

HQUS' Concerns with Proposed FCM Features

-- FOR DISCUSSION PURPOSES ONLY --

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Main concerns with proposed FCM

- ◆ Annual vs. seasonal products
- ◆ Control-area-backed power



Annual vs. Seasonal Products

- ◆ **Currently, only seasonal and monthly products**
- ◆ **FCM would move to annual product**
- ◆ **HQUS would not qualify**
 - **HQ is a winter-peaking system**
 - **Significant quantities of ICAP available in summer, when most needed in NY**
 - **Loss of HQUS' ICAP would sharply increase auction clearing prices in NY**



Annual vs. Seasonal (cont'd)

- ◆ **HQUS supports keeping seasonal auctions**
 - No annual products in the Voluntary and FP auctions
 - Parties can make annual bilaterals if they wish



Control Area System Resources

- ◆ **Currently, NYISO accepts external ICAP backed by entire control areas (like HQ)**
 - “Control Area System Resources,” see section s.2.32a
- ◆ **It is unclear whether CASR will be allowed to offer in the FCM**
- ◆ **FCM should retain this feature**



Needed clarifications

- ◆ **Auctioning of import rights – how would that work?**
- ◆ **Pricing of capacity imports**
 - ref. 10/27 presentation: “*may be at or below the NYCA clearing price*”)
- ◆ **Handling of certification of existing external resources**
 - Including certification standards



Questions?

