

New York Battery and Energy Storage Technology Consortium, Inc.

October 15, 2018

Mr. Bradley C. Jones
President and CEO
New York Independent System Operator
10 Krey Blvd,
Rensselaer, NY 12144

Dear Mr. Jones:

We are writing to request that the NYISO immediately separate work on the GE presentation titled, *Valuing Capacity for Resources with Energy Limitations* ("GE Study"), and resulting NYISO recommendations discussed at the October 9, 2018 and October 10, 2018 Installed Capacity and Market Issues Working Group meetings, from consideration in the Distributed Energy Resource (DER), Special Case Resource (SCR), Energy Storage Resource (ESR), or Intermittent Resource market design efforts under the DER Roadmap, Order 841 Compliance, or any other related effort.

We commend the efforts of NYISO Staff over the last several years on the DER Roadmap and working toward developing an ESR market design. There have been a number of meetings to discuss the various aspects of these complex issues. While none of the signatory parties to this letter can commit to how we, or our respective members, will ultimately vote on the DER Roadmap at a future date, or our positions on individual components of the DER Roadmap, it is reasonable for the NYISO to bring the Roadmap and discreet market design issues, not impacted by the GE Study, forward for a concept vote by the end of 2018, as scheduled.

As the NYISO is aware, stakeholders were only first given an opportunity to review the GE Study in late September 2018, several months after the expected release of the Study. We recognize that a study of this magnitude takes time, and that delays are part of the process. However, it is unreasonable to ask stakeholders to act with undue urgency on the Study, and on any subsequent NYISO recommendations, in the desired timeframe for completing the DER Roadmap market design concept by December 2018. The findings of the GE Study require thorough review, additional analysis and significant stakeholder discussion. As demonstrated by the NYISO's presentation titled *Expanding Capacity Eligibility: DER Market Design*, any market design proposal resulting from the GE Study or alternative study/analysis may include substantive capacity market changes that will affect all market participants.

Therefore, we recommend that the NYISO continue discussion and vote on the DER Roadmap, <u>excluding</u> any market design components that are impacted by the results of the GE Study. Most importantly, stakeholders have identified material concerns with the methods and assumptions used in the GE Study, and would like additional time to complete their initial analysis on the GE Study. Thereafter, stakeholders would like to come back to the NYISO and have the opportunity to present feedback and request additional analyses from the NYISO with respect to valuing the capacity of different resources in meeting reliability objectives. In the interim, the signatory parties specifically request that no changes to the SCR program or the duration requirements of any resources be made at this time.

Thank you for your timely consideration of this matter, and we look forward to your response.

Respectfully Submitted,

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NY-BEST

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