

Utilization of MSEs for Demand Side Resources

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Business Issues Committee

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Background

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Date	Working Group	Discussion points and links to materials
04-17-19	Business Issues Committee (BIC)	DER Market Design Presentation
10-27-20	Installed Capacity Working Group (ICAPWG)	Tariff Revisions for DSASP use of MSE Provisions , MST 2.13 clean , MST 2.13 redline , MST 13.3 clean , and MST 13.3. redline

Background

- **As part of its DER participation model the NYISO developed market rules that permit a Meter Services Entity (MSE) to provide meter services and meter data services to Responsible Interface Parties (RIPs), Curtailment Service Providers (CSPs), and Aggregators**
 - MSEs replace the MSP/MDSP constructs previously used for the NYISO's demand response programs
- **The MSE rules do not impact existing metering constructs used by Member Systems**
 - Member Systems are those eight utilities that comprised the membership of the New York Power Pool
- **FERC accepted DER Participation Model tariff changes on January 23, 2020**
 - The MSE rules became effective on May 1, 2020, for RIPs and CSPs
 - The MSE rules will become effective for Aggregators when the remainder of the NYISO's DER participation model becomes effective in 2022

NYISO Proposal - Demand Side Resources

- **The tariff language accepted by FERC only permits RIPS and CSPs to utilize MSEs for Demand Side Resources**
 - Market Participants representing DSASP Resources (DSASP Providers) and DADRP Resources (Demand Reduction Providers) are not eligible to utilize a MSE
- **NYISO believes it is appropriate to expand eligibility to utilize an MSE in the DSASP and DADRP until those programs are eliminated in 2022**
 - The tariff modification will put all Market Participants participating in the demand response programs on equal footing, and improve access to the DSASP and DADRP
 - NYISO will propose removal of the text at a later date, with the removal to become effective when the DER Aggregation participation model becomes effective

Tariff Updates

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■ Section 2.13 – Definitions

- Modified definition of “Meter Services Entity” to include Demand Reduction Providers and DSASP Providers to the categories of Market Participants that can utilize an MSE

■ Section 13.3 – Metering Requirements for Demand Side Resources

- Added Demand Reduction Providers and DSASP Providers to the list of entities:
 - Eligible to receive services from Meter Services Entities
 - Ensuring the metering installed on their Resources is compliant with NYISO’s Tariff and Procedures
 - Responsible for any penalties that may be incurred as a result of non-compliant metering
 - Responsible for payments to Meter Services Entities
 - Responsible for the ISO’s cost of conducting audits, in accordance with Market Services Tariff Rate Schedule 10
- Clarified Demand Reduction Providers and DSASP Providers as entities eligible to become Meter Services Entities

Next Steps

Tentative Timeline

- **November 18, 2020 – Management Committee Meeting**
- **December 2020 – File Tariff Modifications with FERC**

Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

