

Draft for Discussion at ICAPWG Meeting July 11, 2001

I. Theological Issues

- (HF, JS) 1. Ought we to have an ICAP market?
- (PSC) 2. If no ICAP market, how else do we address reliability?
- (PSC) 3. Do ICAP rules and payments retain and attract the necessary generation for NYS?
- (PSC) 4. Vulnerability of the ICAP market design to exercise of market power.
- (PSC) (JS) 5. Appropriate length of the procurement period?
- (JS) 6. Address the Installed Reserve Margin requirements on a regional basis?

II. “Seams” Issues

- (NYPA) 1. Common definitions and rules.
- (NYPA) 2. One-month OPP v. other ISO’s procurement periods (chiefly PJM).
- (JS) 3. ICAP or UCAP?
- (JS) 4. ICAP Deliverability across ISOs.
- (JS) 5. Coordinated ICAP auctions?
- (JC) 6. Actual SRE Procedures (PJM v. NE).

III. Current Market Design Issues

- (LIPA) (JS) 1. ICAP Deliverability Internally
- (PSC) 2. Process for securing ICAP if all requirements cannot be satisfied in the deficiency action.
- (PSC) 3. What is the appropriate level of the deficiency penalty?
- (PSC) 4. How should deficiency penalty dollars be distributed when inadequate ICAP exists?
- (PSC) 5. How to best deal with Energy Limited Resources and Intermittent Resources.
- (PSC) 6. Ability/willingness of generating units to exceed rated output.
- (PSC) 7. Mid-OPP startup of new generators.
- (PSC) 8. Eligibility/qualification of out-of-state providers and dealing with bottled resources within NYS.

- (PSC) 9. Setting ICAP requirement (load level) for LSEs (e.g. historic v. projected v. true-up to actual load).
- (PSC) 10. Use of demand response (e.g. SCR) as ICAP.
- (FF) 11. Permit merchant transmission to get comparable ICAP credit for its contribution to meeting NY IRM.
- (NYPA) 12. Seasonal UCAP requirements: use of annual peak demand to set LSE's ICAP does not take seasonal demand into account.
- (JC) 13. Auction issues: two phase or two steps? locational clearing prices v. upstate.
- (JC) 14. Tariff/Manual specific issues:
- Calculating UCAP for units coming in and out of market.
 - Forms
 - ICAP & LSE Certification Forms.
 - Bid & Offer Forms.
 - Purchase & Sale Agreements.
 - GADs.
 - LI location requirement in Attachment B.
 - Weighted v. unweighted for individual unit EFOR_D.
 - Weighted average of mitigated units.
 - Load modification.
 - Calling municipal resources.
 - Cause codes/treatment of Transmission outages (planned/RSH/use cause codes?)
- (JC) 15. Eliminate Targeted Rebated except for excess charges, which would go back to applicable LSEs in NYC, LI, or ROS?

Key:

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LIPA	Long Island Power Authority
NYPA	New York Power Authority
PSC	NY Dept. of Public Service