

## **CRIS Expiration: Impact of Public Policy Transmission Projects and “Grandfathered” CRIS Facilities – Requested by NYS Utility Intervention Unit**

### **Problem/Opportunity**

As part of the 2019 Class Year/Interconnection Queue Redesign project, NYISO proposed more stringent CRIS expiration rules. Although the new CRIS rules are expected to prevent retention of CRIS by facilities not participating in the ICAP market and increase deliverability “headroom”, the rules, as accepted by FERC and implemented by the NYISO, do not address the treatment of CRIS status for retired generators whose deliverability rights were subsidized in part by public policy transmission upgrades to support deliverability. These facilities can retain their CRIS Deliverability Rights beyond the effective date of their retirement for up to three years under Section 25.9.3 of the NYISO OATT.

Additionally, a generating facility pre-dating Class Year 2007 (“grandfathered” CRIS) can retain CRIS Deliverability Rights beyond its retirement date if the generator has not been CRIS-Inactive for three continuous years. This creates unnecessary retention of CRIS Deliverability Rights by facilities that did not pay for system deliverability upgrades and are no longer participating in the ICAP market.

Essentially both grandfathered facilities and new facilities benefiting from ratepayer investments have acquired at no cost the right to use a public asset for a private purpose and then, even after the private purpose has ceased, are able to retain the access to the public asset for up to three years, rather than immediately returning it to the public. This provision may be inequitable.

### **Project Objective(s) & Anticipated Deliverable(s)**

Modify CRIS Deliverability Rights retention rules to reflect impact of Public Policy Transmission Projects (PPTP). A retired generator whose deliverability benefited from a PPTP should not be allowed to retain CRIS for the amount that is equal to the level of CRIS obtained as a result of the PPTP (*i.e.*, capability needed to provide deliverability that would have required the facility to build upgrades but for the existence of the PPTP)

Modify “grandfathered” CRIS rules (Section 25.9.3 of the OATT) to ensure generating facilities pre-dating Class Year 2007 do not retain CRIS Deliverability Rights beyond their retirement effective date, even if the retired generators have not been CRIS-Inactive for more than three continuous years. Some exceptions or specific provisions may be warranted in certain circumstances to maintain equity between the ratepayer and generator, for instance if a generator actively plans to resume operations such as a repowering, or if it transfers CRIS rights to load.

For 2021 implementation consistent with approved modifications to the CRIS expiration rules.

### **Project Justification**

This project will seek to further enhance and provide additional clarification to the CRIS expiration rules. Further enhancements to the CRIS expiration rules will prevent retention of CRIS Deliverability Rights by facilities whose deliverability capability benefited from ratepayer investments but are now retired and no longer participating in the ICAP market.

Finally, this project will ensure an increase in the capacity deliverability headroom available to future generating facilities seeking to participate in the ICAP market.