

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

New York Independent System Operator, Inc.)	
)	Docket No. ER24-2015-000
)	

**COMMENTS OF THE CITY OF NEW YORK, MULTIPLE
INTERVENORS, NEW YORK STATE ENERGY RESEARCH AND
DEVELOPMENT AUTHORITY, NATURAL RESOURCES DEFENSE
COUNCIL, AND CONSUMER POWER ADVOCATES**

Pursuant to Rule 211 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. § 385.211, the City of New York, Multiple Intervenors,¹ New York State Energy Research and Development Authority, Natural Resources Defense Council, and Consumer Power Advocates² (collectively, the “Consumer Parties”) respectfully submit the following comments in support of the tariff amendments filed by the New York Independent System Operator, Inc. (“NYISO”) on May 15, 2024 (“Tariff Filing”) in the above-captioned proceeding.

I. INTRODUCTION

Pursuant to the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”), the NYISO is charged with conducting periodic reviews of the parameters of its Installed Capacity (“ICAP”) Demand Curves—commonly known as the ICAP Demand Curve Reset (“DCR”) process (*see* Services Tariff Section 5.14.1.2.2). At a high level, the ICAP Demand

¹ Multiple Intervenors is an unincorporated association of approximately 60 large industrial, commercial, and institutional energy consumers with manufacturing and other facilities located throughout New York State.

² Consumer Power Advocates is an association of large, non-profit institutions located throughout New York City.

Curves are developed based on the estimated cost to construct and operate a hypothetical new peaking unit in New York. That cost is then offset by the estimated potential revenues the hypothetical peaking unit could earn in the NYISO's energy and ancillary services ("EAS") markets over the most recent three-year historical period. This is known as the unit's "net EAS revenues."

On May 15, 2024, the NYISO filed proposed amendments to its Services Tariff to enhance the calculation of the net EAS revenue offset values used in establishing the ICAP Demand Curves. Currently, the Services Tariff only provides for the use of hourly historical revenue data to determine net EAS revenue offset values. The NYISO's Tariff Filing proposes to remove the limitation of using only hourly revenue data and instead allow for the use of historical real-time interval pricing if necessary.

The Consumer Parties have been active participants in the NYISO's stakeholder process, and have worked with the NYISO, its consultants, and other market participants in determining the most balanced, reasonable, and accurate approach to revising the parameters of the net EAS model to provide the optionality to consider revenues in a manner that best reflects evolving peaking unit technologies and their unique operating characteristics. Importantly, stakeholders unanimously approved the NYISO's tariff modification proposal at the Management Committee on April 24, 2024.

II. COMMENTS

The Consumer Parties support the NYISO's tariff proposal regarding the inclusion of the optionality to consider the use of real-time revenue data in establishing the ICAP Demand Curves. For decades, the technology used in determining the ICAP Demand Curves was a traditional thermal generation unit. The use of hourly revenue data in the net EAS offset model for historical

DCR processes made sense because hourly revenues aligned with the operating characteristics of the thermal technology type.

As the composition of New York's generation fleet changes, the technology options considered to serve as the hypothetical peaking plant will also evolve over time and the operating characteristics of certain technologies may warrant consideration of more granular real-time prices. Allowing the DCR process to reflect the most accurate net EAS revenue estimates will in turn lead to the development of more accurate ICAP Demand Curves and improved proficiency of how the NYISO's capacity market operates. The NYISO's Services Tariff should not serve as a barrier to its DCR process and the exploration of new concepts.

Importantly this proposed tariff change does not require or mandate that real-time interval prices be used in the DCR process in establishing historical net EAS revenues. The NYISO's proposed Services Tariff modification only provides the option to use more granular energy revenues for technology types that can respond to interval prices. The NYISO undertakes its DCR process every four years and during that process the appropriate net EAS pricing duration will be analyzed and determined based on the technology options evaluated and the facts and circumstances that exist at that time. The modifications being proposed by the NYISO to the Services Tariff are reasonable and remove artificial limitations to how the DCR process can be performed.

III. CONCLUSION

For all the foregoing reasons, the Consumer Parties urge the Commission to accept the NYISO's proposed revisions to its Services Tariff to enhance the calculation of the net EAS revenue offset values used to establish the ICAP Demand Curves.

Dated: June 5, 2024
Albany, New York

Respectfully submitted,

/s/ Amanda De Vito Trinsey

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Comments of the City of New York, Multiple Intervenors, New York State Energy Research and Development Authority, Natural Resources Defense Council, and Consumer Power Advocates has been served upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Albany, New York, this 5th day of June, 2024.

/s/ Amanda De Vito Trinsey
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