

May 3, 2023

**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., Proposed Tariff Revisions Regarding Retention and Transfer of Capacity Resource Interconnection Service, Docket No. ER23-\_\_\_-000***

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act (“FPA”) and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), the New York Independent System Operator, Inc. (“NYISO”) respectfully submits proposed revisions to its Open Access Transmission Tariff (“OATT”) and its Market Administration and Control Area Services Tariff (“Services Tariff”) related to the retention, termination and transfer of Capacity Resource Interconnection Service (“CRIS”).<sup>1</sup>

The proposed tariff changes bolster the existing CRIS retention and termination rules to mitigate the retention of CRIS by suppliers unable or unwilling to fully utilize their CRIS. This may increase capacity deliverability headroom and potentially lessen the need for deliverability upgrades. This may, as a result, lower the cost of market entry to future facilities looking to participate in the NYISO Installed Capacity (“ICAP”) market. Additionally, the proposed tariff changes provide greater transparency and certainty of how resources are evaluated in the deliverability analysis, as well as provide greater flexibility for resources seeking to transfer their CRIS. Additionally, the proposed tariff changes provide clarity regarding the physical withholding rules applicable to CRIS transfers.

The NYISO respectfully submits that as described in this filing letter, its proposed tariff revisions are fully supported, are just and reasonable, and should be accepted without modification or condition. The NYISO respectfully requests that the proposed tariff revisions become effective on July 3, 2023—the first business day immediately following the end of the statutory sixty-day notice period under Section 205 of the Federal Power Act.

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<sup>1</sup> Capitalized terms not otherwise defined in this letter have the meaning set forth in the NYISO’s OATT and Services Tariff.

**I. DOCUMENTS SUBMITTED**

The NYISO respectfully submits the following documents with this filing letter:

- A clean version of the NYISO’s proposed tariff revisions to the OATT (“Attachment I”);
- A blacklined version of the NYISO’s proposed tariff revisions to the OATT (“Attachment II”).
- A clean version of the NYISO’s proposed tariff revisions to the Services Tariff (“Attachment III”); and
- A blacklined version of the NYISO’s proposed tariff revisions to the Services Tariff (“Attachment IV”).

**II. COMMUNICATIONS AND CORRESPONDENCE**

All communications and service in this proceeding should be directed to:

Robert E. Fernandez, Executive Vice President, General Counsel &  
Chief Compliance Officer  
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**III. BACKGROUND**

**A. Obtaining CRIS**

CRIS is the interconnection service that allows a project interconnecting to the New York State Transmission System or Distribution System that has Energy Resource Interconnection

Service (“ERIS”)<sup>2</sup> to participate in the NYISO’s Installed Capacity market to the extent of the facility’s deliverable capacity, as discussed below.

In order to be eligible to become an ICAP Supplier or receive Unforced Capacity Deliverability Rights (“UDRs”) or External-to-ROS Deliverability Rights (“EDRs”),<sup>3</sup> a facility must have CRIS.<sup>4</sup> CRIS may be obtained through a transfer or through a deliverability evaluation in a Class Year deliverability study or Expedited Deliverability Study. Deliverability studies determine the extent to which the project is deliverable throughout the Capacity Region to which it proposes to inject at the requested CRIS level.<sup>5</sup> If not fully deliverable, a Class Year deliverability study will also identify System Deliverability Upgrades (“SDUs”) needed for the project to be deliverable at the requested level of CRIS.

A Developer<sup>6</sup> that seeks CRIS for facilities larger than 2 MW or that seeks an increase in CRIS above the permissible *de minimis*,<sup>7</sup> must request CRIS as part of a Class Year deliverability study or Expedited Deliverability Study (collectively, “deliverability studies”). A Developer electing CRIS will be allowed to become an ICAP Supplier, or will be allowed to

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<sup>2</sup> ERIS is basic interconnection service that allows a Developer to interconnect its generating facility to the New York State Transmission System or Distribution System in accordance with the NYISO Minimum Interconnection Standard to enable the New York State Transmission System or Distribution System to receive electric energy from the facility.

<sup>3</sup> Unforced Capacity Deliverability Rights (“UDRs”) are “rights, as measured in MWs, associated with (i) new incremental controllable transmission projects, and (ii) new projects to increase the capability of existing controllable transmission projects that have UDRs, that provide a transmission interface to a Locality. . . .” External-to-ROS Deliverability Rights (“EDRs”) are similar, but have a terminus in Rest of State. When combined with Unforced Capacity in an External Control Area or non-constrained NYCA region, and which is deliverable to the NYCA interface in the Locality in which the UDR transmission facility is electrically located, UDRs allow such Unforced Capacity to be treated as if it were located in the Locality. For EDRs, when combined with qualified Unforced Capacity which is located in an External Control Area, and which is deliverable to the NYCA Interface with Rest of State over which it created the incremental transfer capability, EDRs allow such Unforced Capacity to be offered into the ISO-Administered Market. *See* Services Tariff Sections 2.1, 2.5.

<sup>4</sup> *See* Services Tariff Section 5.12.1.

<sup>5</sup> A Developer of a generating facility that is requesting 2 MW or less of CRIS may obtain this amount without being evaluated for deliverability under the NYISO Deliverability Interconnection Standard. *See* OATT, Sections 25.3.1, 32.1.1.7. If a Developer requests greater than 2 MW of CRIS, its proposed generating facility must be evaluated for deliverability as part of a Class Year Study for a Class Year of projects. *See* OATT Sections 25.3.1, 32.1.1.7.

<sup>6</sup> For ease of reference, this filing letter uses the term “Developer” to refer to project developers in the NYISO’s interconnection queue and to “Market Participants” for both existing Generator Owners and Market Participants with existing facilities.

<sup>7</sup> An existing facility interconnected with CRIS may, over the life of the facility, increase its CRIS by a total of 2 MW above its originally established CRIS value without having the deliverability of that 2 MW increase evaluated under the NYISO Deliverability Interconnection Standard. *See* OATT Sections 25.3.1, 32.1.4.2.1.

receive UDRs or EDRs, in accordance with the rules of the ICAP market, up to the amount of its deliverable capacity, as that amount is determined in the applicable deliverability study.

Attachment S to the OATT sets forth the study methodology and cost allocation rules for the Class Year deliverability study and Expedited Deliverability Study.

*i. Class Year Deliverability Study*

A Class Year Study is the final study in the NYISO's Large Facility Interconnection Procedures. A "Class Year" is comprised of projects that have met specified Class Year Study eligibility requirements by the time the combined group study begins. Each Class Year Study identifies and cost allocates System Upgrade Facilities required for ERIS and SDUs required for the projects in the Class Year Study requesting CRIS.<sup>8</sup>

For those Class Year Projects that request CRIS, Attachment S provides for the evaluation of a project under the NYISO Deliverability Interconnection Standard to determine the extent to which it is deliverable throughout the Capacity Region in which it proposed to interconnect. In the deliverability evaluation within the Class Year Study ("Class Year deliverability study"), the NYISO determines deliverability at the full amount of requested CRIS. If the project is not fully deliverable, the NYISO will identify and allocate the cost of the SDUs needed to make each Class Year CRIS Project deliverable.

The Class Year Deliverability Test follows a series of base case conditioning steps prior to the commencement of the deliverability analyses. Among these steps is the identification of "existing CRIS" to be modeled in the deliverability base case. "Existing CRIS" is CRIS that has been obtained through Attachment S and that has not expired. For Projects that have undergone a prior Class Year Study deliverability evaluation, "existing CRIS" is CRIS obtained upon completion of a Class Year Study through which the Developer accepted its deliverable MW or accepted its Project Cost Allocation and posted Security for System Deliverability Upgrades, as applicable. For Projects that undergo an Expedited Deliverability Study deliverability evaluation, "existing CRIS" is considered to be CRIS that is obtained upon completion of an Expedited Deliverability Study through which the Developer was deemed to have accepted its deliverable MW in an Expedited Deliverability Study completed prior to the Class Year Study Start Date. "Existing CRIS" modeled in the Class Year deliverability study includes existing CRIS for all facilities not being evaluated in the Class Year deliverability study, regardless of outage state, unless that CRIS will expire prior to the scheduled completion of the applicable Class Year

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<sup>8</sup> The Class Year Study is divided into two parts. The first part of the study is a design and engineering study performed for an individual Class Year Project that identifies the Connecting Transmission Owner's Attachment Facilities, the Local System Upgrade Facilities, and related metering, protection, and telecommunications facilities required to reliably interconnect the project. The second part of the study is a combined study of the projects participating in the Class Year to identify the remainder of the SUFs required to reliably interconnect the aggregate of projects in the Class Year Study and to evaluate requested CRIS under the Deliverability Interconnection Standard.

deliverability study or the CRIS is associated with a Retired facility that cannot transfer such rights prior to CRIS expiration.<sup>9</sup>

*ii. Expedited Deliverability Study*

The Expedited Deliverability Study is similar to the Class Year deliverability study; however, it was designed for a Developer that is only seeking CRIS or an increase in CRIS. The Expedited Deliverability Study was implemented in 2020 as part of comprehensive reforms to the NYISO's interconnection procedures.<sup>10</sup> The Expedited Deliverability Study is a faster study process with lower study deposits than those required to participate in the Class Year Study. For such projects, the Expedited Deliverability Study allows its CRIS request to be studied outside the Class Year Study process to obtain CRIS for Deliverable MW that do not require SDUs.

While a Class Year deliverability study identifies and cost allocates SDUs for a facility that is not deliverable for its full amount of requested CRIS, an Expedited Deliverability Study only evaluates whether an existing or new facility satisfies the NYISO Deliverability Interconnection Standard at its full amount of requested CRIS without the need for SDUs.<sup>11</sup> It will therefore not identify or cost allocate SDUs.

If the requested CRIS of a Developer's project evaluated in an Expedited Deliverability Study is determined to be fully or partially deliverable, the Developer can obtain CRIS rights in the amount of the Deliverable MW.<sup>12</sup> If the requested CRIS of a Developer's project evaluated in an Expedited Deliverability Study is deemed undeliverable at its full amount of requested CRIS, a Developer that wants the full amount of its requested CRIS may enter its project in the next Open Class Year for a determination of the required SDUs or enter into a subsequent Expedited Deliverability Study or Class Year Study with the same or different CRIS request.<sup>13</sup>

The deliverability methodology used in the Expedited Deliverability Study is identical to that used in the Class Year deliverability study, with the exception of one of the base case inclusion rules. The base case for the Expedited Deliverability Study uses the same base case inclusion rules as the Class Year deliverability study, however, the base case for the Expedited Deliverability Study includes CRIS requests for projects in an ongoing Class Year.<sup>14</sup>

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<sup>9</sup> See OATT Section

<sup>10</sup> See *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER20-638-000 (January 31, 2020).

<sup>11</sup> See OATT Sections 25.7.1, 25.7.4.

<sup>12</sup> See OATT Sections 25.7.4, 25.7.6.

<sup>13</sup> See *supra* note 11..

<sup>14</sup> The deliverability base cases are tried-up before the commencement of the next Expedited Deliverability Study or next Class Year Study, whichever occurs earlier. In addition, the base case for the Expedited Deliverability Study is revised and the deliverability re-evaluated for potential impacts to projects if (i) the pending Class Year completes the decision and settlement process during the performance of the Expedited Deliverability Study, (ii) a

## **B. Retaining CRIS**

Attachment S to the OATT not only establishes the manner by which a Developer can obtain CRIS, but it also sets forth the rules governing the retention and termination of such CRIS. A facility that has gone into service and has CRIS will retain such CRIS as long as the facility has not withdrawn from the NYISO interconnection queue and is not CRIS-inactive for more than three continuous years.<sup>15</sup> Once a facility is CRIS-inactive for three continuous years, the facility's CRIS will terminate unless otherwise provided for in Section 25.9.3.1 of the OATT.

A facility becomes "CRIS-inactive" on the last day of the month for which it (i) fails to offer capacity in the NYISO's capacity auction and/or (ii) fails to certify capacity as an Installed Capacity Supplier through a Bilateral Transaction or to export capacity to an External Control Area.<sup>16</sup>

With limited exceptions<sup>17</sup> a facility's CRIS terminates three years after the facility becomes CRIS-inactive unless the CRIS-inactive facility takes one of the following actions before the end of the three-year period: (1) returns to service and participation in NYISO capacity auctions or bilateral transactions; or (2) transfers capacity deliverability rights to another facility.

These current rules also provide specific CRIS retention rules applicable to facilities not subject to the NYISO Interconnection Procedures.<sup>18</sup>

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Class Year project rejects its deliverable MWs or SDUs, and (iii) the NYISO determines that this may impact the deliverability of a project in the Expedited Deliverability Study. *See* OATT Section 25.5.9.2.3.

<sup>15</sup> *See* OATT Section 25.9.3.1.

<sup>16</sup> The date on which the project reaches Initial Synchronization triggers the potential for a facility to be considered CRIS-inactive, which will then start the three-year period that a facility may be CRIS-inactive before its CRIS is terminated. This rule applies equally to load modifiers that have CRIS but never participate in the Installed Capacity market, including resources with CRIS that are acting as a load modifier outside of the NYISO-administered markets through a contract with an LSE. However, facilities with CRIS that export capacity to an External Control Area will not be considered to be CRIS-inactive by the mere fact that they are not participating in the NYISO Installed Capacity market. *See* OATT Sections 25.9.3.1.1, 25.9.3.1.2.

<sup>17</sup> These exceptions are for Generators in an ICAP Ineligible Forced Outage or Mothball Outage that have commenced repair and satisfy the requirements of Services Tariff Sections 5.18.2.3.2 and 5.18.3.3.2 and Generators subject to Services Tariff Section 5.18.5 for which temporary use of its the interconnection point is needed to resolve a reliability issue.

<sup>18</sup> For a facility not subject to the NYISO interconnection procedures--that obtained CRIS on or before February 29, 2020, its CRIS will terminate four years after February 29, 2020 if the Developer has failed to provide notice to the NYISO that the facility has synchronized. For such facility that obtains CRIS after February 29, 2020, its CRIS will terminate four years after the facility obtains CRIS, if the Developer fails to provide notice to the ISO that the facility has synchronized. *See* OATT Section 25.9.3.4.

### **C. Transferring CRIS**

One mechanism by which a Developer can obtain CRIS is through a CRIS transfer from a facility with existing CRIS. The tariff rules regarding CRIS transfers distinguish between transfers at the same electrical location (“same location CRIS transfers”) and transfers to a different electrical location (“different location CRIS transfers”). Both types of CRIS transfers may be subject to a Buyer Side Mitigation (“BSM”) determination and/or a physical withholding review if either side of the transfer is in a Mitigated Capacity Zone.<sup>19</sup>

Current tariff rules allow a transferor to request a same location CRIS transfer at any point in time, regardless of the status of pending deliverability studies. The transfer only becomes effective, however, if the transferor deactivates and the transferee’s facility is online before the CRIS expires. Until the transfer transaction is finalized, the transferor maintains its CRIS rights.<sup>20</sup>

Current tariff rules for different location CRIS transfers are slightly different. First, a different location CRIS transfer must be evaluated as part of the Class Year deliverability study. Only different location CRIS transfers are subject to a deliverability evaluation in a Class Year deliverability study and its election to enter the Class Year Study provides notice of a contemplated different location CRIS transfer. There is currently no notice requirement for same location CRIS transfers in relation to the pending or upcoming Class Year deliverability study or Expedited Deliverability Study.

The transfer can be for all or a part of the transferor’s existing CRIS rights and does not require the facility to deactivate for the transfer to become effective. The transferor has the option to assume either ERIS-only or partial CRIS status.<sup>21</sup> The transferee acquires these rights if it meets the deliverability conditions detailed in Section 25.9.5 of Attachment S; however, until the transfer transaction is deemed final, the transferor maintains its CRIS rights and its ability to participate in capacity sales up to that level. When the transaction is finalized, the transferor is restricted for participation in future capacity sales up to levels consistent with the CRIS rights transferred.

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<sup>19</sup> If the transferee is in a Mitigated Capacity Zone, and is not an Excluded Facility, the CRIS transfer is subject to a BSM evaluation under Services Tariff Section 23.4.5.7. In addition, the transferor’s election to remove Installed Capacity from a Mitigated Capacity may be subject to a physical withholding review under Services Tariff Section 23.4.5.6.

<sup>20</sup> See OATT Section 25.9.4.

<sup>21</sup> See OATT Section 25.9.4.

#### **D. Physical Withholding**

If the CRIS transferor is in a Mitigated Capacity Zone, it may be subject to an audit and review for physical withholding and potential penalties.<sup>22</sup> Section 23.4.5.6.1 of the Services Tariff lays out the physical withholding audit and review process for Market Participants<sup>23</sup> who propose to remove an ICAP Supplier from a Mitigated Capacity Zone<sup>24</sup> if the NYISO determines that it “could reasonably be expected to affect Market-Clearing Prices in one or more ICAP Spot Market Auctions for a Mitigated Capacity Zone in which the Resource(s) that is the subject of the proposal or decision is located, subsequent to such action.”<sup>25</sup>

The NYISO has discretion in determining whether to complete a market power review. If the NYISO decides to complete a market power review, such “review shall assess whether the Market Participant’s proposal or decision has a legitimate economic justification ... or is based on an effort to withhold Installed Capacity physically in order to affect prices.”<sup>26</sup> If the NYISO determines that the generator is physically withholding capacity, and that behavior would increase market clearing prices in a Mitigated Capacity Zone capacity market by five percent or more (and is at least \$0.50/kW-month), the NYISO will assess a penalty as specified in Services Tariff Section 23.4.5.6.3.

In a 2018 Order regarding the Generator Deactivation Process, the Commission found that there is a need for clarity and transparency surrounding final market power reviews and required the NYISO to propose “a timeline for completing final market power reviews of deactivating generators, if needed, as part of its Generator Deactivation Process.”<sup>27</sup> In response to that Order, the NYISO created a process to align physical withholding determinations with the Generator Deactivation Process.

CRIS transfers can result in removal of an ICAP Supplier from a Mitigated Capacity Zone; however, there is not a similar timeline established for CRIS transfers to receive final physical withholding determinations prior to the CRIS transfer unless the transfer is associated with a deactivating facility.

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<sup>22</sup> See Services Tariff Section 23.4.5.6.

<sup>23</sup> For ease of reference, this filing letter uses the term “Generator Owner” to refer to both Generator Owners and Market Participants.

<sup>24</sup> No audit and review is required if the ICAP Supplier is a Generator that is being retired or removed from a Mitigated Capacity Zone as the result of a Forced Outage that began on or after May 1, 2015 that was determined by the NYISO to be a Catastrophic Failure.

<sup>25</sup> See Services Tariff Section 23.4.5.6.1.

<sup>26</sup> See *id.*

<sup>27</sup> *New York Indep. Sys. Operator, Inc.*, 163 FERC ¶ 61,047, *order on clarification and reh’g* (April 23, 2018) at P 13.

#### **IV. DESCRIPTION OF PROPOSED TARIFF REVISIONS**

As part of interconnection process reforms developed by the NYISO in 2019,<sup>28</sup> the NYISO worked with its stakeholders to identify mechanisms through which to tighten the CRIS retention and termination rules. Those efforts led to proposed tariff revisions accepted by the Commission on January 31, 2020.<sup>29</sup> Building upon the 2019 efforts, the NYISO pursued a project in 2021-2022 to work with its stakeholders to identify additional improvements to the CRIS rules in Attachment S to the OATT. The revisions generally fall into four categories.

The first category of proposed revisions focus on the retention and termination of inactive and underutilized CRIS. Currently, the tariff provisions setting forth the CRIS retention and termination requirements do not explicitly address relinquishment of CRIS or how to account for partial CRIS utilization. The proposed tariff revisions address these gaps by establishing new rules for relinquishment of CRIS and partial CRIS termination. These proposed revisions establish clear rules for the retention and termination of a CRIS to address facilities retaining but not using CRIS for extended periods of time.

The second category of proposed revisions focus on CRIS transfers. Currently, CRIS transfer requirements do not allow for CRIS transfers at the same electrical location if the transferor remains in service. The proposed tariff revisions allow CRIS transfers at the same location—in part or in whole—even if the transferor remains in service. These proposed revisions provide additional flexibility for same location CRIS transfers and align the deactivation requirements for CRIS transfers such that a transferor facility need not deactivate to transfer its CRIS, whether the transfer is to a facility at the same or a different electrical location.

The third category of proposed revisions focus on the manner in which inactive, underutilized and transferred CRIS is modeled in deliverability studies. The proposed revisions create notification requirements that will allow same location CRIS transfers to be reflected in upcoming deliverability studies. The proposed revisions also modify the base case inclusion rules for the Class Year deliverability study and Expedited Deliverability Study in light of the new rules regarding relinquishment, partial termination and transfer of CRIS. This provides greater alignment between CRIS utilized in the ICAP market and CRIS modeled in the deliverability studies.

Fourth, the NYISO also proposes rules for physical withholding evaluations of CRIS transfers to increase clarity and flexibility in the process for Market Participants looking to transfer CRIS from a facility that will remain active to receive a final physical withholding determination before the transfer is finalized.

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<sup>28</sup> *New York Indep. Sys. Operator, Inc.*, Interconnection Process Improvements, Docket No. ER20-638-000 (December 19, 2019).

<sup>29</sup> See *supra* note 10.

In addition to the above four categories of proposed tariff changes, the NYISO proposes several additional revisions and clean-ups specified in Section IV(E).

**A. Proposed Revisions to OATT Section 25.9.3 (CRIS Retention and Termination)**

As part of the 2019 interconnection process reforms referenced above, the NYISO identified proposals providing for more stringent CRIS expiration rules. Some of those were implemented as part of that initiative, while others were deferred for later consideration. Although the CRIS rules implemented as part of those reforms help prevent retention of CRIS by certain facilities not participating in the ICAP market, the rules do not completely address the treatment of CRIS status for inactive and Retired facilities. More stringent rules on the termination of unused or underutilized CRIS may increase deliverability headroom, and potentially lessen the need for deliverability upgrades.

Under the existing rules for CRIS termination, a resource's CRIS will only terminate if it is not utilized *at all* for three years, unless transferred prior to its termination. Under current rules, a resource can therefore retain its full CRIS even if it offers only 0.1 MW into the ICAP market once during a three-year period. Retired units are also allowed to retain their full CRIS value for three years post-retirement.

The NYISO's proposed revisions address internal facilities not using CRIS at all, facilities underutilizing their CRIS, and transmission facilities with UDRs or EDRs that are incapable of utilizing their full CRIS due to physical limitations in neighboring control areas.

*i. Full CRIS Termination*

The NYISO proposes to terminate CRIS in full upon request by the facility owner or due to three continuous years of the facility being CRIS-inactive, except as provided in Sections 5.18.2.3.2, 5.18.3.3.2, and 5.18.5 of the Services Tariff.<sup>30</sup>

The proposed revisions include an option and process for a deactivated facility with unexpired CRIS to voluntarily relinquish its CRIS.<sup>31</sup> Under the proposed rules, if the facility wishes to relinquish its CRIS, it can do so by notifying the NYISO at any point during the calendar year, subject to specific notification requirements set forth above in Section 25.9.3.2.1. CRIS can only be relinquished in full (*i.e.*, the facility may not elect to relinquish a portion of its CRIS). The effective date of CRIS termination pursuant to OATT Section 25.9.3.2 will be the date the ISO has completed processing the termination request and provided notice of same to the requesting facility owner, after which the NYISO will cease to model the corresponding CRIS in the applicable deliverability studies that commence after the effective date of the expiration of the CRIS, as discussed in more detail in Section IV(C) below.

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<sup>30</sup> See *supra* note 17.

<sup>31</sup> See proposed OATT Section 25.9.3.2.1.

*ii. Partial CRIS Termination*

The NYISO also proposes new rules for partial CRIS termination for facilities underutilizing their existing CRIS. These rules are set forth in a new OATT Section 25.9.3.3.

The proposed revisions applicable to internal facilities are set forth in OATT Section 25.9.3.3.1. As proposed, these rules will expire a portion of the facility's CRIS based on its "CRIS utilization." For purposes of this rule, CRIS utilization is the MW sum for a given month of the Installed Capacity Equivalent of Unforced Capacity ("UCAP")<sup>32</sup> that is: (1) offered into ISO capacity auctions; (2) certified through a Bilateral Transaction(s); and (3) exported to an External Control Area. For purposes of calculating CRIS utilization, any months during which a facility is in a Mothball Outage or ICAP Ineligible Forced Outage are excluded and not considered as part of the three-year period for determining CRIS utilization.

Under the proposed rule, if a facility's CRIS utilization ratio (*i.e.*, ratio of the monthly CRIS utilization to its total applicable seasonal CRIS value) falls at or below 90% for every month for three consecutive years, measured on a rolling basis, its CRIS is subject to reduction. The 90% threshold is established in an effort to remain consistent with trends of historic degradation levels. A facility's CRIS utilization ratio will only be calculated for months after the effective date of these proposed tariff revisions. Therefore, the first time a CRIS reduction under these new rules could occur would be three years after the effective date of these tariff revisions.

The reduction is determined as follows: if a unit falls at or below the threshold, the unit's CRIS will be reduced to the MW level of its existing CRIS values multiplied by the sum of (1) the maximum utilization ratio for any month within the prior three-year period and (2) 0.05, rounded to the nearest tenth of a MW.<sup>33</sup> For example, if a facility with 200 MW of CRIS has a maximum CRIS utilization of 180 MW for every month for three consecutive years:

- Using 0.9 as the specified threshold, the CRIS Utilization Ratio:  $\frac{180}{200} \leq 0.9$  (for every month)
- Because the unit falls at or below the threshold level (every month) a portion of its CRIS would be terminated.
  - New CRIS value:  $(0.9 \times 200 \text{ MW}) + (0.05 \times 200 \text{ MW}) = 190 \text{ MW}$
  - In this example, 10 MW would be terminated.

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<sup>32</sup> UCAP is "the measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the ISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Installed Capacity Requirement for which each LSE is responsible." *See* Services Tariff Section 2.21.

<sup>33</sup> A 0.05 value gives units flexibility for recoverable losses and maintenance repairs.

The NYISO also proposes partial CRIS termination rules applicable to transmission facilities interconnecting from outside the New York Control Area (“NYCA”) in new OATT Section 25.9.3.3.2. Such facilities that participate in the NYISO’s Installed Capacity market are classified as UDRs or EDRs (collectively “UDR/EDR transmission facility”). As noted above, the primary difference between the two deliverability rights is the terminus of the transmission facility.<sup>34</sup>

The proposed CRIS termination rules for UDR/EDR transmission facilities will partially terminate CRIS to the extent such facilities are incapable of utilizing their full CRIS due to physical limitations in the neighboring control areas (*e.g.*, transmission constraints that prevent the UDR/EDR facility from delivering MW of Energy to the NYCA interface without firm transmission rights or deliverability upgrades).

If the UDR/EDR transmission facility can demonstrate, consistent with ISO Procedures,<sup>35</sup> that it is capable of delivering MW of Energy to the NYCA interface equivalent to its MW of CRIS, before the three-year expiration clock, the NYISO will confirm that the facility is fully deliverable at its existing CRIS level, and no partial expiration rule will be applied.

If the UDR/EDR transmission facility cannot demonstrate, consistent with ISO Procedures, that it is capable of delivering the MW of Energy to the NYCA interface equivalent to its MW of CRIS, its CRIS MW will be reduced to the maximum monthly amount of MW of Energy demonstrated during the three-year period starting from the date of its initial synchronization.<sup>36</sup>

Once the NYISO confirms a facility is subject to the application of the partial CRIS expiration rule, it will notify the facility about the partial expiration of its CRIS and confirm the facility’s new MW level of CRIS.

*iii. Additional Revisions to OATT Section 25.9.3.1*

In addition to the revisions detailed above, notice requirements related to CRIS transfers and Retired Generators are also included in the proposed revisions and discussed in the following section.

In addition, for clarity, the NYISO proposes to revise the following exception to CRIS retention in OATT Section 25.9.3.1:

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<sup>34</sup> UDRs are “rights, as measured in MWs, associated with (i) new incremental controllable transmission projects, and (ii) new projects to increase the capability of existing controllable transmission projects that have UDRs, *that provide a transmission interface to a Locality. . .*” EDRs are similar, but have a terminus in Rest of State. *See Services Tariff Sections 2.1, 2.5.*

<sup>35</sup> The applicable ISO Procedures are detailed in Section 4.9.3.2 of the NYISO’s Installed Capacity Manual.

<sup>36</sup> *See* proposed OATT Section 25.9.3.3.2.

Facilities ~~qualifying for CRIS will retain their CRIS Status at the capacity level found deliverable awarded CRIS~~ pursuant to this Attachment S, as allocated among the facilities' individual units, as applicable, will retain such CRIS to the extent specified in Sections 25.9.3.2 and Section 25.9.3.3 of this Attachment S, regardless of subsequent changes to the transmission system or the transfer of facility ownership, ~~provided the facility has not~~. Facilities awarded CRIS pursuant to this Attachment S that are withdrawn from the ISO interconnection queue will not receive any CRIS awarded to the facility through that queue position, remains capable of operating at the capacity level studied, and is not CRIS inactive for more than three (3) continuous years.

This revision makes clear that in the case of withdrawal, the CRIS awarded to that interconnection queue position is not transferrable and will no longer be modeled in the deliverability study base cases.

As a whole, the proposed changes to the CRIS retention and termination rules help prevent retention of CRIS by suppliers unable or unwilling to fully utilize their CRIS. This may increase capacity deliverability headroom in deliverability studies, and thereby potentially lessen the need for deliverability upgrades. Additionally, consistent with existing practice, the NYISO will make all CRIS changes public, including those due to full or partial CRIS termination.<sup>37</sup>

#### **B. Proposed Revisions to OATT Sections 25.9.4 and 25.9.5 (CRIS Transfers)**

The NYISO also proposes revisions to the CRIS transfer rules to create additional flexibility for same location CRIS transfers and enhance notice requirements related to contemplated CRIS transfers.

As described above, the OATT distinguishes CRIS transfers at the same electrical location from those transferred to a different electrical location. Currently, a Market Participant with CRIS can only transfer CRIS to another facility interconnecting at the same electrical location if the transferor facility is deactivating, and the new unit will be online before the CRIS expires. For different location CRIS transfers, however, CRIS can be transferred to a facility at a different electrical location without deactivating the transferring facility.

The NYISO proposes to more closely align these procedures by allowing a facility to transfer part or all of its CRIS to a facility located at the same electrical location regardless of whether it is deactivating. This allows a transferor facility in the process of deactivating to transfer CRIS is it no longer using, thereby allowing it to remain active in the Energy market only or use only part of its CRIS.

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<sup>37</sup> See the NYISO Generator Status Update Report available at: [Installed Capacity Market \(ICAP\) - NYISO](#).

Specifically, the NYISO proposes to revise OATT Section 25.9.4 to provide that a facility with CRIS (“transferor facility”) may, on or after its Initial Synchronization Date, transfer some or all of its CRIS to a facility at the same electrical location (“transferee facility”), subject to the following requirements:

- 1) the transferee facility must be operational before the CRIS of the transferor facility terminates pursuant to OATT Section 25.9.3; and
- 2) the transferor facility, if it is Retired, in a Mothball Outage or is in an ICAP Ineligible Forced Outage, has been assessed in a Short-Term Assessment of Reliability or a Generator Deactivation Assessment, the determination of which is that a Generator Deactivation Reliability Need will not result from the Facility’s deactivation.

The proposed tariff revisions clarify that for purposes of same location CRIS transfers, “same electrical location” means that the facilities are interconnecting to the same transmission bus at the same kV level.

Under the proposed revisions to OATT Section 25.9.4, the facilities involved in the transfer must complete the CRIS transfer in accordance with ISO Procedures, including the transferee accepting its BSM determination, if applicable, prior to August 1 of the year preceding the next Capability Year.

The August 1 deadline is proposed to account for same location CRIS transfers in the Installed Reserve Margin (“IRM”) study performed by the NYISO at the request of the New York State Reliability Council, to determine the IRM necessary to meet all applicable reliability criteria in the NYCA for the upcoming Capability Year. Because same location CRIS transfers are effectuated outside the Class Year deliverability study, the August 1 date allows for transparency in the change of ICAP and UCAP supplied at the transfer location and results in a more representative model of the system conditions for the upcoming Capability Year. For different location CRIS transfer where the transferor facility will stay in-service, the CRIS Transfer Confirmation Date will be established as part of the Class Year process.

If the transferor facility remains active (*i.e.*, as ERIS-only or with less than its original MW level of CRIS), it must submit a transfer notification form to the NYISO in accordance with ISO Procedures before August 1 for the requested transfer to become effective at the later of the start of the next Capability Year (*i.e.*, May 1) or the Initial Synchronization Date of the transferee facility. If the transferee facility does not reach its Initial Synchronization Date before the end of the next Capability Year (*i.e.*, April 30), the transfer will not be effective and the CRIS will remain with the transferor. A transferor facility that does not satisfy the above requirements must deactivate prior to transferring its CRIS.

If the transferor facility is located in a Mitigated Capacity Zone, it may obtain a final physical withholding determination pursuant to Services Tariff Section 23.4.5.6.5. If the transferee facility is located in a Mitigated Capacity Zone and is not an Excluded Facility,

pursuant to Services Tariff Section 23.2, the transferee facility must, pursuant to Services Tariff Section 23.4.5.7, obtain a BSM determination for the transfer to become effective as soon as the start of the next Capability Month after the date upon which the last of the following occurs:

- the transferee obtains a BSM determination, if applicable;
- the transferor obtains a physical withholding determination, if applicable; and
- the facility meets all other applicable requirements in OATT Section 25.9.4; provided however, that if the same-location CRIS transferor elects to remain active (*i.e.*, as ERIS-only or with less than its original MW level of CRIS), such BSM determination must be obtained before August 1 of the current Capability Year for the transfer to become effective at the later of the start of the next Capability Year (*i.e.*, May 1) or the Initial Synchronization Date of the transferee facility.

Corresponding tariff revisions are proposed in OATT Section 25.9.5 mirroring the steps discussed above for same location CRIS transfers.

The proposed revisions to the CRIS transfer rules will apply to standalone facilities, multi-unit single technology resources, and Co-located Storage Resources (“CSRs”). In the case of co-located generators sharing the same injection limit, such as multi-unit single technology resources and CSRs, transfers can be requested at the resource level. For such facilities, CRIS rights are requested at the facility level but allocated (if requested) at the resource level; the separation of CRIS at the resource level allows for transfers between resources located at the same electrical location.

The proposed rules will not apply to co-located generators sharing the same injection limit, such as entire Distributed Energy Resource (“DER”). CRIS rights for such facilities are requested and awarded at the facility or entire DER level, not the individual asset level. For that reason, the NYISO proposes to restrict the rule for same location CRIS transfers to DERs.

The proposed revisions also clarify that the period of time the facility is CRIS inactive prior to the transfer does not impart to the transferee facility (*i.e.*, if the transferor facility had been CRIS inactive for two years prior to the transfer, that two years does not transfer with the transferred CRIS; rather, the transferee’s CRIS is reset for purposes of OATT Section 25.9.3.2.2).

Collectively, these proposed revisions to the CRIS transfer rules allow more flexibility as more public policy resources come on to the system. These newer technologies (*e.g.*, Energy Storage Resources and Distributed Energy Resources) have the ability to come online sooner than historic entrants. The proposed rules expanding the scenarios under which CRIS can be transferred may facilitate efficient retirements and repowering of resources being replaced by newer technologies.

### **C. Proposed Revisions to Section 25.7.8.2 (Deliverability Study Modeling Assumptions)**

Under the current tariff language, CRIS is modeled in the deliverability base case unless it will expire before the estimated completion date of the deliverability study and is not transferable. Currently, CRIS is transferable if it can be transferred under one of the existing transfer provisions discussed above. Under this current structure, CRIS would only be transferable within the applicable study window if there is a project interconnected or interconnecting at the same electrical location that will be in-service prior to termination of the transferor's CRIS. As discussed in more detail below, the NYISO's proposed tariff revisions clarify whether CRIS that is subject to relinquishment, termination or transfer will be modeled in the Class Year deliverability study and the Expedited Deliverability Study in OATT Sections 25.7.8.2.1.3 and 25.7.8.2.2.3, respectively.

Whether and how a CRIS transfer—potential or proposed—will be modeled in a deliverability study requires notice from the Market Participants contemplating a CRIS transfer or that are Retired with existing CRIS that could potentially be transferred before it expires. As noted above, notice of a contemplated CRIS transfer is currently only required for different location CRIS transfers as they enter a Class Year deliverability study. As part of the proposed revisions, the NYISO proposes notification requirements.<sup>38</sup>

Specifically, the proposed rules require facilities, whose CRIS will expire prior to a deliverability study and who intend to transfer their CRIS rights prior to the applicable study's completion, to inform the NYISO prior to the study start. Failure to submit documentation regarding a potential or proposed CRIS transfer will result in the CRIS of the deactivated facility ceasing to be modeled in the applicable deliverability studies if its CRIS will expire prior to its scheduled completion. The specific notice requirements proposed by the NYISO are summarized below:

- If the CRIS of a facility would expire prior to the scheduled completion of the applicable deliverability study, the facility, prior to the start of the applicable study, must notify the NYISO and submit documentation regarding a potential or proposed CRIS transfer.
- Facilities must notify the NYISO by submitting the corresponding standardized form.
- The notification for CRIS transfer could be for either full or part of the existing CRIS rights.

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<sup>38</sup> Notification forms will be included as attachments to the NYISO's Transmission Expansion and Interconnection Manual.

- Upon receipt of the notification form and confirmation of information, the NYISO will notify the facility, confirming that it will continue to model the corresponding CRIS rights in the applicable deliverability studies.
- Proposed CRIS transfers will be processed in accordance with applicable rules for same location or different location CRIS transfers (*e.g.*, different location transfers must be evaluated in a Class Year Study).

Failure to submit documentation regarding a potential or proposed CRIS transfer will result in the CRIS of the deactivated facility ceasing to be modeled in the applicable deliverability studies if its CRIS will expire prior to its scheduled completion.

Under the proposed rules, CRIS will be modeled in the upcoming deliverability study if:

- CRIS transfer is feasible and anticipated (*e.g.*, CRIS expires in 6 months and there is a facility at the same location that will go in-service prior to that time, with which the developer is in transfer negotiations); or
- CRIS transfer is feasible but not yet anticipated (*e.g.*, CRIS expires in 6 months and there is a facility at the same location coming in-service prior to that time, but with which there is not yet a transfer transaction in progress).

CRIS will *not* be modeled in the upcoming deliverability study if:

- CRIS transfer is feasible but no intention of transfer (*e.g.*, the developer indicates it has no intention to transfer or wishes to relinquish its CRIS); or
- CRIS transfer is not feasible (*e.g.*, CRIS expires in 6 months and there is no same location facility that can come into service before then and no different location facility with which a transfer transaction can be completed before then).

Specifically, the proposed revisions to OATT Section 25.7.8.2.1.3 provide:

Existing CRIS that will be modeled in the Class Year Study shall include: existing CRIS for facilities not being evaluated in the Class Year Study regardless of outage state, unless (1) that CRIS will expire ~~prior to the scheduled completion~~ no later than 12 months (i.e., 365 Calendar Days) after of the applicable Class Year study Start Date, unless except where the facility has provided notice of a proposed CRIS transfer anticipated to be finalized no later than 12 months (i.e., 365 Calendar Days) of the Class Year Start Date; or (2) the CRIS is associated with a Retired facility that cannot transfer such rights prior to CRIS expiration. For purposes of this Section 25.7.8.2.1.3, “existing CRIS” ~~is CRIS that has been obtained through Attachment S and that has not expired. For~~ for Projects that

have undergone a prior Class Year Study deliverability evaluation, ~~“existing CRIS”~~ is CRIS obtained upon completion of a Class Year Study through which the Developer accepted its deliverable MW or accepted its Project Cost Allocation and posted Security for System Deliverability Upgrades, as applicable. For Projects that undergo an Expedited Deliverability Study deliverability evaluation, “existing CRIS” is ~~considered to be~~ CRIS that is obtained upon completion of an Expedited Deliverability Study through which the Developer was deemed to have accepted its deliverable MW in an Expedited Deliverability Study completed prior to the Class Year Study Start Date.

The proposed revisions require this notice prior to the start of each Class Year and Expedited Deliverability Study for modeling purposes described in the following section. If a Retired unit does not demonstrate that a transfer can be effectuated to a facility that will be in-service before the CRIS expires, its CRIS will not be modeled in the next Class Year deliverability study. Revisions to modeling assumptions used in deliverability studies is discussed in more detail below.

The NYISO’s proposed revisions to OATT Section 25 include corresponding revisions in OATT Section 25.7.8.2.2 mirroring the proposed revisions to OATT Section 25.7.8.2.1.

The NYISO’s proposed modeling revisions will allow the NYISO to remove existing CRIS from the deliverability base case when it is non-transferable or that a Retired facility has no intention of transferring. This could potentially allow new facilities to satisfy the Deliverability Interconnection Standard (*i.e.*, be deemed deliverable) without the need for SDUs or with less costly SDUs. In addition, the specific timing requirements for the proposed notifications help expedite finalization of deliverability base cases.

#### **D. Proposed Revisions to Services Tariff Sections 23.2 and 23.4.5.6 (Physical Withholding Rules Applicable to CRIS Transfers)**

As noted above, same location CRIS transfers are not currently permitted under the tariff if the transferring unit remains in-service; however, under this proposal, such transfers will be permitted. CRIS transfers with the transferring unit remaining in-service, however, are not subject to physical withholding rules currently because under the current rules, a facility cannot transfer its CRIS at the same location and remain active.

With the proposed revisions to the CRIS transfer rules described above, a Market Participant may elect to transfer some or all of its CRIS at the same location and remain in service. The existing physical withholding rules in the Services Tariff require revisions to clarify how physical withholding determinations apply to Market Participants that intend to transfer CRIS at the same location from a facility that will remain active. The NYISO therefore proposes revisions to its Market Mitigation Measures to allow an ICAP Supplier to obtain an *ex ante*

physical withholding review from the NYISO when transferring some or all of its CRIS at the same location without a deactivation.

Under the proposed rules, a Market Participant may notify the NYISO, in writing, at least 90 days prior to the CRIS Transfer Confirmation Date, that it requests the NYISO issue a final physical withholding determination to the Market Participant. Provided that such request is supported by a submission showing the relevant information needed by the NYISO to complete its review, the NYISO shall issue its final determination, if needed, at least 60 days prior to the CRIS Transfer Confirmation Date.

Specifically, the NYISO proposes to add the following definition to Services Tariff Section 23.2:

“CRIS Transfer Confirmation Date” shall mean the date in which the transferor and transferee confirms the proposed CRIS transfer (e.g., through a CRIS transfer notification form submitted prior to August 1st for same location CRIS transfers for active facilities looking to transfer CRIS rights for the next Capability Year) and is considered by ISO, in consultation with the Market Monitoring Unit, to be a date which will become, essentially and practicably, an irreversible action for the transferor with respect to effectuating the CRIS transfer and for purposes with respect to the NYISO’s issuance of a final physical withholding determination to the transferor.

The NYISO also proposes to revise Services Tariff Section 23.4.5.6 to add a new Section 23.4.5.6.5: “Aligning Physical Withholding Audits and Reviews with the Transfer of Deliverability Rights Process for Same Location CRIS Transfers.” The new rules in this Section apply to a Market Participant that initiates a same location CRIS transfer but does not intend to initiate the Short Term Reliability Process that is set forth in Attachment FF to the OATT.

Proposed Services Tariff Section 23.4.5.6.5.1 set forth the conditions that trigger the requirement for the NYISO to complete a physical withholding review of the proposed CRIS transfer, if needed, and issue a final physical withholding determination, while proposed Services Tariff Section 23.4.5.6.5.2 sets forth the conditions under which such a review and determination are not required. Such review and determination are contingent on the Market Participant providing all of the data and information required by proposed Services Tariff Section 23.4.5.6.5.4 and the NYISO issuing a corresponding notice to the Market Participant that the NYISO has received all of the data and information it requires to perform the physical withholding review pursuant to proposed Services Tariff Section 23.4.5.6.5.3.

The data and information requirements specified in proposed Section 23.4.5.6.5.4 mirrors the existing information requirements under OATT Attachment FF and Services Tariff Section 23.

Proposed Section 23.4.5.6.5.5 provides for the issuance of a final physical withholding determination for same location CRIS transfers. At least 90 days prior to the CRIS Transfer

Confirmation Date the Market Participant may notify the NYISO in writing of the proposed confirmation and effective date for the CRIS transfer and request that the NYISO issue a final physical withholding determination. A final physical withholding determination may only be requested by an active holder of CRIS (*i.e.*, CRIS that has not terminated pursuant to the applicable provision of OATT Attachment S).<sup>39</sup>

Under the proposed rules, the NYISO, in consultation with the Market Monitoring Unit, determines that the CRIS Transfer Confirmation Date is, essentially and practicably, an irreversible point in the transfer process, then the NYISO shall inform the Market Participant in writing and issue its final determination at least 60 days before the proposed CRIS Transfer Confirmation Date. The NYISO's final physical withholding determination shall only be valid if the CRIS Transfer Confirmation Date becomes effective within a window that starts five days before the proposed effective date specified in the Market Participant's notice to the NYISO and concludes ten days after the proposed effective date specified in the Market Participant's notice to the NYISO.<sup>40</sup>

The NYISO also proposes to revise Service Tariff Section 23.4.5.6.2.1. Section 23.4.5.6.2.1 sets forth the conditions upon which a final physical withholding determination is deemed valid. The proposed revisions clarify that 23.4.5.6.2.1 is qualified by Section 23.4.5.5.3.2.2:

The ISO's final physical withholding determination shall only be valid if the Generator becomes Retired or enters into a Mothball Outage within a window that starts five days before the date specified in the Market Participant's notice to the ISO and concludes ten days after the date specified in the Market Participant's notice to the ISO, unless the conditions described below in Section 23.4.5.6.4.2.2 are met.

Finally, the NYISO proposes to revise Services Tariff Section 23.4.5.6.5 to specify that “[n]othing in Attachment S to the OATT or in this Section 23.4.5.6.5 of the NYISO Services Tariff should be read as limiting the NYISO's authority to impose a physical withholding penalty on a facility that transfers its CRIS to a new facility at the same location.”

The NYISO's proposed approach in the revisions to Services Tariff Section 23.4.5.6 is consistent with existing rules applicable to physical withholding reviews and determination applicable to Market Participants that remove or derate ICAP Supplier in a Mitigated Capacity Zone. The proposed revisions establish comparable rules for same location CRIS transfers and

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<sup>39</sup> See proposed Services Tariff Section 23.4.5.6.5.5.2.

<sup>40</sup> See proposed Services Tariff Section 23.4.5.6.5.5.1.

increase clarity and flexibility for Market Participants considering such transfers by providing for a final physical withholding determination before the transfer is finalized.

**E. Additional Clarifications and Ministerial Revisions**

The NYISO’s proposed revisions to the OATT and Services Tariff include minor revisions intended to conform, clarify or clean-up existing language that are referenced and explained in the following table:

Tariff Section	Description of Proposed Revision	Basis for Proposed Revision
Services Tariff Section 23.4.5.6	Revise section heading to include “Transfer of Deliverability Rights”	Revisions align existing tariff language with proposed tariff revisions.
Services Tariff Section 23.4.5.6.1	Add to the provision regarding the “decision date” (date of the Market Participant’s expected removal of an ICAP Supplier from a Mitigated Capacity Zone) a reference to the CRIS Transfer Confirmation Date for CRIS Transfers described in the new Services Tariff Section 23.4.5.6.5.	Revisions align existing tariff language with proposed tariff revisions.
OATT Section 25.7.8.2.1.3	<p>Revise reference to “prior to the scheduled completion of the applicable Class Year study” to “no later than 12 months (<i>i.e.</i>, 365 Calendar Days) after the Class Year Start Date.”</p> <p>Revise “existing CRIS” to “CRIS” where applicable.</p> <p>Revise “is considered to be” to “is”.</p>	Revisions align existing tariff language with proposed tariff revisions, provide clarity and improve readability.
OATT Section 25.9.3.1	Following revision: “Facilities <del>qualifying for CRIS will retain their CRIS Status at the capacity level found deliverable</del> <u>awarded CRIS</u> ...”	Revisions align existing tariff language with proposed tariff revisions and provide clarity.

Tariff Section	Description of Proposed Revision	Basis for Proposed Revision
OATT Section 25.9.3.2.2.1	<p>Revise existing cross-references to new Section OATT 25.9.3.2.2.</p> <p>Following revision: “once a facility <u>with</u> CRIS has synchronized <del>and has CRIS</del> ...” to “once a facility with CRIS has synchronized...”</p> <p>Qualify the offer and certify requirements with “any” to read: “it becomes CRIS-inactive on the last day of the month for which it fails to (i) offer <u>any</u> capacity into ISO capacity auctions, and/or (ii) certify <u>any</u> capacity ...”</p>	Revisions align existing tariff language with proposed tariff revisions, provide clarity and improve readability.
OATT Section 25.9.3.2.2.2	<p>Revise “CRIS status at the capacity level eligible for CRIS ...” to “CRIS”.</p> <p>Revise “participation in ISO capacity auctions ...” to “participates in an ISO capacity auction ...”</p> <p>Revise “capacity deliverability rights: to “CRIS”.</p>	Revisions provide clarity and improve readability.
OATT Sections 25.9.4 and 25.9.5	<p>Revise “new facility” and “new project” to “transferee facility”.</p> <p>Revise “existing facility” to “transferor facility”.</p> <p>Revise “assigned capacity deliverability rights” with “transferred CRIS”.</p> <p>Revise “capacity rights” with “CRIS”.</p>	Revisions align existing tariff language with proposed tariff revisions and provide clarity and consistency.

Tariff Section	Description of Proposed Revision	Basis for Proposed Revision
OATT Section 25.9.5	<p>Revise “Rights” to “CRIS”.</p> <p>Revise “after the existing facility assumes ERIS status or deactivates” with “after the existing facility transfers its CRIS”.</p> <p>Following revision: “The <del>new transferee</del> facility will be allowed to acquire these rights if it meets the <del>deliverability test executed in the following manner requirements set forth below.</del>”</p>	Revisions align existing tariff language with proposed tariff revisions and provide clarity and consistency.
OATT Section 25.9.5.1	<p>Revise “Class Year Deliverability Study” to “Class Year Start Date”.</p> <p>Revise “tell” to “notify”.</p>	Revisions use defined terms, provide clarity and consistency, and improve readability.
OATT Sections 25.9.5.1.1 and 25.9.5.1.2	Following revision: “ <del>new transferee</del> facilities in the Class Year <del>that are parties to proposed transactions.</del> ”	Revisions align existing tariff language with proposed tariff revisions and provide clarity and consistency.
OATT Section 25.9.5.1.3	Revise “their particular transaction” to “transfer transaction”.	Revisions provide clarity and improve readability.
OATT Section 25.9.5.2	Following revision: “ <del>existing transferor</del> facility <del>that is a party to the transaction</del> will be modeled in <del>the</del> Class Year Study ...”	Revisions align existing tariff language with proposed tariff revisions and provide clarity and consistency.
Services Tariff Section 23.4.5.6	Correction of spacing and formatting	Ministerial revision
Services Tariff Section 23.4.5.6.5	Correction to delete an extra period	Ministerial revision
Services Tariff Section 25.7.12.13	Correction of a pre-existing numbering error to “25.7.13”	Ministerial revision
OATT Section 25.9.2	Correction of missing commas	Ministerial revision
OATT Section 25.9.3	Renumbering (including cross-references) due to new sections	Ministerial revision

**V. EFFECTIVE DATE**

The NYISO respectfully requests that the Commission accept the proposed tariff revisions to become effective on July 3, 2023 the first business day immediately following the end of the statutory sixty-day notice period under Section 205 of the Federal Power Act.

**VI. STAKEHOLDER DISCUSSION AND APPROVAL**

The tariff revisions proposed in this filing were the product of extensive discussions with stakeholders, including 11 meetings in the NYISO's ICAP Working Group.<sup>41</sup> The Business Issues Committee approved the proposed changes on January 18, 2023 with 90.36% affirmative votes. The Management Committee approved the proposed changes with abstentions on January 25, 2023. On March 20, 2023, the NYISO's Board of Directors approved a motion directing the NYISO to file the proposed tariff revisions approved by the Management Committee.

**VII. SERVICE**

A complete copy of this filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). 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. In addition, the NYISO will send an electronic copy of this filing to the New York Public Service Commission and to the New Jersey Board of Public Utilities.

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<sup>41</sup> The ICAP WG meetings at which this proposal was discussed were joint meetings with the Market Issues Working Group.

**VIII. CONCLUSION**

For the reasons set forth above, the NYISO respectfully requests that the Commission accept the tariff revisions proposed in this filing without any modifications, conditions or additional procedures and make them effective on July 3, 2023.

*Respectfully submitted,*

*/s/ Sara B. Keegan*

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Sara B. Keegan

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