

Resolution of Winter 1999-2000 Installed Capacity Market Guidelines and Timeline

Guidelines

Transmission Owners (TO) will provide to the NYISO load obligations for each load serving entity (LSE) in its Transmission District for the Winter 1999-2000 Capability Period in accordance with the procedures outlined in the Winter 1999-2000 Installed Capacity Manual. Transmission Owners should simultaneously provide each LSE with its load obligations.

An LSE is responsible for 100% of the load obligation (i.e., a customer's load coincident with the Transmission District peak load for 1999-2000 Capability Year) of those customers it was serving on the first day of the capability period (i.e., 11/1/99) and each day of the capability period (through 4/30/00). It is also responsible for a certain percentage of the load obligation for those customers it served at some point during the capability period. This percentage is defined as the share of the customer's total energy consumption over the course of the entire winter period (i.e., 11/1/99-4/30/00) supplied by that LSE.

The NYISO will process the TO data and apply the appropriate reserve margin and locational requirements to develop each LSE's overall and locational capacity requirements. The NYISO will apply an 18% reserve margin, an 80% (of load) in-city requirement and an 89.7% (of load plus 18% reserves) on-island requirement for non-grandfathered on-island loads.

The NYISO will then release to each LSE its Winter 1999-2000 total and locational installed capacity requirements. Each LSE will be provided with a single ICAP obligation (and, as appropriate, locational requirements) for the entire capability period that it must procure for each month in that six-month period.

The NYISO will also release to the LSEs its record of the data supplied by that LSE prior to the beginning of the Winter 1999-2000 Capability Period.

Following the release of the ICAP requirements, LSEs then will have a thirty-day period in which to secure additional ICAP resources to meet its obligations, if necessary.

By the conclusion of the thirty-day period, each LSE with a Winter 1999-2000 ICAP obligation must submit an LSE Certification Form certifying that it has met its overall obligation and any locational requirements, and detailing the capacity resources used to meet its obligations.

All ICAP suppliers must provide a Supplier Certification Form prior to the end of the thirty-day period. This form will require each ICAP supplier to designate its total ICAP resources and ICAP commitments. It will also require each ICAP supplier to certify that its resources (which it has sold as ICAP) met all the necessary conditions specified in the Market Services Tariff and ICAP Manual to qualify as ICAP for the Winter 1999-2000.

Suppliers are reminded that a resource's total ICAP available to be sold is the greater of the DMNC test conducted during the Winter 1998-1999 or Winter 1999-2000 capability periods.

If, at the conclusion of the thirty-day period, an LSE has failed to certify that it has met its total and/or locational requirements, then the LSE will be assessed the following deficiency charges:

Location	Deficiency Charge
Zone J	\$75/kW per Capability Period
Zone K	\$60/kW per Capability Period
ROS	\$52.50/kW per Capability Period

It should be noted that an ICAP Supplier that has sold ICAP in excess of its supply (i.e., the sum of its own resources and any bi-lateral capacity contracts) would be similarly assessed a deficiency charge.

Timeline

- December 15, 2000 Transmission Owners submit to NYISO load obligations for each LSE serving load in its Transmission District. Transmission Owners provide each LSE with its load obligation.
- December 28, 2000 NYISO distributes to each LSE its overall ICAP obligation and locational requirements. Thirty-day "back-buy" period begins.
- January 29, 2001 5:00 PM. LSEs must submit LSE Certification Forms for the Winter 1999/2000 Obligation Procurement Period.
- ICAP suppliers must submit ICAP Supplier Certification Forms for the Winter 1999/2000 Obligation Procurement Period.