



October 15, 2018

**VIA E-MAIL**

Brad C. Jones  
President and CEO  
30 Krey Boulevard  
New York Independent System  
Operator, Inc.  
Rensselaer, New York 12144

Dear Mr. Jones,

Thank you for your efforts and those of your staff in advancing wholesale market design proposals for the Energy Storage Resource (ESR) and Distributed Energy Resource (DER) Roadmap market designs. However, we strongly request that you separate any market design elements or changes to the Distributed Energy Resource, Special Case Resource (SCR), ESR, or Intermittent Resource participation models that are based on the GE Valuing Capacity for Resources with Energy Limitations study (GE Study).

The GE Study discussed at the October 9, 2018 Market Issues Working Group meeting was first released to stakeholders in late September 2018. The DER Roadmap and the ESR market design have undergone significant stakeholder vetting over the last 1-2 years and, therefore, it is reasonable for the NYISO to bring the DER Roadmap forward for a vote by the end of 2018. It would be inappropriate for any such proposal, however, to include any market design elements that are based on the GE study because stakeholders have not had sufficient time to vet the study, and have raised significant questions related to it. It is unreasonable to ask stakeholders to act on proposed market design changes related to the GE Study in the desired timeframe for completing the DER Roadmap.

The findings of the GE study require meaningful additional analysis and stakeholder discussion. As raised at the October 9th ICAP Working Group meeting, there are numerous outstanding concerns related to the assumptions and methods used in the analysis. Furthermore, the changes proposed by the NYISO represent a complete ICAP market overhaul that will affect ALL market participants and all resource technology types, and therefore is a topic of significant attention for New York State. A proposal of this magnitude requires significant review which, to date, has not been conducted. Without such a review process, the changes proposed by the NYISO are premature.

We recommend that the NYISO separate the discussion of the DER Roadmap and the concepts stemming from the GE Study. Therefore, the NYISO should continue discussion of the DER Roadmap, excluding any components impacted by the GE Study. Separately, the NYISO should solicit feedback from stakeholders on the next steps with the GE Study, and what additional

analysis and stakeholder process is warranted. It would be completely unwarranted to propose any changes to the ESR market design, DER market design, SCR program, or Renewable resources based on the preliminary results from the GE study. There is no need to rush to propose any market rule changes without the proper analysis and vetting of the GE study.

We thank you for your timely consideration, and look forward to your response.

Sincerely,

/s/ John B. Rhodes

John B. Rhodes  
Chair and CEO  
NYS Public Service Commission

/s/ Alicia Barton

Alicia Barton  
President and CEO  
NYS Energy Research and  
Development Authority

/s/ Sarah Salati

Sarah Salati  
Executive Vice President and  
Chief Commercial Officer  
New York Power Authority