

Via E-Mail to [mdesocio@nyiso.com](mailto:mdesocio@nyiso.com)

To: Mike DeSocio  
From: Leonard Ashley, IPPNY Director, Market Policy & Regulatory Affairs  
Date: September 20, 2021  
Re: Comments on Buyer-Side Mitigation (“BSM”) Reform and Capacity Accreditation Considerations

---

IPPNY<sup>1</sup> submits the following comments on the NYISO’s Capacity Accreditation proposal presented at the August 30 and August 31, 2021 Installed Capacity Working Group meetings as well as the BSM reform update presented at the September 9, 2021 ICAP meeting.

As previously stated in comments filed on June 30, 2021, IPPNY continues to emphasize that any proposed revisions to the NYISO’s BSM rules and an enhanced capacity accreditation process **must be proposed as a comprehensive balance**<sup>2</sup> to ensure suppliers are neither under nor over-compensated to preserve the long-term reliability of the system, and thus, be just and reasonable. This comprehensive approach is required for the capacity market to continue to support just and reasonable capacity prices and maintain its core function of attracting and retaining the resources needed to ensure resource adequacy and preserve the long-term reliability of the system.

It is critical that the NYISO keep modifications to the BSM rules and the development of the core concepts and overall framework to implement enhanced capacity accreditation rules in lockstep with each other. Proposed tariff amendments addressing these two matters must be jointly presented and voted upon by stakeholders and approved by the NYISO Board for these matters to be filed with FERC under Section 205 of the Federal Power Act. The tariff

---

<sup>1</sup> IPPNY is a trade association representing companies involved in the development of electric generating facilities including renewable resources, the generation, sale, and marketing of electric power, and the development of natural gas and energy storage facilities in the State of New York. IPPNY member companies produce a majority of New York’s electricity, utilizing almost every generation technology available today, such as wind, solar, natural gas, oil, hydro, biomass, energy storage and nuclear. IPPNY’s comments do not necessarily represent the position of its individual members.

<sup>2</sup> See *New York Independent System Operator, Inc.*, 118 FERC ¶ 61,182 (2007) at P 17 (establishing capacity market must provide level of compensation that attracts and retains needed infrastructure to support long term reliability of system); see also *New York Independent System Operator, Inc.*, 170 FERC ¶ 61,121 (2020) at P 48 (reaffirming exemption structure must limit risk of significantly impacting market prices).

amendments must be detailed enough to provide the overall structure of the capacity accreditation program and should be filed with FERC in time to inform the Class Year 2021 and future REC and OREC solicitations. The NYISO should develop proposed tariff amendments as soon as possible and schedule a sufficient number of meetings, with adequate opportunities to obtain stakeholder input and answer stakeholder questions, to consider the amendments so that the capacity accreditation program parameters will be clearly defined, developers can submit informed bids into the State's solicitations, parties can make informed resource and investment decisions and the structure itself can then be implemented as soon as the 2022-2023 Class Year but not later than the 2023-2024 Class Year.

During the NYISO's BSM reform proposal presented at the September 9 ICAPWG, some stakeholders encouraged the NYISO to not only exempt new resources required to satisfy the CLCPA but exempt resources required to meet any state policies. Stakeholders should address the possible exemption of resources to meet future State policy goals on an as-needed basis. During the meeting, Mr. DeSocio communicated that the NYISO is not comfortable with this type of blanket exemption proposal and IPPNY appreciates the NYISO's sensible approach to this issue.

In its BSM reform proposal, the NYISO introduced the concept of a Policy Resource Exclusion which focuses on exempting from BSM new resources that are required to satisfy the goals specified in the CLCPA. IPPNY must continue to emphasize that this proposal or any derivation of it which will be put forth to stakeholders and ultimately to FERC, must be coupled with appropriate capacity accreditation.

The NYISO further proposed that, for technologies/resource types that the proposed BSM amendments do not explicitly exempt, the resource developer provide "self-certification" that the resource is a CLCPA resource or is eligible to receive a contract authorized by New York State or its agents, such as NYSERDA. IPPNY recommends that the NYISO revise the proposal to also require that NYSERDA confirm developer self-certifications.

IPPNY appreciates that the MMU has been tasked with developing a proposal to address capacity market investment risk which may be affected/introduced by the proposed BSM/CA reforms in keeping with its role and obligations under the NYISO's tariffs. Likewise, given the scope and nature of the proposed changes under consideration in the NYISO's comprehensive mitigation review, the Analysis Group's analysis of the economic impacts of these changes is a key component to support the submission of these revisions to the FERC under FPA Section 205. IPPNY remains committed to working with the NYISO on crafting revisions to the BSM and capacity accreditation rules in a timely and balanced manner.