

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

New York Independent System Operator, Inc

)
)
)

Docket No. ER24-2463-000

**MOTION TO INTERVENE AND COMMENTS
OF THE NYISO MARKET MONITORING UNIT**

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission, 18 C.F.R. §§ 385.212 and 214 (2019), Potomac Economics respectfully moves to intervene in the above-captioned proceeding concerning the New York Independent System Operator’s (“NYISO’s”) filing on July 2, 2024. The NYISO’s filing seeks tariff waivers, expedited action, and a shortened comment period to address problems arising from an incorrect input that was used to initially calculate the LCRs for the 2024/25 Capability Year.

Potomac Economics is the Market Monitoring Unit (“MMU”) for NYISO and is responsible for monitoring the electricity markets. As the MMU, we identify rule changes that would enhance market efficiency and competition. Potomac Economics has a unique perspective and responsibility that cannot be represented by any other party. It should therefore be permitted to intervene herein.

I. NOTICE AND COMMUNICATIONS

All correspondence and communications in this matter should be addressed to:

Dr. David B. Patton
Potomac Economics, Ltd.
10560 Arrowhead Dr., Suite 400
Fairfax, VA 22030
(703) 383-0720
dpatton@potomaceconomics.com

Dr. Pallas LeeVanSchaick
Potomac Economics, Ltd.
10560 Arrowhead Dr., Suite 400
Fairfax, VA 22030
(703) 383-0719
pallas@potomaceconomics.com

II. COMMENTS

NYISO identified an error in the calculation of the Transmission Security Limit (“TSL”) for Load Zone J for the 2024/25 Capability Year. The TSL sets a floor value for the Locational Minimum Installed Capacity Requirement (“LCR”), which was originally set to 81.7 percent for Load Zone J based on erroneous input data, while both values should have been set to 80.4 percent based on the correct input. NYISO obtained a waiver to correct the LCR outside its ordinary procedure in advance of the May 2024 Spot Auction, which was the first spot auction for the 2024/25 Capability Year.¹

NYISO did not seek to correct the “Downstream Processes” that utilize the final LCR case (and therefore would be affected by the LCR change for Load Zone J) ahead of the May Spot Auction. We supported NYISO’s decision not to correct the Downstream Processes for two reasons. First, it was not feasible to update the Downstream Processes before the May Spot Auction. Second, we anticipated that the impacts on Downstream Processes would be non-zero but still relatively minor. This is because the Downstream Processes are conducted using a probabilistic resource adequacy model, so any variations in model inputs will lead to minor variations in outputs, but these variations are due to lack of precision in the model rather than statistically significant changes in the underlying quantities being estimated.

In its July 2 waiver request, NYISO requested to update certain Downstream Processes after the 2024 Summer Capability Period and before the 2024-25 Winter Capability Period. We

¹ *N.Y. Indep. Sys. Operator, Inc.*, 187 FERC ¶ 61,066 (2024).

support the NYISO’s decision to wait until after the Summer Capability Period because updating the Downstream Processes in the middle of a Capability Period would require extraordinary manual administrative efforts and introduce risks of additional administrative errors due to the manual processes required.

We support the NYISO’s decision to update the Downstream Processes associated with the Capacity Accreditation Factors (“CAFs”) before the 2024-25 Winter Capability Period because this would result in low administrative burdens and performance risks and because it would result in CAFs that would be more consistent with the values that would have been produced if the processes were originally conducted in accordance with the Market Services Tariff.

We recommend the Commission grant the requested waiver in an expedited time frame to allow NYISO to conduct the first Spot Auction of the Winter Capability Period as scheduled in late-October to determine capacity obligations starting November 1 using CAFs based on the corrected LCR.

III. CONCLUSION

For these reasons, we respectfully recommend that the Commission accept NYISO’s proposed tariff waiver and request for expedited treatment.

Respectfully submitted,

/s/ David B. Patton

David Patton
President
Potomac Economics, Ltd.

July 12, 2024

CERTIFICATE OF SERVICE

I hereby certify that I have this day e-served a copy of this document upon all parties listed on the official service list compiled by the Secretary in the above-captioned proceeding, in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2010).

Dated this 12th day of July 2024 in Fairfax, VA.

/s/ David B. Patton
