New York Battery and Energy Storage Technology Consortium, Inc.

January 31, 2024

Richard Dewey
President and CEO
NYISO
10 Krey Boulevard
Rensselaer, NY 12144

Dear Mr. Dewey:

I'm writing on behalf of the New York Battery and Energy Storage Technology Consortium (NY-BEST) to share our feedback in response to the NYISO's proposed compliance plan for FERC Order 2023, and specifically in relation to NYISO's proposed approach to interconnection studies for Energy Storage Resources (ESR).

NY-BEST and our members are very concerned that NYISO is proposing not to comply with FERC Order 2023 and not to offer an acceptable alternative. As we anticipate the FERC proceeding on order 2023 compliance, NY-BEST has identified major concerns that we discuss below. NY-BEST further requests that the NYISO implement a meaningful stakeholder engagement process to address these concerns and pursue potential solutions to comply with the Order.

NY-BEST is a not-for-profit industry trade association with a mission to grow the energy storage industry in New York. We act as a voice of the energy storage industry for more than 180 member organizations on matters related to advanced batteries and energy storage technologies. Our membership includes global corporations, start-ups, project developers, leading research institutions and universities, and numerous companies involved in the electricity and transportation sectors.[1]

Background

In FERC Order No. 2023, the Commission requires the transmission provider, at the request of an interconnection customer, to use operating assumptions in interconnections studies that reflect the proposed charging behavior of electric storage resources (whether stand alone, co-located

[1] NY-BEST comments represent the interests of the organization as a whole and not the views of any single member. Our members have diverse interests and the organization's views are intended to be reflective of the energy storage industry collectively.

generating facility, or part of hybrid generating facility) – i.e., whether the interconnecting generating facility will or will not charge during peak load conditions – unless good utility practice, including applicable reliability standards, otherwise requires the use of different operating assumptions.[2]

NYISO has filed a Request for Rehearing and in that request has stated that this requirement should be removed "as it creates conflicts with market rules and adds a new complexity to interconnection studies at odds with the intent of the final rule to expedite such studies."[3] Notably, NYISO previously raised the same issues in its comments on the NOPR for the interconnection reform rule (see Order No. 2023 Paragraph 1461) but FERC was unconvinced and included the requirement in the Final Rule.

NY-BEST Concerns with NYISO Proposed Compliance Plan

NYISO is seeking an independent entity variation to not comply with Order 2023's requirement for studying ESR charging behavior. Instead of complying with Order 2023, NYISO proposes to maintain the status quo in their approach to studying these resources. In charging mode, ESRs are studied using the NYISO's standardized set of charging study scenarios, including the summer peak load case. Importantly, for ESRs impacting secured facilities (whether secured by the NYISO or by the Transmission Owner), NYISO applies the Minimum Interconnection Standard (MIS) and utilizes redispatch or other normal operating procedures (*e.g.,* modification of PAR schedules) to resolve potential overloads on transmission facilities, thereby avoiding potential costly and unnecessary upgrades.

For the subset of ESR projects that interconnect to secured facilities (generally, higher voltage facilities), the MIS standard appears to be effective. However, it is not a full solution, and potentially creates unnecessary upgrades for ESRs proposed on either unsecured facilities or those impacting unsecured networks where NYISO will not use the MIS to address constraints. In these cases, using more realistic operating assumptions about the ESR – as required by Order 2023 – would alleviate potentially unnecessary and costly upgrades associated with NYISO's approach.

Potential Solutions

NY-BEST requests NYISO leverage the Interconnection Issue Task Force (IITF) to engage in meaningful discussions with stakeholders to develop potential solutions that would be acceptable to stakeholders, Transmission Owners (TOs), FERC and the NYISO.

NY-BEST suggests the stakeholder process should consider approaches including the direction contained in Order 2023 (the developer to provide assumptions regarding its charging behavior) or studying charging at a lower, more realistic load level. In the long run, NYISO should continue its joint effort with the TOs to add more facilities in the New York Control Area to the secured system.

ISO New England (ISO NE) will be proposing an alternative approach to evaluating ESR charging under a proposed independent entity variation. The proposal is summarized as follows:

[2] FERC Order No. 2023 p.1509
[3] NYISO Request for Re-hearing, August 28, 2023, p.54

- ISO NE will study proposed storage resources charging at a lower "shoulder" load level, not at peak load.

ISO NE will rely on security constrained economic dispatch, driven by economics and the rational assumption that ESRs will charge when energy market prices are low, to govern charging behavior in operations. This is just one example and illustrates that solutions exist that reflect the commercial reality that ESRs will not be charging at peak load and price conditions. NY-BEST recommends that NYISO explore alternative approaches in conjunction with TOs and stakeholders, such as those described above that recognize realistic expectations for ESR charging behavior.

Stakeholder Process

As discussed above, NY-BEST and our members seek a genuine stakeholder process as we have been disappointed and frustrated with the IITF process to date. Although the IITF has met several times, there has been very limited discussion of the ESR study issues, despite our numerous requests. Stakeholder concerns have been dismissed by staff who simply refer stakeholders to NYISO's Request for Rehearing in response to questions about ESRs. We recognize the NYISO places a high priority on its stakeholder engagement efforts and that is why we felt it was important to bring our concerns to you.

Conclusion

Energy storage is an essential technology to meeting the State's climate goals and achieving 70 percent renewable energy by 2030 and a zero-emission grid by 2040. Improving certainty in the interconnection process, ensuring access to the transmission system for new technologies, and establishing a timely and efficient interconnection process, as required by Order 2023, will help ensure these goals are achieved cost effectively.

NY-BEST respectfully requests that the NYISO work with us to develop an alternative approach to studying ESRs that is consistent with FERC Order 2023 and resolve the concerns raised in this communication.

Sincerely,

William Acker
NY-BEST Executive Director