

Registration Fee Proposal

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Agenda

- NYISO Registration
- Proposal
- Next Steps

Background

NYISO Registration

■ Cost Recovery

- NYISO has created mechanisms for direct assignment of the cost of services to specific Market Participants, where direct assignment is considered appropriate.
- Examples include Interconnection/ Planning Studies, Wind/ Solar Forecast Fees, Market Training, MSE Application and Generator Deactivation assessments.
- With the implementation of DER and other participation models, NYISO anticipates a significant increase in new registrations over the coming years.
- *This initiative has no bearing on the annual Cost of Service study vote required in Q3 2021.*

NYISO Registration

■ Proposal Timing

- NYISO does not charge a fee to apply to become a Market Participant.
- In the coming years, the NYISO anticipates an increase in the number of applications from smaller entities with less prior knowledge about the NYISO-administered markets.
- This lack of market knowledge and experience will put more strain on NYISO staff during the registration process as well as once these new entities begin to orient themselves for their ultimate participation in the markets.
- While the onboarding process is primarily focused on the Registration and Corporate Credit staff, it frequently extends to other areas including, but not limited to Planning, Market Design, Operations, and Settlements.

NYISO Registration

■ Proposal Make-up

- NYISO staff proposes adding a tiered structure of fees to the tariff to enable NYISO to charge an initial application fee as well as supplementary application fees when an existing Market Participant requests to expand their participation to other markets.
- The expectation is to have these entities begin paying for the costs of their entry into the market and reduce the degree that those costs are subsidized by existing Market Participants.

NYISO Registration

■ NYISO Registration Process

- Existing process involves two NYISO employees for contact and processing of applications. Over the last 3 years, the average time required to register a new MP has varied from the low 80s to over 125 hours. The 3 year average is ~ 100 hours per registration, and is highly variable.
- Increasing number of potential Market Participants are starting the Registration process and requiring more support from Subject Matter Experts in addition to the Registration staff.
- This process is currently funded through RS1 cost recovery at the expense of existing MPs.

Proposal

- **Proposal Part A) - Implement a non-refundable Registration Fee for incoming/aspiring Market Participants**
 - NYISO proposes a fee of \$5,000 to be paid by applying organizations before NYISO will accept a completed application and answer detailed questions about NYISO-administered markets and membership.
 - Fee is based on estimated hours required to process a completed application by NYISO Registration staff.
 - Every individual registration is unique with a level of effort that can't necessarily be predicted with significant precision, therefore this fee gives a reasonable degree of cost recovery without reflecting precise accuracy.

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- **Proposal Part B) - Implement a non-refundable incremental Registration Fee for existing Market Participants entering new markets**
 - NYISO proposes a fee of \$500 to be paid by existing organizations before NYISO will review and accept changes to an existing registration package.
 - Fee is based on estimated hours required to process changes to a completed registration by a NYISO staff person.

Timeline

- April 27 BPWG – Initial Discussion
- May 13 BPWG – Follow-up Discussion
- May 26 Management Committee – Vote
- July Board of Directors Meeting
- August FERC Filing

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- 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



Questions?