

Buyer-Side Mitigation Rules Proposed Revisions: Repowering, "Replacement", Increased CRIS

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NYISO ICAPWG Meeting
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Agenda

- ◆ **Overview: Comparison of Repowering and Replacement**
- ◆ **Capital Recovery Factor Equation (in Repowering proposal)**
- ◆ **Proposed Tariff Revisions – walk through**
 - *See separate redlined tariff sheets*
 - MST Section 23 – Attachment H
 - MST Attachment O
 - OATT Attachment F
 - OATT Attachment S
- ◆ **Next Steps**

Comparison:



Repowering and Replacement

♦ Repowering

1. *Threshold Criteria*
2. *Proximity Test*
3. *Economic Viability Test (“EVT”) for exiting facility*

If satisfy all of 1, 2, and 3 above, eligible for Repowering Exemption: the entering generator is exempt from Offer Floor up to the lesser of the number of exempt MW held by the exiting generator or the entering generator’s CRIS MW.

- *All requested CRIS MW of the entering facility greater than the exempt MW of the exiting facility will be evaluated under the existing Buyer-side mitigation (“BSM”) rules.*

♦ Replacement

1. *Threshold Criteria*
2. *No Proximity Test*
3. *No EVT*

If satisfy threshold criteria, eligible for evaluation under Replacement provisions: NYISO BSM analysis will remove exempt MW of exiting facility from the supply forecast of the proposed entering facility only.

Repowering EVT's Capital Recover Factor (CRF)

- ***CRF delineates the percentage of project investment that must be recovered annually.***

$$CRF = \frac{r(1+r)^n}{(1+r)^n - 1}$$

- **r is the weighted average cost of capital (WACC), used as the discount rate in the annuity calculation**
- **n is the number of years over which the investment is recovered**

Proposed Tariff Revisions

◆ Review of separate documents

- *MST Att H Section 23.2. Definitions*
- *MST Att H Section 23.4*
- *MST Attachment O Section 30.6*
- *OATT Attachment F Section 12.4*
- *OATT Attachment S Section 25.9*

Note: per FERC's e-tariff rules, base document is "clean" version of most recent filed tariff sheets; i.e., showing as "accepted" the NYISO's proposed NCZ mitigation provisions (Docket No. ER12-360) and the EL11-42/June 22, 2012 Order compliance revisions (Docket No. ER12-2414)

Next Steps

- ◆ **The NYISO will consider comments during today's ICAPWG meeting, and any written comments submitted no later than December 21 to lbullock@nyiso.com**
- ◆ **The NYISO will review any further changes at another ICAPWG meeting, and plans to present the proposal to the February BIC and February Management Committee meetings**

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