

# Proposal for Import Right Lottery

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# Benefits of a Lottery

1. Simple and low cost to administer
2. Equitable to all importing suppliers
3. Minimizes cost and risks to importing supplier
4. Reduce potential for auction failures/gaming
5. No changes to existing obligations or length of import rights

# Preparation for Lottery

1. Resources submit requirements to NYISO
2. Each supplier or marketer receives a unique identifier. Multiple capacity submittals of the same MWs from a generator are not allowed
3. Two rounds are made to distribute import rights. First round distributes for large suppliers(200 – 600 MW). Second round for small suppliers (200 MW or smaller)
4. First round limited to 65% - 75% of the total rights, second round distributes the balance
5. Subsequent lottery to fill any returned rights after 48 hour confirmation period

# Description of Lottery Rounds

Round One – Suppliers randomly picked from all external suppliers until 65% - 75% is reached

Round Two – Suppliers randomly picked from all external suppliers until fully subscribed

Last Round – Suppliers picked at random to fill any available rights. Suppliers can resubmit request based on amount of rights returned

# Longer Term Rights

- Not part of current proposal, but can be considered after some lottery experience
- Lottery can accommodate distribution of some 1 year import rights
- Can be distributed as a first round lottery, starting with 10% - 25% of the system capability

# Advantages

- Easy to Administer
- Most efficient sharing of capacity resources among ISO/RTOs
- No barrier to entries for external resources or seams issues