

# Part A Exemption Test Proposal: Example

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# Background

- Stakeholder requested clarification on the testing order, particular related to the nesting locality interaction of Examined Facilities located in a nested locality
- The following presentation is meant to serve as an illustrative example to walk through the order of BSM exemption tests

# Proposal: Exemption Testing Process

- **Renewable Exemption Limit is calculated**
  - Exemptions are granted to Qualified Renewable Exemption Applicants up to the Renewable Exemption Limit, which is based upon UCAP, and pro rated if UCAP of Qualified Renewable Exemption Applicants exceeds limit
- **The Part A test is performed for all remaining non-exempt capacity**
  - Included in forecasted supply is UCAP MW that qualified for a Renewable Exemption
- **The Part B test is performed for all remaining non-exempt capacity**
  - Included in forecasted supply is UCAP MW that qualified for a Renewable Exemption
  - Included in forecasted supply is UCAP MW that qualified for a Part A Exemption
- **Separate from this timeline, Competitive Entry Exemptions will continue to be granted to qualifying resources irrespective of the results from Part A and Part B**

# Example Examined Facilities

- **Music Fans – 300MW CRIS Requested, wind, in Zone J**
  - Requested a Renewable Exemption
- **MilkCoffee<sup>2</sup> Storage – 5MW CRIS Requested, lithium-ion battery, in Zone J**
- **Pikachu’s Power Plant – 100MW CRIS Requested, combined cycle, in Zone J**
  - Requested a Competitive Entry Exemption
- **Solar Sun by Ray – 100MW CRIS Requested, solar PV, in Zone G**
  - Requested a Renewable Exemption
- **StayPositive Storage – 30MW CRIS Requested, lithium-ion battery, in Zone H**
- **Ultimate Upgrade – 20MW CRIS Requested, Additional CRIS request from existing plant, in Zone J**

# Renewable Exemption

# Renewable Exemption

- **Applicants (assume 33% Unforced Capacity Percentage for wind and 50% for solar)**
  - Music Fans – 300MW, wind, Zone J
    - ~100MW UCAP
  - Solar Sun by Ray – 100MW, solar PV, Zone G
    - ~50MW UCAP
- **Zone J Renewable Exemption Limit: 90MW UCAP**
  - Music Fans granted 90MW exemption of the 100MW UCAP
    - 10MW UCAP continues to be evaluated
- **Zone G-J Renewable Exemption Limit: 30MW UCAP**
  - Capacity from Qualified Renewable Exemption Applicants totals 60MW UCAP

# Renewable Exemption

- **30MW of Zone G-J Renewable Exemption is prorated among the 60MW UCAP from Qualified Renewable Exemption Applicants**
  - Music Fans granted 5MW exemption of the remaining 10MW UCAP
  - Solar Sun by Ray granted 25MW exemption of the 50MW UCAP
- **Result of Renewable Exemption determinations**
  - Music Fans – 300MW, wind, Zone J
    - 95/100MW UCAP ~ 285/300MW CRIS
    - 15MW CRIS to be further evaluated
  - Solar Sun by Ray – 100MW, solar PV, Zone G
    - 25/50MW UCAP ~ 50/100MW CRIS
    - 50MW CRIS to be further evaluated

# Part A Test



# Part A Exemption Test

- **Since all Examined Facilities have some amount of un-exempted capacity to be evaluated under the Part A Exemption Test**
- **Group 1**
  - Public Policy Resources
    - MilkCoffee<sup>2</sup> Storage – 5MW in Zone J
    - Solar Sun by Ray – 100MW in Zone G (partially exempted by a Renewable Exemption, 50MW CRIS to be evaluated)
    - StayPositive Storage – 30MW in Zone H
  - Other Examined Facilities
    - Ultimate Upgrade – 20MW in Zone J
- **Group 2**
  - Public Policy Resources
    - Music Fans – 300MW in Zone J (partially exempted by a Renewable Exemption, 15MW CRIS to be evaluated)
  - Other Examined Facilities
    - Pikachu's Power Plant – 100MW in Zone J

# Part A Group 1 Examined Facilities

## ■ Public Policy Resources (Ranked by lowest Net CONE)

- \$150/kW-yr for StayPositive Storage – 30MW in Zone H
- \$200/kW-yr for MilkCoffee<sup>2</sup> Storage – 5MW in Zone J
- \$300/kW-yr for Solar Sun by Ray – 100MW in Zone G (partially exempted by a Renewable Exemption, 50MW CRIS to be evaluated)

## ■ Other Examined Facilities (Ranked by lowest Net CONE)

- \$50/kW-yr for Ultimate Upgrade – 20MW in Zone J

# Year 1

- **Capacity included in BSM Forecast:**
  - Solar Sun by Ray (partially) – 50MW of exempted CRIS in Zone G (via Renewable Exemption)
- **Test StayPositive Storage (Zone H)**
  - Passes, capacity included in subsequent tests
- **Test MilkCoffee<sup>2</sup> (Zone J)**
  - Under NYC Locality, fails
  - Under G-J Locality, passes, capacity included in subsequent tests
- **Test remaining capacity from Solar Sun by Ray (Zone G)**
  - Fails, capacity not included in subsequent tests
- **Test Ultimate Upgrade (Zone J)**
  - Under NYC Locality, fails
  - Under G-J Locality, fails, capacity not included in subsequent tests

# Year 2

- **Capacity included in BSM Forecast:**
  - Solar Sun by Ray (partially) – 50MW of exempted CRIS in Zone G (via Renewable Exemption)
  - StayPositive Storage – fully exempted in Zone H (via Part A “Year 1” Exemption)
  - MilkCoffee<sup>2</sup> – fully exempted in Zone J (via Part A “Year 1” Exemption)
- **Test remaining capacity from Solar Sun by Ray (Zone G)**
  - Passes, capacity included in subsequent tests
- **Test Ultimate Upgrade (Zone J)**
  - Under NYC Locality, fails
  - Under G-J Locality, fails, capacity not included in subsequent tests

# Year 3

## ■ Capacity included in BSM Forecast:

- Solar Sun by Ray (via Renewable Exemption and Part A “Year 2” Exemption)
  - fully exempted in Zone G
- StayPositive Storage – fully exempted in Zone H (via Part A “Year 1” Exemption)
- MilkCoffee<sup>2</sup> – fully exempted in Zone J (via Part A “Year 1” Exemption)

## ■ Test Ultimate Upgrade (Zone J)

- Under NYC Locality, fails
- Under G-J Locality, fails, capacity not included in subsequent tests

# Part A Group 2 Examined Facilities

- **Public Policy Resources (Ranked by lowest Net CONE)**
  - \$400/kW-yr for Music Fans – 300MW in Zone J (partially exempted by a Renewable Exemption, 15MW CRIS to be evaluated)
- **Other Examined Facilities (Ranked by lowest Net CONE)**
  - \$100/kW-yr for Pikachu’s Power Plant – 100MW in Zone J

# Year 4

- **Capacity included in BSM Forecast:**
  - Solar Sun by Ray (via Renewable Exemption and Part A “Year 2” Exemption)
    - fully exempted in Zone G
  - StayPositive Storage – fully exempted in Zone H (via Part A “Year 1” Exemption)
  - MilkCoffee<sup>2</sup> – fully exempted in Zone J (via Part A “Year 1” Exemption)
  - Music Fans (partially) – 285MW of exempted CRIS in Zone J (via Renewable Exemption)
- **Test remaining capacity from Music Fans (Zone J)**
  - Under NYC Locality, fails
  - Under G-J Locality, fails, capacity not included in subsequent tests
- **Test Pikachu’s Power Plant (Zone J)**
  - Under NYC Locality, fails
  - Under G-J Locality, fails, capacity not included in subsequent tests

# Year 5

- **Capacity included in BSM Forecast:**
  - Solar Sun by Ray (via Renewable Exemption and Part A “Year 2” Exemption)
    - fully exempted in Zone G
  - StayPositive Storage – fully exempted in Zone H (via Part A “Year 1” Exemption)
  - MilkCoffee<sup>2</sup> – fully exempted in Zone J (via Part A “Year 1” Exemption)
  - Music Fans (partially) – 285MW of exempted CRIS in Zone J (via Renewable Exemption)
- **Test remaining capacity from Music Fans (Zone J)**
  - Under NYC Locality, passes, capacity included in subsequent tests
- **Test Pikachu’s Power Plant (Zone J)**
  - Under NYC Locality, fails
  - Under G-J Locality, fails, capacity not included in subsequent tests



# Year 6

## ■ Capacity included in BSM Forecast:

- Solar Sun by Ray (via Renewable Exemption and Part A “Year 2” Exemption)
  - fully exempted in Zone G
- StayPositive Storage – fully exempted in Zone H (via Part A “Year 1” Exemption)
- MilkCoffee<sup>2</sup> – fully exempted in Zone J (via Part A “Year 1” Exemption)
- Music Fans (via Renewable Exemption and Part A “Year 5” Exemption)
  - fully exempted in Zone J

## ■ Test Pikachu’s Power Plant (Zone J)

- Fails, capacity not included in subsequent tests

# Part A Exemption Test Result Summary

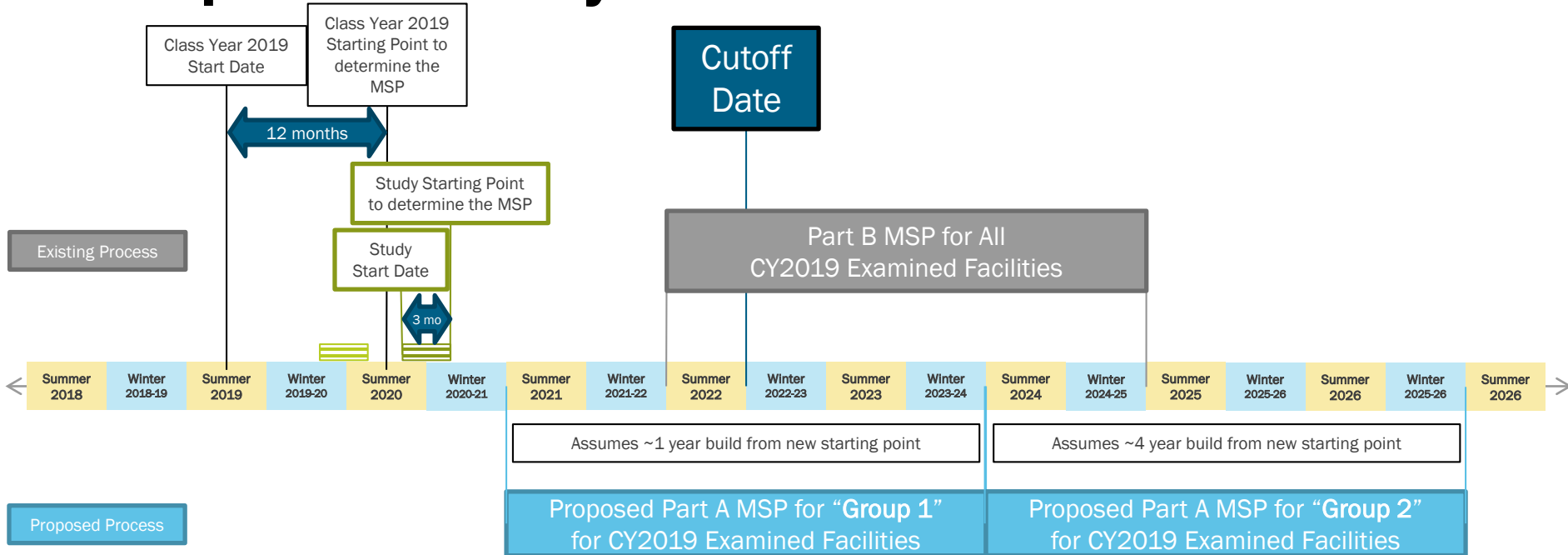
- **Part A Group 1 Examined Facilities**
  - StayPositive Storage – 30MW in Zone H
    - Part A Exemption starts in “Year 1”, Offer Floor applied on capacity prior to then
  - MilkCoffee<sup>2</sup> Storage – 5MW in Zone J
    - Part A Exemption starts in “Year 1”, Offer Floor applied on capacity prior to then
  - Solar Sun by Ray – 100MW in Zone G
    - Renewable Exemption effective when determination is accepted at the conclusion of study for 50MW
    - Part A Exemption starts in “Year 2”, Offer Floor applied on capacity prior to then for 50MW
- **Part A Group 2 Examined Facilities**
  - Music Fans – 300MW in Zone J (partially exempted by a Renewable Exemption, 15MW CRIS to be evaluated)
    - Renewable Exemption effective when determination is accepted at the conclusion of study for 285MW
    - Part A Exemption starts in “Year 5”, Offer Floor applied on capacity prior to then for 15MW
- **Remaining amount of un-exempted capacity to be evaluated under the Part B Exemption Test**
  - Ultimate Upgrade – 20MW in Zone J
  - Pikachu’s Power Plant – 100MW in Zone J

# Part B Test

# Part B Exemption Test

- **Part A Mitigation Study Period “Year 2” is the first year of the (Part B) Mitigation Study Period**
- **Remaining amount of un-exempted capacity to be evaluated under the Part B Exemption Test**
  - Ultimate Upgrade – 20MW in Zone J
  - Pikachu’s Power Plant – 100MW in Zone J

# Proposed Study Periods for Part A



The dates contained in this figure are for illustrative purposes only and do not necessarily reflect the timeframe of an ongoing study.

# Part B Exemption Test

- **Capacity included in BSM Forecast (Capacity exempted by a Renewable Exemption or Part A Exemption beginning prior to “Year 2”):**
  - StayPositive Storage – 30MW in Zone H
    - Part A Exemption starts in “Year 1”, Offer Floor applied on capacity prior to then
  - MilkCoffee<sup>2</sup> Storage – 5MW in Zone J
    - Part A Exemption starts in “Year 1”, Offer Floor applied on capacity prior to then
  - Solar Sun by Ray – 100MW in Zone G
    - Renewable Exemption effective when determination is accepted at the conclusion of study for 50MW
    - Part A Exemption starts in “Year 2”, Offer Floor applied on capacity prior to then for 50MW
  - Music Fans – 285MW in Zone J
    - Renewable Exemption effective when determination is accepted at the conclusion of study for 285MW
    - Part A Exemption starts in “Year 5” after MSP – remaining 15MW not included in BSM Forecast for Part B
- **Remaining amount of un-exempted capacity to be evaluated under the Part B Exemption Test**
  - \$50/kW-yr for Ultimate Upgrade – 20MW in Zone J
    - Passes 3 year forecast, capacity included in subsequent tests
  - \$100/kW-yr for Pikachu’s Power Plant – 100MW in Zone J
    - Under NYC Locality, fails
    - Under G-J Locality, fails, capacity not included in subsequent tests

# Part B Exemption Test Result Summary

## ■ Examined Facilities

- Ultimate Upgrade – 20MW in Zone J
  - (Part B) Exemption effective when determination is accepted at the conclusion of study
- Pikachu's Power Plant – 100MW in Zone J
  - Not exempt

# Competitive Entry Exemption



# Competitive Entry Exemption

- **Pikachu's Power Plant – 100MW in Zone J**
  - Requested an evaluation for a Competitive Entry Exemption
- **Examined Facility found eligible for Competitive Entry Exemption**

# Inform each Examined Facilities of their BSM Determination

# Questions?

# Our mission, in collaboration with our stakeholders, is to serve the public interest and provide benefit to consumers by:

- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policymakers, stakeholders and investors in the power system

