Revised Procedure for ICAP Load Forecasts

October 17, 2003

Use Shares of Coincident Peak for Total Req't

- **Each TD's ICAP requirement be based on its share of load in the NYCA coincident peak hour, instead of its load in that TD's noncoincident peak hour.**

  – *The peak load hour would be the hour in which load in the NYCA was highest, after the ISO adds back the effect of all demand reduction programs considered by the NYSRC when determining ICAP requirements.*

Locational ICAP requirements would continue to be calculated based on the peak load hour for each locality.

Weather Normalization Procedure

To ensure consistency in weather normalization procedures:

- **A minimum weather normalization criterion would be specified.**

- **TOs would be required to report weather-normalized peak loads that are consistent with that criterion.**

Subject to this constraint, TOs are permitted to use their own weather normalization procedures.

Review of Weather Normalization Results

Procedure for ISO review will be implemented.

- ISO to conduct independent review and evaluation of TO/ELRR Weather Normalized load values.

- ISO will have the ultimate authority to use its own values subject to dispute resolution.

Loss Allocation Procedure

The ISO will develop methods to account for differences in the methods that each TO uses to measure load within its TD.

- **Some TOs use methods that implicitly include intra-TD transmission losses in load, while others do not.**

- **The ISO would deduct weather-normalized intra-TD transmission losses from the load of each TO that included those losses.**

- **Allocate weather-normalized NYCA-wide transmission losses to each TD, with each TD's share proportional to that TD's weather-normalized lossless peak load.**

No change to the manner in which losses are currently treated for the purposes of calculating locational ICAP requirements.

Demand Response Procedure

ISO adds back the effects of any of the demand reduction programs considered by the NYSRC when determining ICAP requirements.

- **SCRs: Special Case Resources**

- **EDRP: Emergency Demand Reponse Program**

- **EOPs: Emergency Operating Procedures (e.g., voltage reduction, public appeals, etc.)**

Calculation of Requirements

ISO uses the existing procedures to calculate:

- **Locational ICAP requirements for each locality.**

- **Total ICAP requirements for each TD.**
  - *The sum of these requirements would match the weather-normalized NYCA peak load,*
  - *Multiplied by one plus the IRM for the NYCA,*
  - *Multiplied by one plus the weighted-average RLGF.*

Posting, Notification and Disputes

ISO posts the results of its calculations.

- **Notifies market participants of this posting, giving them sufficient time to review the results.**

- **In the event that a market participant believes that the ISO has performed some aspect of this calculation incorrectly, it could discuss this with the ISO.**

- **If necessary, the market participant could elect to take the issue to expedited dispute resolution.**