

For Immediate Release:

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NYISO Charts Course for an Integrated Grid

Distributed Energy Resource Roadmap Released

Rensselaer, NY -- Continuing its work at the forefront of market design and commitment to making the electric grid smarter, greener and more efficient, the New York Independent System Operator (NYISO) today released its [*Distributed Energy Resource Roadmap*](#). With Distributed Energy Resources (DER) poised to transform New York's wholesale electric system, the *Roadmap* offers routes to a future where consumers and emerging technologies support more optimized grid utilization.

"The *DER Roadmap* is a step toward building the grid of the future as we transition from the century-old, centralized power system to a diverse, distributed, bi-directional grid," said NYISO President and CEO Brad Jones. "The *Roadmap* highlights opportunities for more emerging resources to participate in our markets. It will guide developers, communities and others as they seek to invest in a more flexible and dynamic grid."

Effective integration of DER can help grid operators by improving system efficiency and resiliency, energy security, and fuel diversity. DER integration helps consumers by enabling greater control of their electricity usage and costs through a variety of new technologies. These combined advances will allow consumers to change their consumption profiles, lower costs, access new sources of revenue, and reduce the environmental impacts of their energy use.

The NYISO defines DER as a resource, or a set of resources, typically located on a customer's premises, that are usually operated for the purpose of supplying the customer's electricity needs but can also provide wholesale market services. DER can consist of demand management, power generation, energy storage, or various combinations aggregated into a single entity.

The objectives described in the *Roadmap*, though focused on wholesale markets, largely parallel the objectives of the New York State Public Service Commission's (PSC) *Reforming the Energy Vision (REV)* initiative in order to complement the retail market enhancements undertaken by the PSC and utilities. Using the *Roadmap*, the NYISO's goal is to develop a series of market enhancements to more fully integrate and optimize DER.

Key DER Roadmap Objectives

Achieving the key objectives of the *Roadmap* will more fully open New York's wholesale markets to DER and will support the NYISO's overarching goals to improve market animation, increase system-wide efficiency, and enhance system reliability and resiliency. Those objectives include measures to:

- **Integrate DER into NYISO's Energy, Ancillary Services, and Capacity markets:** Provide avenues for DER to take advantage of economic scheduling and real-time locational prices. It is important for the NYISO's real-time systems to access and dispatch these resources in response to price signals reflective of grid conditions and needs.
- **Align with the goals of New York State's REV:** The NYISO's goal to provide additional options for DER to participate in the wholesale markets aligns with New York's REV objectives of market animation leveraging customer contributions, increasing system-wide efficiency, facilitating demand-side elasticity, and improving system reliability and resiliency.
- **Enhance measurement and verification methodologies:** Accurate load forecasts are essential to balancing supply and demand in real-time. The data provided by enhanced measurement and verification will help system planners and grid operators better prepare for system needs and support the continued reliability of the bulk power system while further improving system efficiency.
- **Align compensation with wholesale service performance:** Markets function best when payments are aligned with the value of services provided. The NYISO intends to develop incentives and compensation aligning the flexibility and measured performance of DER with system needs, treating DER comparably with other resources.
- **Focus on wholesale market transactions:** Unlike traditional wholesale generators that are primarily connected to the high-voltage transmission grid, many of the DER will be connected to the distribution networks. To ensure bulk power system reliability, it is important to accurately represent DER impacts at their corresponding interface to the bulk power system.

The New York Independent System Operator (NYISO) is a not-for-profit corporation responsible for operating the state's bulk electricity grid, administering New York's competitive wholesale electricity markets, conducting comprehensive long-term planning for the state's electric power system, and advancing the technological infrastructure of the electric system serving the Empire State.

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DER Pilot Projects

Implementing this initiative will entail considerable time, effort, and stakeholder engagement. The *Roadmap* is a starting point for more in-depth discussions with stakeholders to develop market rules, operating requirements, and software to realize fully integrated grid operations. A series of pilot projects will test the various integrated components and help the NYISO and stakeholders more effectively integrate DER in New York's wholesale markets.

The NYISO also is working with the utilities as they develop REV demonstration initiatives to support any efforts that require coordination or integration with bulk power system operations or wholesale markets.

A copy of the [DER Roadmap](#) is available on the NYISO's web site.

Media Briefing Call

Rana Mukerji, Sr. Vice President of Market Structures, and Mike DeSocio, Sr. Manager of Market Design, will present a media briefing on the NYISO's *Distributed Energy Resources Roadmap*, at 1:00 p.m. today.

The 45-minute briefing and question and answer session will cover key elements of the *Roadmap*.

To join the briefing and view the slide presentation, please follow the instructions below:

Teleconference Information

Dial In: 866-280-1753

Conference code: 3610973

[Link for WebEx Web Conferencing](#)

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