

FERC Order No. 2222 – NYISO Compliance Review Follow Up

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Agenda

- **FERC Order No. 2222**
 - Background
 - Summary
 - NYISO Requirements
- **NYISO Compliance Plan**
 - Utility Review
 - Small LSE Opt In
- **Next Steps**

NYISO Requirements

- **The NYISO must submit a compliance filing by July 19, 2021, that:**
 - describes how its DER participation model complies with Order No. 2222, and
 - proposes additional tariff revisions as necessary.
- **NYISO presented its proposed compliance plan for several topic areas at the June 17th MIWG/ICAPWG**
 - This presentation provides additional follow up details to some of the questions raised at the prior working group

NYISO Compliance Follow Up Items

Small-Utility Opt-In Requirement

Requirements

- “[C]ustomers of utilities that distributed 4 million MWh or less in the previous fiscal year may not participate in distributed energy resource aggregations unless the [RERRA] affirmatively allows such customers to participate in distributed energy resource aggregations.”
- **NYISO must amend its market rules to:**
 - Accept bids from an Aggregator if its Aggregation includes distributed energy resource that are customers of utilities that distributed more than 4 million MWh in the previous fiscal year; and
 - Not accept bids from an Aggregator if its Aggregation includes DER that are customers of utilities that distributed 4 million MWh or less in the previous fiscal year; unless
 - The applicable RERRA permits such customers to be bid into the wholesale market by an Aggregator.

Compliance Plan

Compliance Plan

- **Aggregator will need to provide attestation during Facility enrollment confirming opt-in status of LSE/RERRA**
- **Aggregators will be required to self-certify LSE/RERRA opt-in status on an annual basis**
 - Proposed annual certification cycle: Upon enrollment of each DER facility, by April 1st – effective for a capability year
 - If the NYISO does not receive a response by April 1, NYISO would assume the Opt-In remains effective

Compliance Plan

■ NYISO will monitor attestations:

- Aggregator will specify the following during facility (DER) Enrollment, and during each annual re-certification:
 - Opt-in Verification (for example: “Facility’s LSE distributed more than 4 million MWh in the previous fiscal year, OR distributed less than or equal to 4 million MWh and has received opt in confirmation from the applicable RERRA”)
- If the Aggregator fails to respond by the recertification date, the prior year’s election would remain in place

Utility Review Requirement

Requirements

■ Role of Distribution Utilities

- A comprehensive non-discriminatory process for distribution utilities to review the individual DER that comprise an Aggregation
 - Conducted whenever an Aggregator enrolls an Aggregation or whenever the Aggregator makes incremental changes to an existing Aggregation
- Specific directives – work with distribution utilities to develop a review process that allows the utility to determine whether:
 - Each proposed DER is capable of providing wholesale market services in a DER Aggregation; and
 - Whether that DER’s participation in the wholesale markets “will not pose significant risks to the reliable and safe operation of the distribution system”
- Share any information and data collected about the individual DER necessary for the distribution utility to complete its review
- Include the results of the utility’s review in the DER Aggregation enrollment process.

Requirements

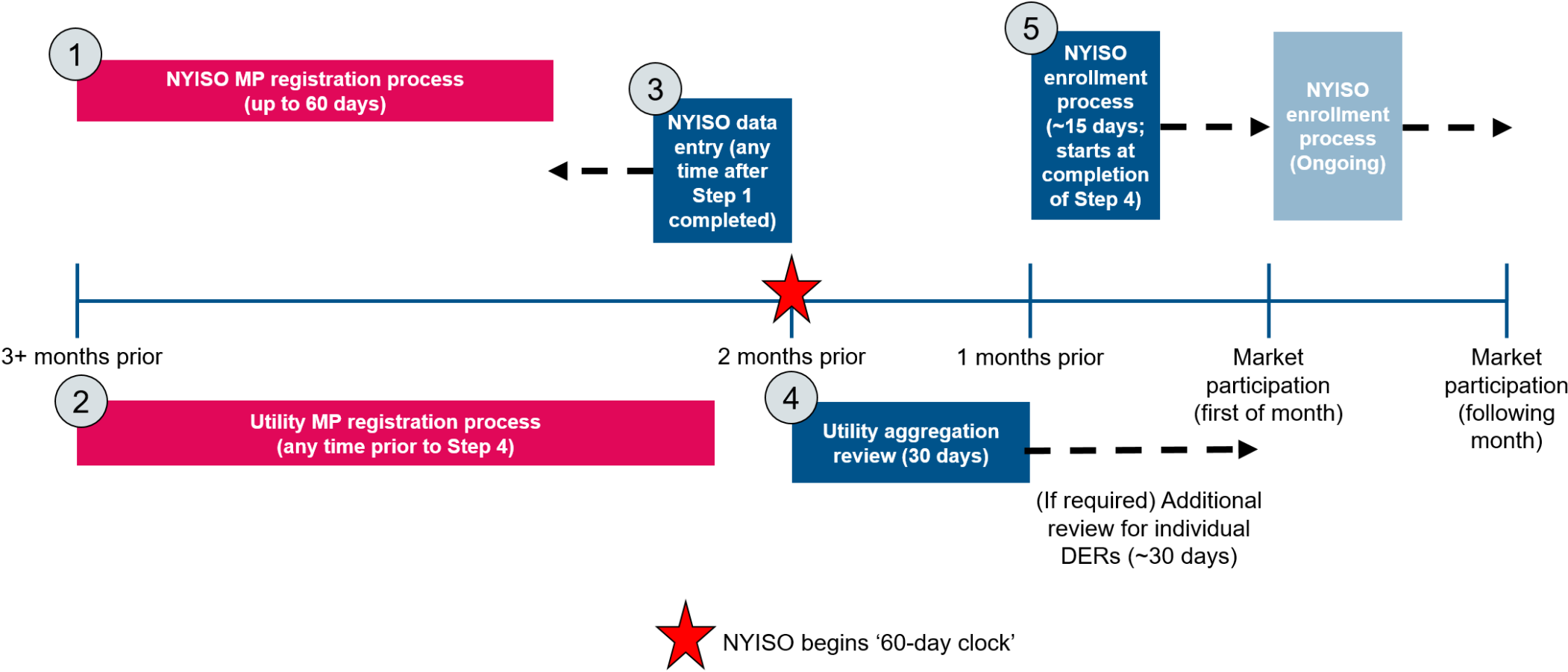
- **Demonstrate that the utility review process:**
 - Is transparent,
 - Provides specific review criteria that the utilities should use (e.g., that the DER is participating in an aggregation, and does not pose significant risk to the safe and reliable operation of the distribution system; must include potential impacts on distribution system reliability criterion in the utility review (e.g., if the DER is likely to increase voltage above acceptable limits or create potential equipment overloads, the utility should have the opportunity to notify the NYISO and request that the DER have operational limitations on an aggregation, or removal of the DER from the Aggregation), and
 - Provides adequate and reasonable time for distribution utility review (not to exceed 60 days)
- **Develop dispute resolution procedures as part of the distribution utility review process, and describe how existing dispute resolution procedures are sufficient, or propose amendments to its existing, or develop new dispute resolution procedures**

Compliance Plan

Compliance Plan

- **Utilities have the opportunity to review each DER/Aggregation prior to NYISO review**
 - Utility 60 day review allowance will begin once the Aggregator submits Aggregation/DER data to the NYISO for review
- **Results of the utility review are included in the NYISO's review**
- **Enrollment information is collected by the NYISO, and will be shared with the utilities**
- **If no response is received from the utility by the conclusion of the 60 day review period, the NYISO review proceeds under the assumption that the utility has not identified any significant reliability concerns**
- **The NYISO will work cooperatively with the applicable utility and Developer/Aggregator to resolve potential reliability and safety concerns**

Registration & Enrollment Timeline



Next Steps

Updated Draft Tariff Language

- **Please note: Draft tariff language has been posted with today's meeting materials.**
- **Draft tariff language includes updates to the NYISO's Market Services Tariff in order to comply with FERC Order No. 2222.**

Next Steps

- **NYISO will continue to develop manual language implementation details inclusive of all FERC Order No. 2222 compliance requirements**
- **NYISO FERC Order No. 2222 Compliance Filing Due Date: July 19th, 2021**

Questions?

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

