



TO: Roy Thilly, Chair NERC Board of Trustees

FROM: Roger Clayton - Chair, New York State Reliability Council (NYSRC)

DATE: January 23, 2019

SUBJECT: New York State Reliability Council Response to
Request for Policy Input to the NERC Board of Trustees

NYSRC^{1,2} is a Member of NERC and the ISO/RTO sector. NYSRC's area of jurisdiction is the State of New York which aligns directly with a NERC Operating Area as used in NERC Assessments.

Among the duties of the NYSRC is the obligation to produce an annual generation capacity assessment for the purposes of the NYSIO capacity market construct. One of the key issues in future years will be the reliability impact of Distributed Energy Resources (DER). In December of each year the NYSRC process delivers a one year forward generation capability determination of the minimum requirement for installed generation capacity to be procured by the NYISO through its capacity market. The NYSRC appreciates the opportunity to provide these comments in response to the request in your letter to Mr. Jason Marshal dated January 2, 2019.

¹ The New York State Reliability Council, L.L.C. ("NYSRC") is a Federal Energy Regulatory Commission and New York Public Service Commission sanctioned entity whose mission is to promote and preserve the reliability of electric service on the New York State Power System by developing, maintaining, and, from time-to-time, updating the Reliability Rules which shall be complied with by the New York Independent System Operator ("NYISO") and all entities engaging in electric transmission, ancillary services, energy and power transactions on the New York State Power System.

² The NYSRC was approved by an order issued by the Commission in 1998 and subsequent Commission orders as part of the restructuring of the electricity market in New York State and the formation of the NYISO. In its orders, the Commission approved the NYSRC Agreement among the members of the New York Power Pool ("NYPP"), which established the NYSRC and described its responsibilities, and the NYISO/NYSRC Agreement between the NYISO and the NYSRC which established the relationship between the NYISO and the NYSRC and their respective responsibilities.

Special Reliability Assessments

The NERC Board of Trustees requested policy input on the following question regarding the NERC Special Reliability Assessments:

Do you support conducting a Special Reliability Assessment in 2019 on the integration of significant amounts of battery storage as a feature of the evolving BPS as well as part of the development of micro-grids?

Yes, the NYSRC supports the proposed study examining integration of battery storage including the development of micro-grids. The NYSRC held a workshop in November of 2018 on DER issues including Energy Storage³. The NYSRC as a result of its workshop has identified a number of process issues. These issues include; the lack of accurate simulation models for DER and Energy Storage, identification of the amounts and location of DER and Energy Storage and the operating parameters of DER and Energy Storage. The NERC Special Assessment should address these reliability risk issues.

³ NYSRC DER Workshop materials may be found at this link: <http://www.nysrc.org/workshops.html>