

Application of UDR Rules Concept Details

NYISO Installed Capacity Working Group
Meeting
January 24, 2006

Overview

- ✓ LIPA has requested and will be granted UDRs for the Cross Sound Cable (CSC), applicable for the 2005/2006 Capability Year
- ✓ The ICAP Manual does not clearly define how UDRs will be calculated. It does state:
 - *When an entity combines External UDRs with acceptable Installed Capacity/Unforced Capacity, the resulting product, when supplied to an LSE will be treated as Unforced Capacity located in the NYCA Locality and will qualify as Locational Unforced Capacity, provided that the energy is deliverable to the NYCA interface with the UDR transmission facility.*

Ground Rules

- ✓ The amount of UDRs assigned by the NYISO to each new incremental transmission facility, and any future adjustments there to, will be based on the transmission capability, reliability, and availability of the facility, and appropriate NYSRC reliability studies.
- ✓ An incremental transmission project will be awarded UDRs after a formal request to the NYISO that includes the pertinent technical information needed to determine such award.
- ✓ The NYISO may request additional information as necessary and will grant UDRs to the requestor, or designated rights holder, quantified as the Installed Capacity Equivalent of the Unforced Capacity to be delivered to the Interconnection Point in MWs, throughout its project life.
- ✓ The amount of UDRs awarded to a particular project may be adjusted periodically by the NYISO. Adjustments to such an award will reflect changes in physical characteristics and availability of the associated project.

LIPA's CSC

- ✓ Capacity is 330 MW delivered to Long Island
- ✓ Cable Converter Losses are 13 MW
- ✓ To receive 330 MW on Long Island, 343 MW of ICE (ICAP Equivalent) Energy must be delivered to the Connecticut Converter Station
- ✓ NYISO proposes to grant 330 MW of UDRs to LIPA

Relationship Between UDR Value and ICAP Requirement

- ✓ UCAP value in MW to the Long Island Locality will be:

$$(\text{Resource}_{\text{ICAP}} - \text{loss}_{\text{FL}}) * P_{\text{resource}} * P_{\text{cable}}$$

where

$\text{Resource}_{\text{ICAP}}$ = ICAP value of resources used to support UDR

loss_{FL} = cable and converter station losses at rated UDR level (for CSC, this is 13 MW)

$P_{\text{resource}} = 1 - \text{Resource EFORD}$

$P_{\text{cable}} = 1 - \text{cable outage rate, including cable and converter station unavailability}$