

February 18, 2025

Submitted Electronically

Honorable Debbie-Anne A. Reese, Esq.
Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: *New York Independent System Operator, Inc.*, Proposed Tariff Amendments to
Revise the Regulation Movement Multiplier;
Docket No. ER25-____-000.

Dear Secretary Reese:

In accordance with Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”), the New York Independent System Operator, Inc. (“NYISO”) submits proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) to describe an updated process for setting the uniform Regulation Movement Multiplier (“RMM”) and the materials that will document the currently effective RMM value.²

The NYISO Management Committee (“MC”) unanimously approved the proposed revisions on December 18, 2024. The NYISO respectfully requests that the proposed revisions be permitted to take effect on May 1, 2025.

I. List of Documents Submitted

The NYISO submits the following documents with this filing letter:

1. A clean version of the proposed revisions to the Services Tariff (“Attachment I”); and
2. A blackline version of the proposed revisions to the Services Tariff (“Attachment II”).

¹ 16 U.S.C. § 824d.

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

II. Background

Regulation Service, or “frequency regulation,” is instructed by the NYISO as Regulation Capacity in the Day-Ahead Market and as Regulation Capacity and Regulation Movement in the Real-Time Market. Day-Ahead and Real-Time Bids to provide Regulation Service must include a Bid for Regulation Capacity and a Bid for Regulation Movement. The NYISO schedules Regulation Service Suppliers in real-time by using their Regulation Capacity MW offer and a single, composite price offer made up of the sum of i) the price offered for Regulation Capacity and ii) the product of the price offered for Regulation Movement and the uniform RMM. The Commission previously approved the use of a uniform RMM to support the NYISO’s calculation of the composite price offer.³ Translating a Regulation Service Supplier’s two Bids into a single composite price offer (*i.e.*, a single Regulation Service Bid) equips the NYISO’s scheduling and dispatch software with a better representation of the likely cost of each Supplier to provide both the Regulation Capacity and Regulation Movement components of Regulation Service and allows a least cost comparison among individual offers.⁴ The RMM is set based on the average ratio of Regulation Movement instructed in an interval to the Regulation Capacity required for the same interval.

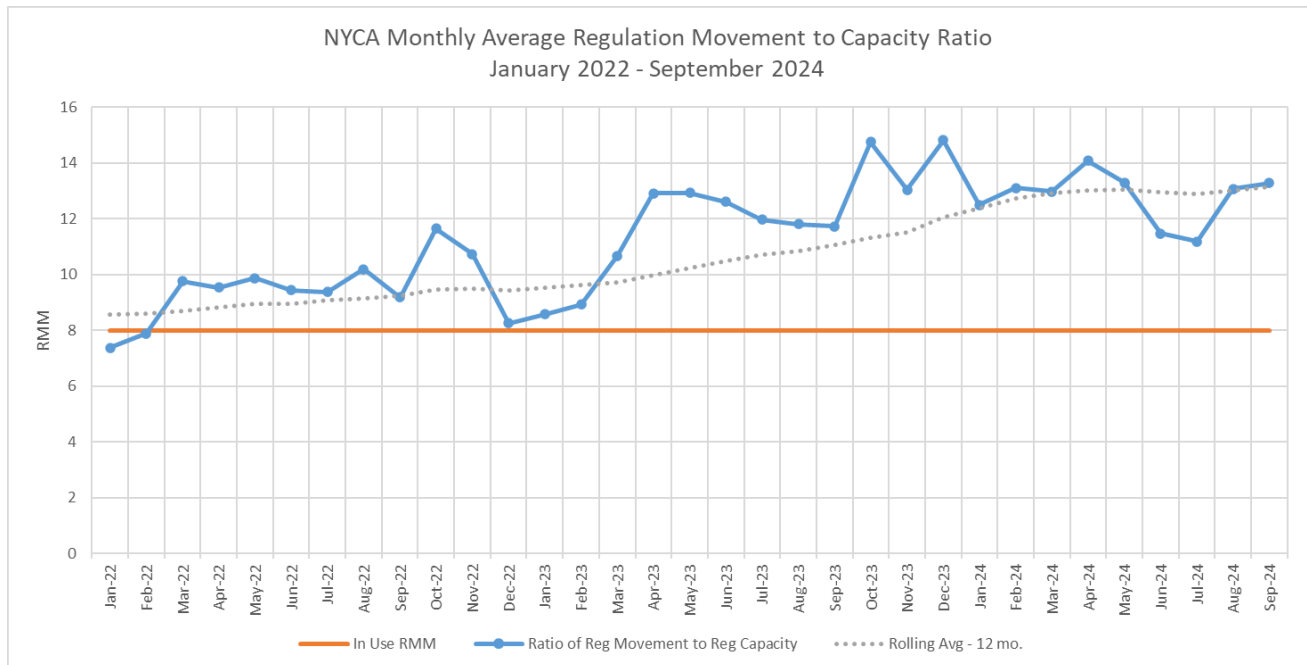
Recent analysis has demonstrated that a revised RMM value of 13 would more accurately reflect the dispatched movement of Regulation Service providers. The NYISO developed the revised RMM by analyzing historic data for the period January 2022 through September 2024 (see Figure 1 below). The NYISO used the same methodology to analyze the data that it had used to develop the initial RMM of 10 and the RMM value changes in 2015 and 2021.⁵ That is, for each Regulation Service provider scheduled during a given hour of this historical period, the NYISO calculated a Regulation Movement MW value for each 6-second interval that a Regulation Service provider is instructed to deliver for the purpose of providing Regulation Service. For purposes of this calculation, directions to a Resource to provide Energy were not counted as Regulation Movement MW. The Regulation Movement MW were then summed across all Regulation Service providers for the given hour, and divided by the NYISO Regulation Capacity requirement (in MW) for that hour. The average hourly ratio of the Regulation Movement MW-to-Regulation Capacity requirement has remained stable at a value of approximately 13 since January 2024, and, as a result of this trend, the NYISO engaged in its stakeholder process to prepare the Services Tariff revisions proposed herein and to modify the effective RMM value to 13.

³ See, *New York Independent System Operator, Inc.*, 143 FERC ¶ 61,194. The Commission also approved updates to the uniform RMM value in 2015 and 2021. See, *New York Independent System Operator, Inc.*, Docket No. ER15-1010-000, unpublished letter order, (March 13, 2015) and *New York Independent System Operator, Inc.*, Docket No. ER21-2326-000, unpublished letter order, (August 23, 2021).

⁴ See, Docket No. ER15-1010-000, *New York Independent System Operator, Inc.*, Proposed Tariff Amendments to Revise the Regulation Movement Multiplier (February 6, 2015), Affidavit of Mr. Rana Mukerji, NYISO Senior Vice President of Market Structures.

⁵ See, *New York Independent System Operator, Inc.*, Docket No. ER15-1010-000, unpublished letter order, (March 13, 2015) and *New York Independent System Operator, Inc.*, Docket No. ER21-2326-000, unpublished letter order, (August 23, 2021).

Figure 1:



Given the NYISO’s experience with the RMM since it was initially implemented in June 2013, the NYISO proposes herein to modify the process by which the RMM value is determined and reviewed with stakeholders. With the unanimous support of the NYISO’s stakeholder community, the NYISO proposes to move the documented record of the applicable RMM value out of the Services Tariff and into the NYISO Ancillary Services Manual. This change will allow the NYISO and its stakeholders to identify and implement necessary changes to the RMM value more quickly and, thus, to procure and schedule Regulation Service more efficiently.⁶ The NYISO also collaborated with its stakeholders to develop and document procedures for any future required changes to such value. These procedures specify the requirements for the NYISO to review any proposed future changes to the RMM value with its stakeholders and obtain affirmative supporting votes from its stakeholders at the Business Issues Committee (“BIC”) and Operating Committee (“OC”). When the NYISO determines that a change to the RMM value is warranted, consistent with the analysis described above, the NYISO would present the proposed RMM value to stakeholders and, if approved by the BIC and OC, a new RMM value will become effective on the first day of a calendar month.⁷

⁶ The generation mix throughout New York State is evolving rapidly in response to state energy and environmental policies. The provision of Regulation Service will potentially be impacted by prospective changes in the resource mix available to the NYISO commitment and dispatch systems. The tariff revisions proposed herein will support the NYISO’s timely modification of the RMM in response to a changing resource mix.

⁷ As part of the NYISO stakeholder process to review and approve the revisions proposed herein, the NYISO also sought and obtained approval for the associated Ancillary Services Manual revisions. These Ancillary

III. Description of Proposed Revisions to the Services Tariff

The NYISO proposes to revise Section 2.18 of the Services Tariff to remove the RMM value from the Services Tariff and to indicate that the NYISO will calculate the RMM value pursuant to ISO Procedures. The NYISO will continue to calculate the RMM value based on the historical relationship between the MW of Regulation Capacity in each hour and the Regulation Movement MW instructed by Automatic Generation Control (“AGC”) in each hour. The proposed revisions are shown below:

Regulation Movement Multiplier: A factor ~~with the value of eight (8),~~ used with the Regulation Movement Bids, to schedule Regulation Service providers in both the Day-Ahead and Real-Time ~~Energy m~~Markets. The ISO calculates the Regulation Movement Multiplier, ~~pursuant to ISO Procedures,~~ based on the historical relationship between the number of MW of Regulation Capacity that the ISO seeks to maintain in each hour and the number of Regulation Movement MW instructed by AGC in each hour.

IV. Effective Date

The NYISO respectfully requests a May 1, 2025 effective date for the tariff revisions proposed in this filing.

V. Stakeholder Approval

The Management Committee unanimously approved the proposed revisions to the Services Tariff on December 18, 2024. The NYISO Board of Directors approved the proposed tariff revisions on February 11, 2025.

Services Manual revisions, approved by the BIC and the OC, will become effective on the same day as the tariff revisions proposed herein. These revisions document the effective RMM value and specify the procedures for seeking any future changes to such value.

VI. Correspondence

All communications and correspondence concerning this filing should be directed to:

Robert E. Fernandez, Executive Vice President, General Counsel &
Chief Compliance Officer
Karen G. Gach, Deputy General Counsel
Raymond Stalter, Director, Regulatory Affairs
*James H. Sweeney, Senior Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-7678
jsweeney@nyiso.com

* Person designated for receipt of service

VII. Service

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

VIII. Conclusion

The NYISO respectfully requests that the Commission accept the tariff revisions proposed in this filing, without modification, with an effective date of May 1, 2025.

Respectfully submitted,

/s/ James H. Sweeney

James H. Sweeney, Senior Attorney
New York Independent System Operator, Inc.

cc: Janel Burdick
Emily Chen
Matthew Christiansen
Jignasa Gadani

Jette Gebhart
Leanne Khammal
Jaime Knepper
Kurt Longo

David Morenoff
Jason Rhee
Douglas Roe
Eric Vandenberg