



# Proposed ICAP Buyer-Side Mitigation Tariff Revision: Competitive Entry Exemption Modified Proposal and Tariff Review

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ICAP WG Meeting

*March 11*

*NYISO, KCC*

*Rensselaer, NY*

# Agenda

- ◆ **Synopsis of modifications to the proposal presented at the January 30, 2013 ICAP WG meeting**
- ◆ **Review of Tariff revisions**
- ◆ **Next steps**

# Summary of Modifications to the January 30, 2013 Proposal

- ◆ **The NYISO considered comments made during and after the working group meeting. These comments and internal discussions have led to a refinement of the proposal.**
- ◆ **There are three design changes from the past presentation and we are still considering two proposed modifications. The following slides provide a summary of the modifications.**

# Synopsis of Modifications to the Proposal

- ◆ Added provision accommodating a lease or sale of land transaction with a “prohibited entity” as long as the lease or sale is at (or above) fair market value.
- ◆ Included a *de minimis* provision:
  - *Instead of eligibility contingent on not having any contracts with a “prohibited entity” the proposal now provides that the total “fair market value” of all contracts (other than those for the sale or lease of land with all “prohibited entities”) be valued at no more than 1% of the total annual levelized cost of all capital and fixed operation and maintenance costs of the unit.*
- ◆ Removed a provision that permitted contracts with “prohibited entities” as long as the contracts were “generally available to all new entrants in that mitigated capacity zone.”

# Modifications being considered

- ◆ **Some stakeholders were concerned that large loads that were not in the proposed description of a “prohibited entity” (i.e., NY electric distribution company, Municipal Utility, or any NY State or local governmental entity) might have similar incentives to build uneconomic generation in order to depress ICAP prices.**
  - *The NYISO is considering this issue and will review this issue at the April 4 ICAP WG meeting.*
- ◆ **Some stakeholders were concerned that the transition mechanism was not needed and other stakeholders expressed preferences for different transition mechanisms than that presented January 30.**
  - *The NYISO is considering these issues and will review the transition issue at the April 4 ICAP WG meeting.*

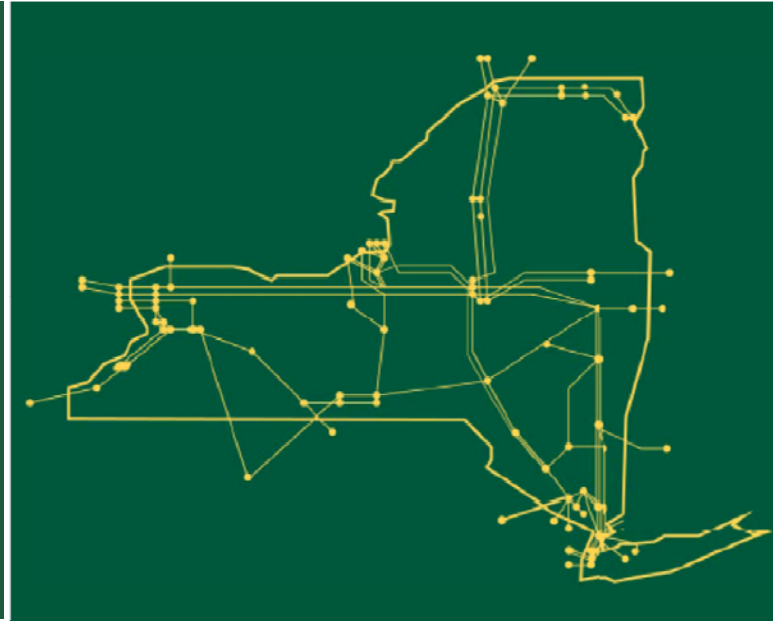
# Tariff Review

- ◆ **Proposed tariff revisions are redlined and highlighted in yellow in separate documents provided with the ICAPWG meeting materials. Changes were layered onto the version of the tariff sheets containing the most recent redlined proposed repowering/increased CRIS revisions:**
  - *MST 23.2 at definition of Market Party*
  - *MST 23.4*
  - *MST 30.4.6.2.11*
  - *MST 30.6.2.2.5*

# Planned Next Steps

- ◆ **Thursday April 4**      **ICAP WG: second review of tariff language**
- ◆ **Tuesday April 30**      **ICAP WG – if needed review of tariff language**
- ◆ **April or May**      **BIC & MC**

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