

23.4.5.7.13 Renewable Exemption

23.4.5.7.13.1 Eligibility

23.4.5.7.13.1.1 A Renewable Exemption Applicant, may request to be evaluated for a Renewable Exemption in the amount of its CRIS MW requested in the Class Year Study or Expedited Deliverability Study or which it expects to receive through a transfer of CRIS at the same location. For purposes of this Section 23.4.5.7.13, references to a Renewable Exemption Applicant's CRIS MW shall be understood to encompass Additional CRIS MW in cases where the Renewable Exemption Applicant is an existing Generator seeking a Renewable Exemption for Additional CRIS MW. An Examined Facility or an NCZ Examined Project that is a member of a Class Year Study or Expedited Deliverability Study may not request a Renewable Exemption in the same Class Year Study or Expedited Deliverability Study that it requests a Competitive Entry Exemption, and an Examined Facility or an NCZ Examined Project that is the expected transferee of CRIS being considered with a Class Year Study or Expedited Deliverability Study may not request a Renewable Exemption in respect of the same Class Year Study or Expedited Deliverability Study that it requests a Competitive Entry Exemption. The ISO shall evaluate requests for a Renewable Exemption from (y) members of a Class Year Study or Expedited Deliverability Study for Class Year 2019, subsequent Class Year Studies, Additional SDU Studies and Expedited Deliverability Studies that start after July 1, 2020, provided that the CRIS rights are received no later than the deadline by which the facility must notify the ISO of

its election to enter the Class Year, such date as set forth in Section 25.5.9 of OATT Attachment S, and (z) expected recipients of transferred CRIS rights at the same location from which the ISO has been notified, by the transferor or the transferee, of a transfer pursuant to OATT Attachment S Section 25.9.4 that will be effective on a date within the Mitigation Study Period for the Class Year Study or Expedited Deliverability Study, provided that they are received no later than the Class Year Study Start Date for such Class Year Study and the Expedited Deliverability Study Start Date for such Expedited Deliverability Study. If the ISO does not receive requests from Examined Facilities and NCZ Examined Projects by these deadlines it will not evaluate them for a Renewable Exemption. If the Examined Facility or NCZ Examined Project also submits a request for a Competitive Entry Exemption prohibited by this paragraph it will not be evaluated for a Renewable Exemption.

A Generator that remains a member of a completed Class Year, if such Class Year is Class Year 2017 or a prior Class Year, shall not be eligible for a Renewable Exemption, except for Additional CRIS MW. Renewable Exemption Applicants must be “Qualified Renewable Exemption Applicants,” as described in (i) and (ii) below, in order to receive a Renewable Exemption subject to the applicable Renewable Exemption Limit determined pursuant to Sections 23.4.5.7.13.5 and 23.4.5.7.13.6. Qualified Renewable Exemption Applicants must also remain in the completed Class Year Study, Additional SDU Study or Expedited Deliverability Study (or if the transferee does not notify the ISO that it no longer expects to be the recipient of

the transferred CRIS on or before the date the Class Year Study, Additional SDU Study or Expedited Deliverability Study is completed).

The **Qualified** Renewable Exemption Applicant **must**:

- (i) have, for its Interconnection Queue position, a proposed design that is a Generator to be powered solely by a device that can qualify as an Intermittent Power Resource, or must be a Limited Control Run-of-River Resource, as such terms are (A) defined on the date by which the ISO must receive the request for a Renewable Exemption in accordance with **this** Section 23.4.5.7.13.1.1, or (B) in the ISO's judgment, are reasonably expected to be defined at the time that the **Generator** is first qualified as an Installed Capacity Supplier; and
- (ii) (A) be proposed in a Class Year Study or an Expedited Deliverability Study and be powered solely by a technology that is identified in the Tariff at the time of the start of the Class Year Study or Expedited Deliverability Study to be an Exempt Renewable Technology as defined in **Section 23.2 of the Services Tariff**; or (B) be proposed in a Class Year Study and be determined by the ISO, in accordance with ISO Procedures, to have (1) high development costs, and (2) a low capacity factor such that there would be limited or no incentive and ability to develop the **Generator** in order to artificially suppress capacity prices. The ISO shall make this determination only for a Renewable Exemption Applicant participating in a Class Year Study or within an Additional SDU Study. The ISO's determination will be based upon its evaluation of pertinent factors, including whether the reasonably projected costs of new entry and operation of

the facility, net of the likely projected revenues from the sale of Capacity, Energy and Ancillary Services, and any other generally available revenues associated with the production of those products, are greater than the reasonably estimated cost savings to Loads due to a reduction in ICAP Market-Clearing Prices projected to result from the entry of the Renewable Exemption Applicant's requested CRIS MW (or CRIS MW to be transferred at the same location).

23.4.5.7.13.2 Periodic Review and Determination of Exempt Renewable Technologies

23.4.5.7.13.2.1 In each ICAP Demand Curve Reset Filing Year after 2016, the ISO shall conduct a periodic review, in accordance with this Section and ISO Procedures, to determine the technology types that should be Exempt Renewable Technologies for Class Years with a Class Year Start Date during the Capability Years covered by the ICAP Demand Curve periodic review conducted for the relevant ICAP Demand Curve Reset Filing Year.

- (a) The ISO's periodic review will identify, by Mitigated Capacity Zone, the technologies that, at the time of the periodic review, are technically feasible in the ISO Administered Markets (whether as a single unit, or a plant comprised of more than one unit) and that could qualify as either Intermittent Power Resources or Limited Control Run-of-River Hydro Resources ("candidate intermittent renewable technologies").
- (b): For each candidate intermittent renewable technology, the ISO's periodic review will reasonably project:
 - (i) the costs of new entry and operation;

- (ii) the revenues from the sale of Capacity, Energy and Ancillary Services, and any other generally available revenues associated with the production of those products by it; and
- (iii) the cost savings to Loads due to a reduction in ICAP Market-Clearing Prices from the new entry of the candidate intermittent renewable technology.

23.4.5.7.13.2.2 The ISO will utilize pertinent factors including results of the computation in accordance with Section 23.4.5.7.13.2.1(b) to determine, for each Mitigated Capacity Zone, which candidate intermittent renewable technologies have (a) high development costs and (b) a low capacity factor, such that considering (a) and (b) there is limited or no incentive and ability to develop the candidate intermittent renewable technology in order to artificially suppress capacity prices.

23.4.5.7.13.2.3 The ISO's periodic review shall provide for:

- (a) The ISO's preliminary identification of candidate intermittent renewable technologies for stakeholder review and comment;
- (b) The ISO's issuance of a draft list of recommended Exempt Renewable Technologies and the basis for the recommendation, for stakeholder and Market Monitoring Unit review and comment; (The responsibilities of the Market Monitoring Unit that are addressed in this section of the Services Tariff are also addressed in Section 30.4.6.2.13 of Attachment O to this Services Tariff.)

23.4.5.7.13.2.4 On or before the 60th day subsequent to the Commission issuance of an order accepting ICAP Demand Curves based on the ICAP Demand Curve

periodic review, the ISO shall file with the Commission the results of its Exempt Renewable Technology periodic review and determination pursuant to Section 23.4.5.7.13.2.2. If the ISO's determination of technology types that satisfy the provisions of Section 23.4.5.7.13.2.2 for any Mitigated Capacity Zone is different than the then-current definition of Exempt Renewable Technology, the ISO shall propose in the filing, for Commission review, a revised definition that is in accordance with its periodic determination, to be effective for Class Years with a Class Year Start Date during the Capability Years covered by the ICAP Demand Curve periodic review conducted for the relevant ICAP Demand Curve Reset Filing Year. The ISO's filing shall describe the basis for the ISO's determination.

23.4.5.7.13.3. Revocation

23.4.5.7.13.3.1 A Generator that met the requirements of a Qualified Renewable Exemption Applicant and received a Renewable Exemption for any amount of CRIS MW shall notify the ISO in writing within five (5) business days if (a) at the time it first qualifies as an Installed Capacity Supplier, or at any time thereafter, it is not solely powered by the same technology based on which it was evaluated for a Renewable Exemption, or (b) at the time it first qualifies as an Installed Capacity Supplier it is not solely powered by a technology that is defined as an Intermittent Power Resource or Limited Control Run-of-River Hydro Resource, even if the Generator was determined to be a Qualified Renewable Exemption Applicant because, at the time it was evaluated, the ISO expected the technology would become defined as an Intermittent Power Resource or Limited Control

Run-of-River Hydro Resource. Upon notification, the ISO shall revoke the Renewable Exemption unless the Generator provides documentation with its notice in accordance with the prior sentence that demonstrates, to the ISO's satisfaction, that after the change it will be solely powered by an Exempt Renewable Technology as such term is defined on the date that the Generator first transmits energy using the different technology. The ISO shall provide written notice of its intent to revoke the Generator's Renewable Exemption that specifies its findings that support revocation within 10 business days of its receipt of the notification from the Generator described above. The ISO will provide an opportunity for the Owner and/or Operator of the Generator to schedule a meeting with the ISO within 20 business days from the date of its notice of intent to revoke the Renewable Exemption. The purpose of the meeting will be to allow the Owner/Operator of the Generator to submit additional documentation and other facts that could rebut the findings of the ISO that were identified in its notice of intent to revoke the Renewable Exemption. The ISO shall determine within 10 business days of the meeting with the Owner/Operator of the Generator whether the revocation of the Renewable Exemption shall be finalized and post on its website its determination to revoke the Renewable Exemption. Upon revocation, the ISO shall apply the Mitigation Net CONE Offer Floor (such value calculated by the ISO based on the date that the Generator (or Additional CRIS MW) first offers UCAP, in accordance with Section 23.4.5.7.3.7, and adjusted annually in accordance with Section 23.4.5.7 of the Services Tariff) to all offers

of UCAP by the Generator or Additional CRIS MW subsequent to the deadline for Unforced Capacity certification prior to an ICAP Spot Market Auction (such date in accordance with ISO Procedures) next following revocation. Nothing in this paragraph shall relieve a Generator from or alter any obligation it may have under the ISO Tariffs or any other tariff, agreement, or regulation to obtain permissions, authorizations provide notifications, or take any other action in advance of changing the technology which powers it (in whole or in part).

23.4.5.7.13.3.2 The failure to provide the ISO written notice in accordance with Section 23.4.5.7.13.3.1 shall constitute a violation of the Services Tariff. Such violation shall be reported by the ISO to the Market Monitoring Unit and to the Commission's Office of Enforcement (or any successor to its responsibilities).

23.4.5.7.13.3.3 If a Generator has not provided notice in accordance with Section 23.4.5.7.13.3.1 and the ISO determines that the Generator is not solely powered by a technology as described Section 23.4.5.7.13.3.1, the ISO shall notify the Generator that its Renewable Exemption may be revoked in writing. The written notice shall provide to the Owner/Operator of the Generator an opportunity to submit documentation to the ISO and meet with the ISO to rebut the ISO's findings within 30 days from the date of the ISO's written notice. The ISO shall determine within 10 business days of the meeting with the Owner/Operator of the Generator whether the revocation of the Renewable Exemption shall be finalized and post on its website its determination to revoke the Renewable Exemption. In the event of a revocation, the Mitigation Net CONE Offer Floor such value

calculated by the ISO based on the date that the Generator or Additional CRIS MW) first offers UCAP, in accordance with Section 23.4.5.7.3.7, and adjusted annually in accordance with Section 23.4.5.7 of the Services Tariff) shall apply to all offers of UCAP subsequent to the deadline for Unforced Capacity certification prior to an ICAP Spot Market Auction (such date in accordance with ISO Procedures) next following revocation. Prior to the revocation of a Renewable Exemption, the ISO shall provide the Generator an opportunity to respond to the ISO's determination. The ISO cannot revoke the Renewable Exemption until after the 30 days written notice period has expired, unless ordered to do so by the Commission.

23.4.5.7.13.4 Timing of Requests for a Renewable Exemption, Required Submittals, and Determinations

23.4.5.7.13.4.1 Requests for a Renewable Exemption must be received by the ISO no later than the deadline specified in Section 23.4.5.7.13.1. If any Examined Facility or NCZ Examined Project submits both a request for a Renewable Exemption and a Competitive Entry Exemption (*i.e.*, seeking to be considered for both exemptions at the same time,) the ISO shall not consider the request for a Renewable Exemption. The ISO may request additional information and updated information at any time regarding eligibility and continued eligibility. The Renewable Exemption Applicant (if after entry, the Generator) shall timely provide the information.

23.4.5.7.13.4.2 The ISO shall determine whether a Renewable Exemption Applicant is eligible for a Renewable Exemption under Section 23.4.5.7.13.1, and whether it is eligible for an exemption pursuant to Section 23.4.5.7.2(a) ~~or 23.4.5.7.3.1~~ and (b), Section 23.4.5.7.3.1, ~~and/~~ or Section 23.4.5.7.14, prior to the Initial Decision Period for a Class Year Study, Additional SDU Study, or Expedited Deliverability Study. ~~The CRIS MW of Renewable Exemptions awarded in a Class Year Study, Additional SDU Studies and any Expedited Deliverability Studies will be subject to the Renewable Exemption Limit calculated by the ISO for that study in accordance with Section 23.4.5.7.13.5. In order to subject the requested CRIS MW to the Renewable Exemption Limit, the ISO will convert the requested CRIS MW or Additional CRIS MW for each Qualified Renewable Exemption Applicant to its UCAP equivalent MW in accordance with Section 23.4.5.7.13.6 and ISO Procedures. If at the time of the ISO's completion of the Class Year Study, Additional SDU Study or Expedited Deliverability Study, the total amount of these UCAP equivalent MW associated with the CRIS MW requests from Qualified Renewable Exemption Applicants exceeds the applicable Renewable Exemption Limit calculated in accordance with Section 23.4.5.7.13.5, the ISO shall (i) first, exclude UCAP equivalent of the CRIS MW of any Examined Facility or NCZ Examined Project that was determined to be exempt pursuant to Sections 23.4.5.7.2 (a), Section 23.4.5.7.3.1, Section 23.4.5.7.2 ~~or 23.4.5.7.3.1, or and~~ (b), Section 23.4.5.7.3.1 ~~and/~~ or Section 23.4.5.7.14, and (ii) second, issue an initial determination (prior to the Initial~~

Decision Period or at the time of any Subsequent Decision Period) or a final determination (if a member of the completed Class Year Study, Additional SDU Study or Expedited Deliverability Study, or if a transfer of CRIS rights at the same location unless the transferee has notified the ISO, on or before the date the Class Year Study, Additional SDU Study or Expedited Deliverability Study is completed, that it no longer expects to be the recipient of the transferred CRIS) of the CRIS MW that will be exempt from an Offer Floor, equal to the proportion of the UCAP equivalent MW for the requested CRIS MW each Qualified Renewable Exemption Applicant as determined in accordance with Section 23.4.5.7.13.6.

23.4.5.7.13.4.3 Determinations made pursuant to Section 23.4.5.7.13.4.2 shall be provided to the Renewable Exemption Applicants and Qualified Renewable Exemption Applicants (other than NCZ Examined Projects) concurrent with the issuance of determinations in accordance with Section 23.4.5.7.3.3, and for an NCZ Examined Project at the time of the ISO's determination pursuant to Section 23.4.5.7.2.1.

23.4.5.7.13.4.4 The ISO shall post on its website its determination of whether the Renewable Exemption Applicant has been determined to be a Qualified Renewable Exemption Applicant and the quantity of the CRIS MW and UCAP equivalent MW for which the Qualified Renewable Exemption Applicant was determined to be exempt, from an Offer Floor as soon as the determination is final. Concurrent with the ISO's posting, the Market Monitoring Unit shall

publish a report on the ISO's determination, as further specified in Section 30.4.6.2.13 of Attachment O to this Services Tariff.

23.4.5.7.13.5 Renewable Exemption Limit for Mitigated Capacity Zones

For Class Year 2019 and subsequent Class Year Studies, Additional SDU Studies, and Expedited Deliverability Studies commencing after July 1, 2020, a Renewable Exemption Limit will be calculated by the ISO as a UCAP MW value for each Mitigated Capacity Zone. The Renewable Exemption Limit will identify the maximum amount of Renewable Exemption MW that can be granted in each Mitigated Capacity Zone to Qualified Renewable Exemption Applicants that accept their exemption determinations. The Renewable Exemption Limit will be calculated separately for each Mitigated Capacity Zone in UCAP MW, as further specified below, as the greater of (a) the UCAP MW associated with the ISO's calculation of the Minimum Renewable Exemption Limit as described in Section 23.4.5.7.13.5.1 that will lower the market price forecast for the Mitigated Capacity Zone by \$0.50/kW-month or (b) the sum of (i) the UCAP MW associated with the change in forecasted peak Load calculated by the ISO in accordance with Section 23.4.5.7.13.5.2, (ii) the UCAP MW value identified by the ISO associated with the Incremental Regulatory Retirements calculated by the ISO in accordance with Section 23.4.5.7.13.5.3, (iii) the URM impact of the Qualified Renewable Exemption Applicants in the Class Year Study, Additional SDU Study, or Expedited Deliverability Study calculated by the ISO in accordance with Section 23.4.5.7.13.5.4, and (iv) the UCAP MW in the Renewable Exemption Bank for each Mitigated Capacity Zone calculated by the ISO in accordance with Section 23.4.5.7.13.5.5. For purposes of the Renewable Exemption Limit

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calculated for Class Year 2019 the Renewable Exemption Bank for the Mitigated Capacity Zone will be zero.

The ISO will post on its website the assumptions and calculations made for the Renewable Exemption Limit available in each Class Year Study, Additional SDU Study, and Expedited Deliverability Study with its posting of the BSM Forecast inputs in accordance with Section 23.4.5.7.15 of this Services Tariff, subject to any restrictions on the disclosure of Confidential Information or Critical Energy Infrastructure Information.

23.4.5.7.13.5.1 Minimum Renewable Exemption Limit

The Minimum Renewable Exemption Limit is calculated by the ISO in each Class Year Study beginning with Class Year 2019. The Minimum Renewable Exemption Limit equals the equivalent UCAP MW that is forecasted to cause a price decrease to the Installed Capacity Spot Auction Results of \$0.50/kW-Month. The Minimum Renewable Exemption Limit calculated in the preceding Class Year Study carries forward to subsequent Additional SDU Studies and Expedited Deliverability Studies that are completed prior to the start of the Initial Decision Period for the following Class Year Study. Between Class Year Studies, the Minimum Renewable Exemption Limit will be reduced if Qualified Renewable Exemption Applicants are awarded Renewable Exemptions when the Minimum Renewable Exemption Limit is in effect as the Renewable Exemption Limit (*i.e.*, is the larger value in the Renewable Exemption Limit formula described above.) The Minimum Renewable Exemption Limit that will be applicable to the following Additional SDU Study or Expedited Deliverability Study is reduced by the UCAP equivalent MW of each Qualified Renewable Exemption Applicant awarded a Renewable Exemption.

23.4.5.7.13.5.2 Change in Forecasted Peak Load

The change in forecasted peak Load used in the Renewable Exemption Limit shall be calculated in each Class Year Study, Additional SDU Study, and Expedited Deliverability Study. For Class Year 2019 the change in forecasted peak Load used in the Renewable Exemption Limit shall be calculated as the UCAP MW change associated with the difference between the 2020 peak Load forecast published in the ISO's 2020 Load and Capacity Report and the forecasted peak Load for the last year of the applicable Mitigation Study Period used to evaluate Examined Facilities in Class Year 2019 pursuant to Section 23.4.5.7.2(b) of this Services Tariff that is identified from the ISO's most recently published Load and Capacity Report. The change in forecasted peak Load used in the Renewable Exemption Limit for all subsequent studies shall be the calculated as the difference between the forecasted peak Load for last year of the applicable Mitigation Study Period used to evaluate Examined Facilities pursuant to Section 23.4.5.7.2(b) of this Services Tariff in the immediately preceding Class Year Study, Additional SDU Study, or Expedited Deliverability Study and the forecasted peak Load that applies to the last year of the Mitigation Study Period used to evaluate Examined Facilities pursuant to Section 23.4.5.7.2(b) of this Services Tariff in the ongoing study that is identified from the ISO's most recently published Load and Capacity Report.

23.4.5.7.13.5.3 UCAP MW of Incremental Regulatory Retirements

Incremental Regulatory Retirements to be used in the calculation of the Renewable Exemption Limit described above shall include the incrementally new MW of Generator Retirements forecasted in accordance with Sections 23.4.5.7.15.6 and 23.4.5.7.15.7 of the Services Tariff that have retired, or are planning to permanently cease operation in order to

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comply with or in response to new or amended regulations or statutes, or other regulatory or related action, including but not limited to those that impact (i) Generator emissions, (ii) inability to renew or modify the necessary operating permits, (iii) availability of fuel supply, (iv) assessment of property taxes, and (v) compensation or other incentive outside of the ISO markets received by a Generator that is contingent upon its permanently ceasing operation. In order for the ISO to identify UCAP MW of Incremental Regulatory Retirements such regulatory action must be a significant factor in the retirement of the Generator (*i.e.*, a factor that contributes materially to the retirement). When identifying such UCAP MW of Incremental Regulatory Retirements the ISO shall consult with the Market Monitoring Unit when evaluating whether newly enacted or amended regulatory action plays a significant role in the retirement of the Generator. Prior to the ISO making a determination to include or exclude a Generator retirement in this component of the Renewable Exemption Limit calculation, the Market Monitoring Unit shall provide the ISO a written opinion and recommendation. The Market Monitoring Unit shall also include its assessment in its report issued pursuant to Section 23.4.5.7.6.8 of Attachment H to this Services Tariff and as further specified in Section 30.4.6.2.13 of Attachment O to this Services Tariff. In the event that the ISO view on whether to include a Generator retirement in its calculation of the UCAP MW of Incremental Regulatory Retirements is contrary to the recommendation of the Market Monitoring Unit, the ISO will submit the question to FERC for resolution. The ISO's filing with FERC will describe the ISO's opinion and recommendation and include the Market Monitoring Unit's written opinion and recommendation. The ISO will request FERC to act on this filing within 60 days and will not submit the Class Year Study, Additional SDU Study or Expedited Deliverability Study to the Operating Committee for

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approval until FERC acts on the ISO's filing. Once FERC acts on the ISO's filing, the ISO will calculate the Renewable Exemption Limit using the UCAP MW of Incremental Regulatory Retirements consistent with the FERC decision.

23.4.5.7.13.5.4 URM Impact of Qualified Renewable Exemption Applicants

The ISO shall calculate the URM impact of the CRIS MW requested by the Qualified Renewable Exemption Applicants in each Class Year Study, Additional SDU Study, and Expedited Deliverability Study. A URM impact shall be calculated separately for each Mitigated Capacity Zone. If there are no Qualified Renewable Exemption Applicants participating in the study, the URM impact of Qualified Renewable Exemption Applicants shall be zero—otherwise the ISO shall calculate the incremental URM impact for each Mitigated Capacity Zone associated with the Qualified Renewable Exemption Applicants in the study.

23.4.5.7.13.5.5 Renewable Exemption Bank

The amount of UCAP MW in the Renewable Exemption Bank shall be calculated separately for each Mitigated Capacity Zone as a running total of UCAP MW determined to be available in the calculation of a Renewable Exemption Limit as described above for the most recently completed Class Year Study that was not awarded to a Qualified Renewable Exemption Applicant as part of that Class Year Study or in subsequent Additional SDU Studies and Expedited Deliverability Studies that are completed prior to the start of the Initial Decision Period of the next Class Year Study. The UCAP equivalent MW of CRIS MW that receive exemptions pursuant to Section 23.4.5.7.2(a) [or 23.4.5.7.3.1](#) shall be deducted from the Renewable Exemption Bank. Renewable Exemptions awarded in a Mitigated Capacity Zone during a Class Year Study, Additional SDU Study or Expedited Deliverability Study pursuant to

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the Minimum Renewable Exemption Limit for that Mitigated Capacity Zone shall not be subtracted from the Renewable Exemption Bank for that Mitigated Capacity Zone. The Renewable Exemption Bank will further be modified for each Study such that 1) any UCAP MWs from Incremental Regulatory Retirement previously forecast pursuant to Section 23.4.5.7.13.5.3 which did not remove capacity consistent with the forecast or did not retire would be deducted from the Renewable Exemption Bank and 2) any UCAP MWs previously found exempt under Section 23.4.5.7.13.4.2 or Section 23.4.5.7.2(a) [or Section 23.4.5.7.3.1](#) which do not meet the criteria per Section 23.4.5.7.15 to be included into the NYISO forecast shall be added back to the Renewable Exemption Bank.

23.4.5.7.13.5.5.1 Renewable Exemption Bank for the New York City Locality

The Renewable Exemption Bank for the New York City Locality used in the calculation of the Renewable Exemption Limit for the New York City Locality in accordance with Section 23.4.5.7.13.5 will be a rolling calculation of UCAP MW calculated using the sum of (i) the UCAP MW associated with the Change in Forecasted Peak Load calculated by the ISO in accordance with Section 23.4.5.7.13.5.2, (ii) the UCAP MW value of the Incremental Regulatory Retirements calculated by the ISO in accordance with Section 23.4.5.7.13.5.3, (iii) the URM impact of the Qualified Renewable Exemption Applicants calculated by the ISO in accordance with Section 23.4.5.7.13.5.4, and (iv) the UCAP MW in the Renewable Exemption Bank for the New York City Locality that carried forward from the immediately prior Class Year Study, Additional SDU Study, or Expedited Deliverability Study, less (v) the UCAP equivalent MW associated with the exempted CRIS MW received by Qualified Renewable Exemption Applicants pursuant to this Section 23.4.5.7.13 of the Services Tariff in the current study in the

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New York City Locality. When calculating the initial Renewable Exemption Limit applicable for Class Year 2019 the ISO will use a Renewable Exemption Bank for the New York City Locality of zero.

23.4.5.7.13.5.5.2 Renewable Exemption Bank for the G-J Locality

The Renewable Exemption Bank for the G-J Locality used in the calculation of the Renewable Exemption Limit for the G-J Locality in accordance with Section 23.4.5.7.13.5 will be a rolling calculation of UCAP MW, calculated using the sum of (i) the UCAP MW associated with the Change in Forecasted Peak Load calculated by the ISO in accordance with Section 23.4.5.7.13.5.2, (ii) the UCAP MW value of the Incremental Regulatory Retirements calculated by the ISO in accordance with Section 23.4.5.7.13.5.3, (iii) the URM impact of the Qualified Renewable Exemption Applicants calculated by the ISO in accordance with Section 23.4.5.7.13.5.4, and (iv) the UCAP MW in the Renewable Exemption Bank for the G-J Locality that carried forward from the immediately prior Class Year Study, Additional SDU Study, or Expedited Deliverability Study, less the sum of (a) the UCAP equivalent MW associated with the exempted CRIS MW received by Qualified Renewable Exemption Applicants pursuant to this Section 23.4.5.7.13 of the Services Tariff in the current study in both the New York City and the G-J Localities and (b) any positive UCAP MW remaining in the Renewable Exemption Bank for the New York City Locality. When calculating the initial Renewable Exemption Limit applicable for Class Year 2019, the ISO will use a Renewable Exemption Bank for the G-J Locality of zero.

23.4.5.7.13.6 Awarding UCAP MW of Renewable Exemptions Pursuant to Renewable Exemption Limit

The ISO shall convert the CRIS MW requested for each Qualified Renewable Exemption Applicant in a Class Year Study, Additional SDU Study or Expedited Deliverability Study to a UCAP MW equivalent value in accordance with applicable UCAP Deration Factor (“UCDF”) and in accordance with ISO Procedures. The UCDF shall be based on the specific type of Exempt Renewable Technology being proposed by the Qualified Renewable Exemption Applicant.

The ISO shall award Renewable Exemptions to Qualified Renewable Exemption Applicants in each Mitigated Capacity Zone up to but not to exceed the UCAP MW value calculated by the ISO in the Class Year Study, Additional SDU Study or Expedited Deliverability Study to be the Renewable Exemption Limit for the Mitigated Capacity Zone as provided in Section 23.4.5.7.13.5 of the Services Tariff. If the UCAP MW equivalent value of the total requested CRIS MW received from Qualified Renewable Exemption Applicants in a given Class Year Study, Additional SDU Study or Expedited Deliverability Study exceeds the UCAP MW Renewable Exemption Limit calculated by the ISO for that Class Year Study, Additional SDU Study or Expedited Deliverability, then the ISO shall award Renewable Exemptions on a pro rata basis using the UCAP MW equivalent value it calculated for the requested CRIS MW of each Qualified Renewable Exemption Applicant that remains in that study.