Energy Storage Resource may switch from a heterogeneous DER Aggregation to another heterogeneous DER Aggregation, or from a homogeneous Energy Storage Resource Aggregation to another homogeneous Energy Storage Resource Aggregation).<sup>90</sup> DER that want

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<sup>86</sup> *Id.* at P 322.

<sup>87</sup> 2021 DER Filing at 46.

<sup>88</sup> 2022 DER Order at P 305.

<sup>89</sup> Order No. 2222 at P 322.

<sup>90</sup> 2021 DER Filing at 35-36.

to switch from one Aggregation type (*e.g.*, heterogeneous) to another (*e.g.*, homogeneous) can only do so prior to the start of a Capability Year.<sup>91</sup>

The 2022 DER Order found that the NYISO partially complied with Order No. 2222's directives and instructed the NYISO to modify Services Tariff Section 4.1.10.7.1 to permit Distribution Utility review of any change to an Aggregation. The NYISO hereby proposes to include tariff language in new Services Tariff Section 4.1.10.7.1.3 that provides a Distribution Utility sixty days to review the reliability and safety impact of any change to an Aggregation.

The NYISO proposes a corresponding revision to Services Tariff Section 4.1.10.7.1.1 addressing an Aggregator's responsibility to update physical and operational data for each DER and Aggregation when any of that information changes:

Aggregators shall also update a Distributed Energy Resource and/or Aggregation's submission when any of the information or data changes in accordance with the ISO Procedures.

Finally, the NYISO proposes to add the following requirements to Services Tariff Section 4.1.10.3:

An Aggregator shall update the list of individual Resources enrolled in an Aggregation as it changes, providing the ISO with at least ninety (90) calendar days' notice prior to the change becoming effective. When an Aggregator updates the list of individual Resources enrolled in an Aggregation it shall also update the associated information and data for the applicable Aggregation if the modification changes the Aggregation's performance.

#### I. Market Participation Agreements

Order No. 2222 required ISO/RTOs to establish rules related to market participation agreements for Aggregators, specifically, that ISO/RTO tariffs should be revised to include a standard market participation agreement defining the Aggregator's roles and responsibilities, and its relationship to the ISO/RTO.<sup>92</sup> The 2021 DER Filing stated that under the 2019 DER and Aggregation market rules, Aggregators must execute a Service Agreement and comply with the NYISO's Aggregation registration and DER enrollment requirements.

The 2022 DER Order found that the NYISO partially complied with Order No. 2222. The Commission instructed the NYISO to clarify that an Aggregator must attest to each DER's compliance with the tariffs and operating procedures of the Distribution Utility and the rules and regulations of the applicable RERRA (if any).

The NYISO proposes to amend Services Tariff Section 4.1.10.5 to comply with the Commission's directive:

Prior to an Aggregation's participation in the wholesale market, and each individual facility's participation in an Aggregation, the

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<sup>91</sup> *Id.* at 36-37.

<sup>92</sup> Order No. 2222 at P 338.

Aggregator shall attest that the individual facility(ies) and Aggregation: (i) have been authorized to participate in the ISO Administered Markets by the applicable Distribution Utility and Relevant Electric Retail Regulatory Authority, (ii) will comply with all applicable tariffs and operating procedures of the Distribution Utility and/or Transmission Owner to whose electric facilities it interconnects, (iii) will comply with all applicable rules and regulations of the Relevant Electric Retail Regulatory Authority for each of the Distributed Energy Resources it enrolls and (iv) will not provide the same service in the ISO Administered markets as it provides in a retail program or market in accordance with Services Tariff Sec. 4.1.10.6.

**J. Effective Date**

On November 14, 2022, the NYISO submitted a Motion to extend the effective date of the Order No. 2222 compliance tariff revisions in this docket. The NYISO believes that good cause was demonstrated to extend the effective date beyond the fourth quarter of 2022 effective date that the NYISO was instructed to propose in the 2022 DER Order. For the reasons set forth therein, the NYISO respectfully requests that the Commission grant NYISO's Motion to extend the effective date to a date no later than December 31, 2026.

As explained in Section IV.C.i of this filing letter, the NYISO will submit an additional filing proposing the additional rules it needs to permit DER Aggregations to provide all of the Operating Reserves they are technically capable of providing. The NYISO will submit that filing after it completes its efforts with its stakeholders to develop the necessary rules, and well in advance of its implementation of the Tariff rules proposed in this filing. The NYISO anticipates that the rules it is developing to address the provision of Operating Reserves by heterogeneous DER Aggregations will be implemented at the same time it implements the other revisions proposed in this filing.

**V. 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](http://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.

Honorable Kimberly D. Bose

November 14, 2022

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## **VI. Conclusion**

Wherefore, the NYISO respectfully requests that the Commission accept this compliance filing, without requiring any modifications.

Respectfully submitted,

/s/ Gregory J. Campbell

Gregory J. Campbell

Counsel for the New York Independent System  
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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 November 2022.

/s/ Mitchell W. Lucas

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