
ICAP SCR Issues

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LSE ICAP/UCAP Fundamentals from ICAP Manual

- ✓ ICAP Manual Section 2.4 defines the NYCA Minimum ICAP Requirement.
- ✓ ICAP Manual Section 2.5 defines the NYCA Minimum UCAP Requirement.
- ✓ ICAP Manual Section 3.4 describes how an LSE's Minimum UCAP Requirement is established.
 - *The LSE minimum ICAP requirement is the sum of the requirements of each of its customers, and*
 - *The requirement is based on the LSE's contribution to each Transmission District's forecast peak Load based on actual contributions to the Transmission District's peak Load for the prior calendar year.*

Selected Tariff Requirements Applicable to SCRs

- ✓ Section 5.12.11(a)
 - *“Special Case Resources may qualify as Installed Capacity Suppliers, without having to comply with the daily bidding, scheduling, and notification requirements set forth in Section 5.12.7 of this Tariff, if ... (ii) they were not operated as a Load modifier coincident with the peak upon which the LSE Unforced Capacity Obligation of the LSE that serves that customer is based, unless that LSE’s LSE Unforced Capacity Obligation is adjusted upwards to prevent double-counting.”*
 - *“Special Case Resources shall be paid for verified Load reductions in response to an ISO request to perform due to a Forecast Reserve Shortage...”*
 - *“Distributed Generators and Loads capable of being interrupted upon demand will be required to comply with verification and validation procedures set forth in the ISO Procedures. Such procedures will not require metering other than interval billing meters on customer Load or testing other than DMNC or sustained disconnect...”*

SCR Issues for ICAP & PRL WGs (cont'd)

✓ Metering Requirements

- *Tariff requires “interval billing meters” for SCRs*
- *EDRP Manual specifies explicit meter requirements*
- *There are approved PSC requirements for billing meters.*
- *The NYISO proposes to explicitly include the EDRP metering requirements by reference in the ICAP Manual*

SCR Issues for ICAP & PRL WGs (cont'd)

✓ ICAP Baseline Timing

- *Issue: SCR resources which peak outside the likely hour in which an EDRP/SCR event would be called can enroll and receive significant ICAP payments with the expectation that they will have to do little, if anything, in return*
- *Recommendation: Require that the ICAP baseline, the Average Peak Monthly Demand (APMD) be measured during likely hours of the NYISO system peak, 2:00 p.m. – 6:00 p.m.*
- *Note: this recommendation is to be coordinated with other market procedures to treat all ICAP Resources in a rationally consistent manner (i.e. Intermittents, run-of-river hydro, etc.)*

SCR Issues for ICAP & PRL WGs (cont'd)

- ✓ DG/CHP Direct Meter Option
 - *Demand response resources which utilize on-site generators presently have the option of metering the net facility load or metering the generator output directly. The ICAP baseline for those which net meter is based on the previous year's peak load, while those which meter the generator output directly receive credit using a DMNC-type approach.*
 - *The result for facilities which operate their generator frequently (i.e. CHP/cogen) is that net metered facilities may receive SCR ICAP payments for only one year (as the baseline may not capture the generator effects the next year). Direct metered generators can get credit year after year. In addition, the customer's LSE also receives the benefit of reduced peak demand and lowered ICAP requirement*
 - *Eliminate the direct generator metering option.*
 - *This will have the effect of eliminating the double counting inherent in paying the SCR for ICAP while the LSE also has a reduced ICAP requirement. It will also have the effect of treating "baseload" DG and energy efficiency in a comparable fashion.*

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SCR Issues for ICAP & PRL WGs (cont'd)

✓ Meter Aggregation

- *Customers with multiple facilities/meters are presently required to enroll and measure the performance of those facilities separately (they can aggregate them only for purposes of meeting the 100 kW ICAP sales increment). To the extent that these customers have EMS systems that can totalize the coincident load at these meters, they would like to be able to register and measure the performance of the aggregate of these meters*
- *Allow customers with EMS systems capable of totalizing the coincident load of otherwise acceptable interval meters to enroll, and measure the performance of the aggregate of those meters as a single SCR resource.*
- *Each meter would still have to be registered separately so that Market Monitoring would be able to audit and ensure that the totalized numbers correspond with the sum of the individual meters.*
- *Meters can only be aggregated within a single NYISO sub-zone*

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SCR Issues for ICAP & PRL WGs (cont'd)

- ✓ SCR Notifications by RIPs
 - *The NYISO from time to time issues day ahead notifications and in day activation notices to RIPs with registered SCRs*
 - *We have experienced several complaints and have seen examples misrepresenting the SCR program to end-use customers.*
 - *The NYISO proposes to require all RIPs to provide copies of, and require NYISO approval, all notifications being sent to registered SCRs.*
 - *Alternatively, the NYISO may consider drafting applicable templates with a disclaimer that would subject RIPs to Sanctions for misrepresentations*

Next Steps

- ✓ All recommendations contained in this presentation will be transformed to draft Tariff and Manual language and thoroughly vetted with the ICAP and PRL Working Groups