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nyiso Installed Capacity Manual

**Blacklined document. Blacklined against current
Installed Capacity Manual.**

Additions are underlined like this.

Deletions are crossed out ~~like this~~.

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[...]

4.9 External Resources

External Generators, System Resources, Control Area System Resources and entities purchasing Installed Capacity from them may participate in the NYCA Installed Capacity market. External Resources associated with UCAP Deliverability Rights (UDR) are subject to the same requirements as any other External Installed Capacity Supplier. UCAP Deliverability Rights are further described in 4.14.

4.9.1 General Requirements to Qualify as an External Installed Capacity Supplier

Prior to requesting External Installed Capacity Import Rights (“Import Rights”) and supplying Unforced Capacity to the NYCA, External Generators, System Resources, Control Area System Resources and entities purchasing Installed Capacity from them may must qualify as Installed Capacity External Installed Capacity Suppliers if. To qualify as External Installed Capacity Suppliers such entities must provide the following information to the ISO in a timely manner:

1. They comply with the information requirements in Section 4.9.2 and thereby demonstrate that the Installed Capacity Equivalent of the amount of Unforced Capacity they are supplying to the NYCA is deliverable to the NYCA; Name and location of the Resource (if multiple units are involved, identify each unit);

and

2. The Assurance that the External Control Area in which the Resource is located demonstrates that it either:
 - (a) Will not recall or curtail, for the purposes of satisfying its own Control Area Loads, import/exports from that External Control Area into the NYCA of an amount of Energy equal to the Installed Capacity Equivalent of the amount of Unforced Capacity that Resource is supplying to the NYCA; or
 - (b) Will afford NYCA Load the same pro-rata curtailment priority that it affords its own Control Area Load;

The amount of Unforced Capacity that may be supplied by qualifying External Generators, External System Resources and Control Area System Resources may be reduced by the ISO, as indicated below, to reflect the possibility of curtailment. (ISO Services Tariff Section 5.12.2.)

4.9.2 Information Requirements for External Resources

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The ISO requires the following information from Resources External to the NYCA that wish to qualify as Installed Capacity Suppliers, and from Resources relied upon in Unforced Capacity contracts that have been assigned Grandfathered External Rights.

- ~~2. Name and location of Generators.~~
3. Documentation which satisfies the general requirements for DMNC Determination of a DMNC test, or its equivalent, in accordance with the procedures found in Section 4.2 or 4.10.3 of this Manual;
4. Submission of Operating Data for the prior twelve months in accordance with Sections 4.4 and 4.4.9, and Attachment K of this Manual;
5. Documentation which satisfies the Maintenance Scheduling Requirements in Section 4.3 of this Manual; and
6. Expected return dates from full or partial outages.

~~Certification that~~ With the exception of item four (4), this information must be provided to the ISO at least two (2) days prior to the start of the initial first-come, first-serve External Installed Capacity Import Rights request period in which the prospective External Installed Capacity Supplier wishes to make a request, two (2) days prior to an ISO-administered Installed Capacity auction in which the External Installed Capacity Supplier wishes to offer Unforced Capacity sold to the NYCA has not been sold elsewhere.

~~Verification that it has made all arrangements, and at such additional times as required by its Control Area to ensure that the Energy associated~~ the ISO and this Installed Capacity Manual (e.g., annual DMNC test results). The information required by item four (4) must be submitted in accordance with the Resources' Unforced Capacity sale to the timing requirements found in 4.4.9 of this Manual (by the tenth (10th) day of the month preceding the month in which the prospective External Installed Capacity Supplier wishes to supply Unforced Capacity to the NYCA will be delivered to the NYCA. For example, if the Resource is located in the PJM Control Area, it must demonstrate that it has agreed to make any Congestion payments that may be incurred in order to deliver Energy to the NYCA).

The ISO may verify this data with the appropriate External Control Area.

4.9.34.9.2 Allocation of External Installed Capacity Import Rights for External Unforced Capacity Supply

The ISO ~~establishes~~ lists in Attachment B of this Manual the maximum amount of ~~Unforced Installed~~ Capacity that can be provided to the NYCA by Resources located in each neighboring Control Area ~~according to~~ and the maximum amount of Installed Capacity that can be located outside the NYCA. These figures are established in accordance with the procedures contained in Section 2.7 of this Manual. Once this amount has been determined for each neighboring Control Area and for all neighboring Control Areas combined, the allocation among

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ISO customers of ~~rights to External Unforced Capacity supply~~ Import Rights is done according to the following procedures.

Grandfathered External Installed Capacity Import Rights

Details concerning Grandfathered Import Rights are provided in Attachment E to this Manual.

Other Allocations

After accounting for Grandfathered External Installed Capacity ~~rights~~ Import Rights, the ISO will allocate the remaining ~~rights~~ External Installed Capacity Import Rights for External Unforced Capacity supply on a first-come, first-serve basis. ~~External Installed Capacity rights may ultimately only be used by LSEs located within the NYCA, but any~~ Any ISO Customer may submit a request for External Installed Capacity ~~rights~~ Import Rights.

Initial requests for Import Rights for one or more months within a Capability year may be sent to the ISO during the following time period:

- Beginning at 8:00 AM ET on the first business day six (6) months prior to the Capability Year, and
- Ending at 5:00 PM ET three (3) business days prior to the strip auction for each Capability Period (i.e., Import Rights for the Summer Capability Period will be available from early November each year to the following March, three (3) business days prior to the Summer Capability Period Auction, and Import Rights for the Winter Capability Period will be available from early November each year to the following September, three (3) business days prior to the Winter Capability Period Auction).

The quantity of rights that will be available six (6) months to a year prior to the Capability Year shall be 75% of the quantity of rights that was made available in the previous Capability Year (i.e., no more than 75% of a particular External Control Areas Import Rights may be allocated during this period and no more than 75% of the total External Installed Capacity ~~rights~~ Import Rights allowed into the NYCA may be allocated during this period). On or about February 15th the ISO shall post the final quantity of Import Rights available for request for the following Capability Year. Starting at 8:00 AM ET on the business day following such posting the total Import Rights will be posted and available on a first-come, first-serve basis for the remainder of the time period listed above.

If Import Rights are not fully subscribed after the Capability Period (strip) Auction has concluded, the ISO will open another period of first-come, first-serve allocations prior to each Monthly Auction for the month or months in which Import Rights remain and the ISO will post the available Import Rights after each subsequent auction.

For each month within a Capability Period, requests for Import Rights may be sent to the ISO during the following time period:

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- Beginning at 8:00 AM ~~EST~~ seven (7)ET on the business days prior to the day following the day the ISO posts the results of each Capability Period (strip auction) or Monthly Auction,
- Ending at 5:00 PM ~~EST~~ ET three (3) business days prior to ~~this same auction~~ the next Monthly Auction.

Contents of Request

Each request must contain the following information:

1. ~~3.~~ Documentation of a ~~bilateral agreement~~ Bilateral Transaction, with pricing redacted, between ~~the requesting entity~~ a qualified External Installed Capacity Supplier and either:
 - (a) a Load within the NYCA, or
 - (b) a ~~previously qualified~~ marketer that is not an affiliate of the External Installed Capacity Supplier;
2. The identity of the ISO Customer making the request;
3. The identity of the External Installed Capacity Supplier;
4. The name and location of the Resource (if multiple units are involved, identify each unit);
5. The Control Area in which the Resource for which the ~~Installed Capacity Supplier~~ requesting entity seeks rights is located;
6. The MW amount requested to support the Unforced Capacity sale to the NYCA from the Resource designated in (4) above;
7. The time period, in blocks of whole months, for which the ~~rights~~ External Installed Capacity Import Rights are requested;
8. E-mail address of the requesting party to which a response will be made.

The information listed above must be provided as a “~~Request for External Installed Capacity Rights~~” to the ISO’s Manager of Resource Reliability via facsimile ~~to the following at telephone number: (518-) 356-6208-6208,~~ as a “Request for External Installed Capacity Import Rights” facsimile.

The ISO shall respond to requests for External Installed Capacity Import Rights in a timely fashion. For requests made during business hours before noon ET, the ISO will respond by noon the next business day. For requests made during business hours from noon ET to 5:00 PM ET, the ISO will respond by 5:00 PM ET the next business day.

If the ISO determines, ~~by 5:00 PM EST on the day following receipt of an initial request (provided that this day falls during the time period for initial requests specified above)~~ that the information provided in the request is incomplete or inadequate, the ISO will immediately notify

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the requesting party. The requesting party may resubmit its information to the ISO no later than 24 hours after the expiration of the time period for initial requests.

Only complete requests submitted within the time periods specified above will be evaluated by the ISO. The date and time stamp provided by the ~~FAX~~facsimile machine will determine the priority for the evaluation of requests. If a request is resubmitted ~~during the specified time period,~~ for any reason, the latest time stamp will determine ~~the~~its priority.

The ISO will notify the requesting party if its request has been accepted or rejected, with reasons for rejection, ~~by 5:00 PM EST on the day if such be the case, within the time periods specified above,~~ following receipt of a complete request. If accepted, the ISO will provide a confirmation number. A rejection may be based on ~~either or both of the~~ following:

- Incomplete or inadequate information; or
- Fully subscribed External Installed Capacity ~~rights~~Import Rights.

~~By 5:00 PM EST on the day following receipt of an accepted request, the requesting entity must provide the ISO with all documentation and information necessary to qualify an~~

Tally of Import Rights

~~The NYISO will maintain a tally of the available External Resource as an Installed Capacity Supplier, in accordance with the procedures contained in this Manual. By 5:00 PM EST two (2) business days prior to the Capability Period strip auction, an LSE that has procured an Import Rights for each month within a Capability Year and will post these figures on the NYISO website.~~

4.9.3 External Installed Capacity ~~right must provide the ISO with the information and documents described in numbers 1, 4 and 5 above. The information described in this paragraph should be forwarded as a "Certification of External Installed Capacity Rights" to the ISO Manager, Resource Reliability by facsimile to 518~~**Sales in ISO**-356-6208. The ISO will verify this data with the External Control Area to ensure that there is no double counting.**administered Auctions**

~~By 5:00 PM EST two (2) business days prior to the Pre-Capability Period Monthly Auctions, all External Installed Capacity rights should be matched between a Load in the NYCA and an External Installed Capacity Supplier. Unforced Capacity supplied by External Installed Capacity Suppliers that have claimed External~~may offer Unforced Capacity in ISO administered Installed Capacity rights, but have not entered into bilateral arrangements~~when External Installed Capacity Import Rights for the period associated with an LSE serving NYCA Load by that time, will be offered for sale into those Auctions at a price of \$0/MW. (The Supplier will be paid the market clearing price determined in those Auctions for the control area in which it is located for the Unforced Capacity in question.) Similarly, if the ISO has not received certification from an LSE which demonstrates that the rights it has secured are matched with a qualified External Installed Capacity Supplier, that LSE will relinquish those rights.~~applicable Installed Capacity auction have not been fully subscribed.

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All purchasers of Unforced Capacity that is located in an External Control Area in an ISO-administered auction shall receive the External Installed Capacity ~~rights~~Import Rights necessary in order to permit that Unforced Capacity to count towards the Unforced Capacity requirements of ~~an~~ NYCA LSE; consequently, in order to ensure that there are sufficient ~~external~~External Installed Capacity ~~rights~~Import Rights available, the ISO shall limit the number of MW of Unforced Capacity that can be purchased ~~in~~from any External Control Area in those auctions. In each ~~Capability~~Installed Period~~Capacity~~ auction, the ISO shall limit the number of MW of External Unforced Capacity that can be purchased ~~in any External Control Area~~ to the number of MW of External Unforced Capacity that can be provided by Installed Capacity Suppliers located in ~~that a particular~~ Control Area and the number of MW of External Unforced Capacity that can be imported to the NYCA in total, as determined in Section 2.7 and listed in Attachment B of this Manual, less all External Installed Capacity ~~rights that have been requested~~Import Rights already granted for that External Control Area, and accounting for the total number of Import Rights allocated in general, under the provisions of this ~~section~~Section 4.9 for the applicable time period.

~~In the Capability Period Monthly Auctions held before and during the Capability Period, the ISO shall limit the number of MW of Unforced Capacity that can be purchased in any External Control Area to the number of MW of Unforced Capacity that can be provided by Installed Capacity Suppliers located in that Control Area, less the number of MW of Unforced Capacity purchased in that External Control Area for that month in preceding Monthly Auctions, less all~~

4.9.4 Additional External Installed Capacity Supplier Requirements

Certification

~~Entities that have received External Installed Capacity rights for that Control Area that have been used to support Bilateral Transactions for the sale of Unforced Capacity for that month from Installed Capacity Suppliers in that Control Area to Loads in~~ Import Rights must provide the following additional information, for each month that they intend to supply Unforced Capacity to the NYCA:

~~The ISO will reduce~~, to the ISO on the date when Installed Capacity Supplier and LSE Certifications are due.

- Certification that Unforced Capacity being sold to the NYCA has not been sold elsewhere.
- The confirmation number granted to the External Installed Capacity rights eligible to be traded in the Capability Period strip auction based on the allocations made according to the above procedures.
- If transaction when the NYISO allocated External Installed Capacity rights are not fully subscribed after the Capability Period strip auction has concluded, the ISO will open another period of first come, first serve allocations prior to each Monthly Auction for which External Installed Capacity rights remain. Import Rights to that transaction. The confirmation number should be listed in the comments section of the Installed Capacity Certification form.

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See Section 4.7 of this Manual for complete information in connection with monthly Installed Capacity Supplier certification requirements. The ISO will verify this data with the appropriate External Control Area.

Deliverability

External Installed Capacity Suppliers are required to demonstrate that the Energy associated with Unforced Capacity supplied to the NYCA is deliverable to the NYCA border. This demonstration occurs in two stages.

- 1) The procedures specified above will govern any monthly first-come, first-serve allocations. The period for requesting these rights will open at 8:00 a.m. EST on the fifth business day prior to the auction and will close at 5:00 p.m. EST on transmission capability for the Energy associated with the Installed Capacity equivalent of the Unforced Capacity that an External Installed Capacity Supplier wishes to supply to the third business day prior to NYCA is available, as determined in studies setting the auction-Installed Reserve Requirements (see Section 2 of this Manual). Such Energy should be deliverable to the NYCA using the transmission service rules of the External Control Area border if the External Installed Capacity Supplier either:
 - Secures External Installed Capacity Import Rights during the first-come, first-serve allocation periods described above; or
 - Sells External Unforced Capacity in an ISO-administered Installed Capacity auction pursuant to the procedures identified in this Manual; and
- 2) Deliverability of Energy associated with External Unforced Capacity is demonstrated through delivery of such Energy to the NYCA border at the time the Energy has been scheduled in the DAM, included in the HAM, or pursuant to an SRE. If the transmission tie between the NYCA and the Control Area where an External Installed Capacity Supplier is located is full, the Energy associated with External Unforced Capacity from that External Installed Capacity Supplier does not need to be delivered to the NYCA border, unless the External Control Area curtails an amount that would reduce the Import below the External Installed Capacity commitment level. **Market Participants to review and propose new language.**

4.9.5 Charges Associated with External Unforced Capacity Deficiencies

In accordance with the Services Tariff, if an entity fails to deliver part or all of the Energy associated with External Unforced Capacity it sold in the NYCA (see section 4.9.4) it will be deemed retroactively deficient for such failure. External Installed Capacity Suppliers unable to deliver such Energy to the NYCA border will be assessed the deficiency charge for Unforced Capacity associated with such failure and will be deemed to have been deficient from the last time the External Installed Capacity Supplier "demonstrated" delivery of its Installed Capacity

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Equivalent (“ICE”), or any part thereof, until it next delivers its ICE, subject to the limitation that any prior lack of demonstrated delivery will not precede the beginning of the current Capability Period or the period for which the Unforced Capacity was sold, whichever is most recent.

[. . .]

Attachment A:

Installed Capacity Reporting and Auction Timeline

Attachment A is located on the NYISO website at <http://www.nyiso.com/markets/icapinfo.html>.
All dates and requirements listed in Attachment A are consistent with the requirements found in
the Services Tariff and the Installed Capacity Manual.