

External ICAP Rights for the 2020/2021 Capability Year (Prior to Deliverability Testing)

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Capacity Market Operations – Resource Adequacy

Business Issues Committee Meeting

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Objective

- To determine the maximum amount of import capacity allowed from neighboring Control Areas (CAs) (Section 4.9.6 of ICAP Manual)
- MARS simulations were performed on the LCR MARS database to determine capacity imports allowed without violating the LOLE criterion

Ties Excluded

- Interface facilities having UDRs
- Controllable lines from PJM into NYCA
- The NUSCO 1385 (NNC) line

Methodology

- **Initial MARS Database: 2020/2021 final IRM database as updated for the LCR study**
- **Model Grandfathered Rights imports consistent with the IRM study**
- **Determine imports for each Control Area individually by increasing imports on each Control Area's ties until the LOLE levels in the base case are met**

Methodology – continued

- Perform simultaneous runs of all included external ties together by increasing the ICAP imports based on the individual limits (beyond the Grandfathered Rights imports) until the LOLE levels in the base case are met
- These ICAP imports, when added to the Grandfathered Rights imports, determine the total simultaneous import limits before deliverability.

Import Rights Limits Results

	PJM	ISO-NE	Quebec	Ontario	Row Totals
Initial Values (TTC Summer Ratings)	1,450	1,400	1,690	1,850	6,390
Grandfathered Rights*	1,080	0	1,110	0	2,190
Individual Limits (above GF)	285	620	12	28	945
Simultaneous Limits (above GF)	152	332	6	15	505
Final Values **	<u>1,232</u>	<u>332</u>	<u>1,116</u>	<u>15</u>	<u>2,695</u>

* Includes ETCNL for these purposes

** Subject to Deliverability Study

Deliverability Test

- **The final values for import capability reported will be subjected to a deliverability test**
- **If all the MWs are deemed deliverable, then the final values reported will be the Import Rights per each Control Area**
- **If the MWs are not all deemed deliverable, the final values for each Control Area will be reduced to the amount deliverable**
- **Deliverability test currently in progress**

ICAP Manual Revisions

- **Proposed ICAP Manual revisions to update the import rights limits in Section 4.9.6 for the 2020/2021 Capability Year are posted with today's materials**
- **Posted with today's materials is a draft motion for approval of the ICAP Manual revisions**

Next Steps

- **ICAP Manual revisions for import rights limits for BIC approval today**
- **Deliverability results reported by email to TIE List on or before March 3, 2020**
- **Final import limits rights along with other Summer Capability Period auction information posting in mid-March**
- **Summer Capability Period strip auction opens March 30, 2020**

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- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system



Questions?