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nyiso Installed Capacity Manual

New Proposal.

**Revised following the July 26, 2002 ICAPWG
meeting.**

Proposed addition to the Installed Capacity Manual to develop a
system for valuing new controllable transmission projects -
Unforced Capacity Deliverability Rights

4.14 Unforced Capacity Deliverability Rights

Unforced Capacity Deliverability Rights (“UDRs”) are rights, as measured in MWs, associated with new incremental controllable transmission projects that provide a transmission interface to a NYCA Locality (i.e., an area of the NYCA in which a minimum amount of Installed Capacity must be maintained). External UDRs are associated with interfaces between a NYCA Locality and an External Control Area. Local UDRs are associated with interfaces between a non-constrained region in the NYCA and a NYCA Locality. When combined with Unforced Capacity which is located in an External Control Area or non-constrained NYCA region, and which is deliverable to the NYCA interface with the UDR transmission facility, UDRs allow such Unforced Capacity to be treated as if it were located in the NYCA Locality, thereby contributing to an LSE’s Locational Unforced Capacity Requirement.

A holder of UDRs may transfer them to another entity.

4.14.1 Determination and Assignment of Unforced Capacity Deliverability Rights

The amount of UDRs assigned by the NYISO to each new incremental transmission facility will be based on the transmission capability, reliability and availability of the facility, and appropriate NYSRC reliability studies.

4.14.2 Duration and Adjustment of Unforced Capacity Deliverability Rights

An incremental transmission project will be awarded UDRs, quantified as an amount of MWs, throughout its project life. The amount of UDRs awarded to a particular project may be adjusted periodically by the ISO. Adjustments to such an award will reflect changes in physical characteristics and availability of the associated project.

4.14.3 Use of External Unforced Capacity Deliverability Rights

In order to use External UDRs, an Installed Capacity Supplier must have a contract to match the number of UDRs with Unforced Capacity associated with an identifiable physical Resource.

When an entity combines External UDRs with acceptable Unforced Capacity, the resulting product, when supplied to an LSE will be treated as Unforced Capacity located in the NYCA Locality and will qualify as Locational Unforced Capacity, provided that the energy is deliverable to the NYCA interface with the UDR transmission facility.

External Installed Capacity Suppliers using External UDRs must fulfill all External Installed Capacity Supplier requirements found in the Services Tariff and ISO procedures, except for the requirement to acquire Import Rights as described in section 4.9.2.

4.14.4 Use of Local Unforced Capacity Deliverability Rights

In order to use Local UDRs, an Installed Capacity Supplier must have a contract to match UDRs with Unforced Capacity associated with an identifiable physical Resource either located in the non-constrained region of the NYCA or able to deliver Unforced Capacity to the non-constrained region of the NYCA.

When an entity combines Local UDRs with Unforced Capacity, the resulting product, when supplied to an LSE in the appropriate NYCA Locality, will be treated as Unforced Capacity located in the NYCA Locality and will contribute to that LSE's Locational Unforced Capacity Requirement.

Installed Capacity Suppliers using Local UDRs must fulfill all Installed Capacity Supplier requirements found in the Services Tariff and ISO procedures for the Unforced Capacity they seek to combine with UDRs.

4.14.5 Unforced Capacity Deliverability Rights offered in an Installed Capacity Auction

UDR may be offered in NYISO-administered Installed Capacity Auctions when previously combined with qualified Unforced Capacity. External Unforced Capacity combined with UDRs and sold in a NYISO-administered Installed Capacity Auction will not require the allocation of External Installed Capacity Import Rights.

The information submission requirements for External Installed Capacity Suppliers enumerated in section 4.9.1 of this Manual, with the exception of Operating Data, must be provided to the ISO at least two (2) business days prior to an ISO-administered Installed Capacity auction in which the External Installed Capacity Supplier wishes to offer Unforced Capacity associated with UDRs, and at such additional times as required by the ISO and this Installed Capacity Manual (e.g., annual DMNC test results). Operating Data must be submitted in accordance with the timing requirements found in 4.4.9 of this Manual (by the tenth (10th) day of the month preceding the month in which the prospective External Installed Capacity Supplier wishes to supply Unforced Capacity to the NYCA).