

# Metering and MSE Cost Recovery Tariff Amendments

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**Market Issues Working Group**

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# Agenda

- Review the NYISO's new Meter Services Entity proposal
- Review Tariff Revisions associated with the NYISO's new Meter Services Entity provisions that are applicable for resources participating in DER Aggregations or in the SCR and EDRP programs
  - Market Services Tariff Section 13
  - Market Services Tariff Section 15
- Additional detailed procedures and processes will be included in the ISO Procedures
- **Note: Services Tariff posted along with this presentation has text in it that is highlighted in yellow, this is language that is an update since a tariff section was previously presented**

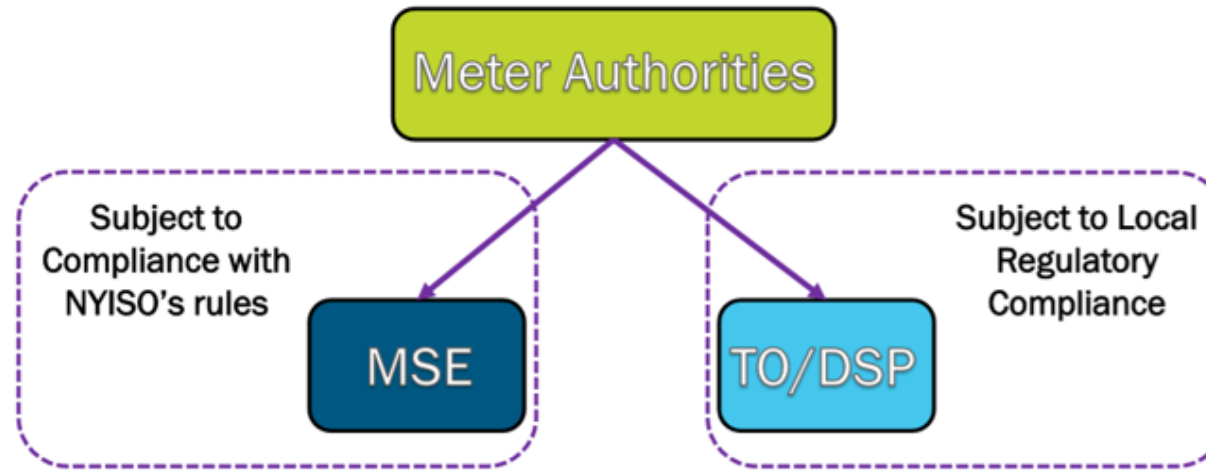
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# Background

Date	Working Group	Discussion points and links to materials
02-02-17	Posted	<a href="#">Distributed Energy Resources Roadmap for New York’s Wholesale Electricity Market</a>
05-23-17	Market Issues Working Group (MIWG)	<a href="#">DER Measurement &amp; Verification, Monitoring &amp; Control, and Meter Data Study</a>
09-29-17	Market Issues Working Group (MIWG)	<a href="#">DER Meter Data Study</a>
10-30-17	Market Issues Working Group (MIWG)	<a href="#">DER Meter Data Study Initial Findings – E-Cubed Policy Associates, LLC (Dr. Paul Sotkiewicz)</a>
12-13-17	Market Issues Working Group (MIWG)	<a href="#">NYISO Meter Data Study Report – E-Cubed Policy Associates, LLC (Dr. Paul Sotkiewicz)</a>
09-11-18	Market Issues Working Group (MIWG)	<a href="#">DER Meter Service Constructs for NYISO Market Participation</a>
10-23-18	Market Issues Working Group (MIWG)	<a href="#">Conceptual Details of MSEs Participation in NYISO Markets</a>
11-30-18	Market Issues Working Group (MIWG)	<a href="#">Meter Services Entity Design Updates</a>
02-15-19	Market Issues Working Group (MIWG)	<a href="#">Metering, LBMP Calculation, and Creditworthiness Tariff Amendments for DER</a>

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# Review



- **NYISO is developing a new Meter Services Entity (MSE) construct that will authorize entities to provide meter services to DER Aggregations in the Dispatchable DER and reliability-based (SCR and EDRP) demand response programs**
  - New rules will replace the existing MSP/MDSP constructs used for the NYISO's demand response programs
  - DER Aggregators will engage authorized MSEs to provide services for its Aggregations, and will be responsible for any financial compensation paid to the MSE for the services it provides
- **MSE rules will be included with the tariff revisions to integrate the DER participation model**
- **The new MSE rules will not impact existing metering constructs used by Member Systems**
  - Member Systems are those eight utilities that comprised the membership of the New York Power Pool

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# NYISO Recovery of MSE Costs–Application Fee

- **The NYISO previously stated that it intends to recover its costs of reviewing and approving MSEs through an non-refundable application fee.**
  - The NYISO proposes a \$1000 non refundable application fee
  - The Entity seeking to register as a MSE is responsible to submit application fee

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# NYISO Recovery of MSE Costs – Audits

- In the course of reviewing its market design, the NYISO recognized that the proposed per-meter fee may pose a barrier to entry if a small number of Market Participants choose to use MSEs
- The NYISO proposes to recover costs from Market Participants using an MSE only to extent the NYISO has incurred costs related to an audit of MSE's services.
  - NYISO's labor costs to complete each audit task based on an hourly rate and a prorated cost of overhead; or
  - If the ISO utilizes a third party vendor for the purposes of conducting the audit, the cost of that vendor will be billed to the Market Participant
- The NYISO intends to reevaluate the cost recovery mechanism from time to time to determine whether it continues to accurately reflect the NYISO's costs of administering the MSE program

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# Tariff Provisions

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# Update to MST 13 from 2/15 Presentation Feedback

- **Metering Requirements for Aggregated Resources (MST 13.3.3)**
  - New section to the tariff added based off feedback from the 2/15 presentation
    - Aggregators are responsible for the metering and telemetry of the DER they represent.
    - Metering and telemetry from a DER to it's Aggregator must derive from either directly measured or calculated values, or a combination, according to ISO procedures.



# Application Fee

- **Proposed Services Tariff Section 13.3.2.1 identifies the review process the NYISO shall undertake to evaluate and establish eligibility of entities seeking to be MSEs**
  - Initial review will be 30 days
  - NYISO may extend period to a specified time if additional information is required
- **Each organization that applies to be a MSE will be required to pay a \$1,000 application fee. (MST 13.3.2.1)**
- **An entity that fails to meet the requirements of an MSE may re-apply subject to an additional application fee of \$1000**

# ISO Audits - MST 13.3.2.3.1

- **Tariff provides for the general scope of audits and when they may occur**
- **Audits may be periodically conducted**
- **Audits may be conducted when a meter is initially installed for use in the NYISO DER or Demand Response programs where the Market Participant utilizes a MSE.**
  - This Audit will include, but is not limited to:
    - Validation Estimation, and Editing (VEE) methodology
    - Site Meter Configurations
    - Meter compliance with ISO rules and procedures
    - MSE Operational processes
    - Telemetry and communication data and records

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# Rate Schedule 10

- **A new Rate Schedule (Rate Schedule 10; MST 15) has been developed to describe the cost recovery for audits of the MSE services that are conducted by the NYISO**
  - The cost recovery will be based on ISO staff labor cost to complete an MSE Audit, plus a prorated cost of overhead, similar to what is currently used for Planning and Interconnection studies.
  - In the event that the ISO utilizes a third party vendor to complete these audit functions, the full cost of the vendor services will be billed to the Market Participants utilizing the MSE for their Meter Services.

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# NYISO Recovery for MSE Costs, cont.

- Rate Schedule 10 outlines the items that are eligible for ISO cost recovery
- NYISO review of the initial installation of a meter for use in the NYISO DER or Demand Response programs where the Market Participant utilizes a MSE, will include, but is not limited to:
  - Validation Estimation, and Editing (VEE) methodology
  - Site Meter Configurations
  - Meter compliance with ISO rules and procedures
  - MSE Operational processes
  - Telemetry and communication data and records

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# Feedback?

- Email additional feedback to:  
[DER\\_Feedback@nyiso.com](mailto:DER_Feedback@nyiso.com)

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