Setting of Installed Capacity Reserve Margin (IRM)
and
Locational ICAP Requirements (LCRs)
on a
Unified Basis

For the 2006-2007 Capability Year

Installed Capacity Working Group
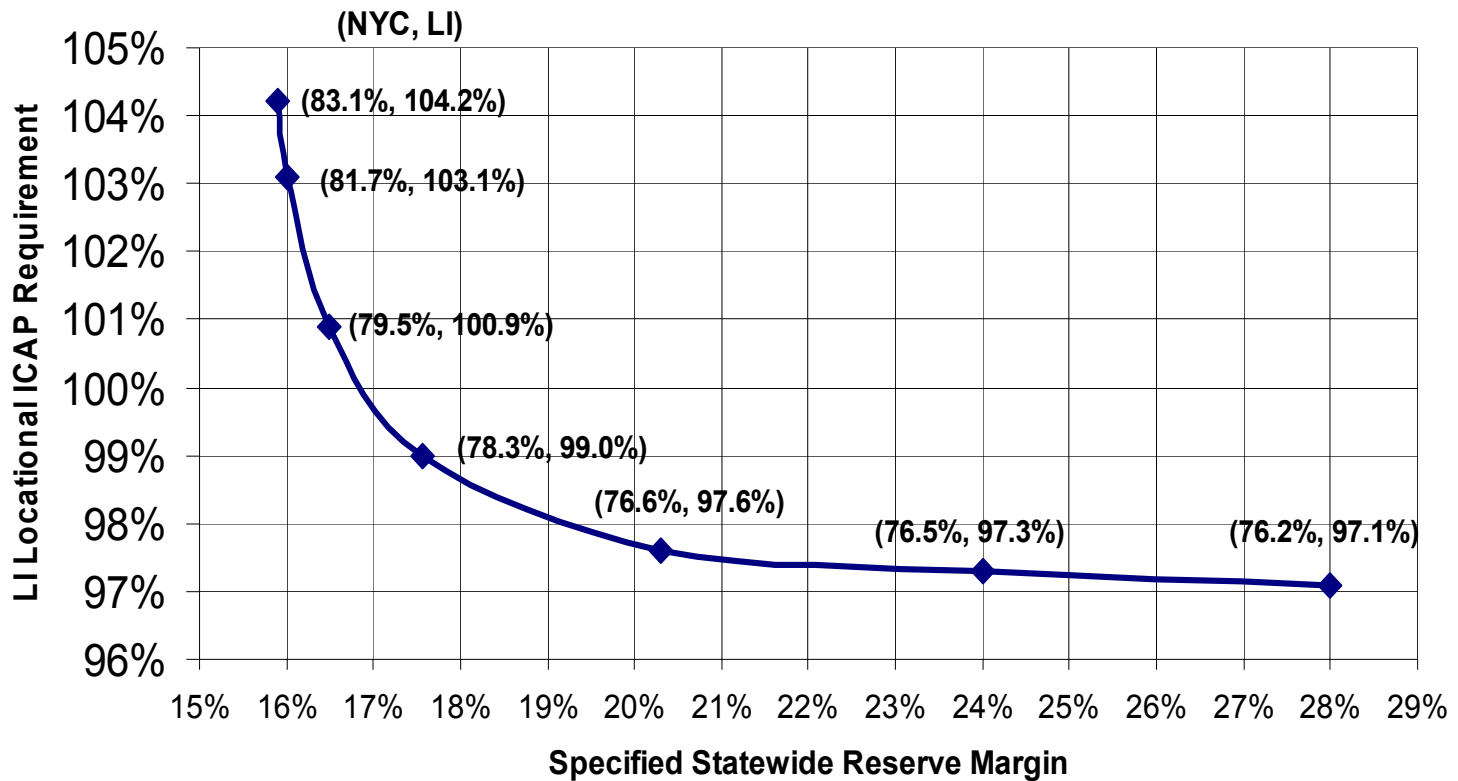
October 25, 2005

Driver

- ➢ **3/10/05 letter from RCMS to NYSRC executive committee "…**it (RCMS) is not in a position to conclude whether the NYISO is in compliance with Rule A-R2.."

- ➢ **Why?- IRM was performed by adding load everywhere, LCR's by freezing load in localities at their forecast peaks.**

- ➢ **NYISO agreed to study methodology that unites two approaches.**

Results

➢ **Given the final assumptions in the IRM study, the ICS will develop an LCR-SRM curve.**

➢ **The curve is based on fixing loads at their forecast peaks.**

➢ **This curve unifies the relationship between the IRM and the LCRs.**

Locational ICAP Requirements versus Statewide Reserve Margin
Using 2005 IRM Base Case and Preliminary Load Forecast

Setting of ICAP Requirements

➢ **ICS will indicate the tan 45 degree point as the base case point.**

➢ **The NYCSR executive committee will establish the IRM based on this point and all relevant sensitivity cases and information.**

➢ **The NYISO Operating Committee will determine LCRs based on the above and a technical report provided by NYISO staff.**