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# nyiso Installed Capacity Manual

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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 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 must qualify as External Installed Capacity Suppliers. To qualify as External Installed Capacity Suppliers such entities must provide the following information to the ISO in a timely manner:

1. Name and location of the Resource (if multiple units are involved, identify each unit);
2. Assurance that the External Control Area in which the Resource is located either:
  - (a) Will not recall or curtail, for the purposes of satisfying its own Control Area Loads, exports from that External Control Area to 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;
3. Documentation 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.

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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, and at such additional times as required by 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 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).

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

### **4.9.2 Allocation of External Installed Capacity Import Rights for External Unforced Capacity Supply**

The ISO lists in Attachment B of this Manual the maximum amount of Installed Capacity that can be provided to the NYCA by Resources located in each neighboring Control Area 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 of 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 Import Rights, the ISO will allocate the remaining External Installed Capacity Import Rights for External Unforced Capacity supply on a first-come, first-serve basis. Any ISO Customer may submit a request for External Installed Capacity 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

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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 Import Rights allowed into the NYCA may be allocated during this period). On or about February 15<sup>th</sup> 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:

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

**Contents of Request**

Each request must contain the following information:

1. Documentation of a Bilateral Transaction, with pricing redacted, between a qualified External Installed Capacity Supplier and:
  - (a) a Load within the NYCA, or
  - (b) a 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 requesting entity seeks rights is located;

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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 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 to the ISO's Manager of Resource Reliability via facsimile at telephone number, (518) 356-6208, 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 that the information provided in the request is incomplete or inadequate the ISO will immediately notify 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 facsimile machine will determine the priority for the evaluation of requests. If a request is resubmitted for any reason, the latest time stamp will determine its priority.

The ISO will notify the requesting party if its request has been accepted or rejected, with reasons for rejection 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 the following:

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

### **Tally of Import Rights**

The NYISO will maintain a tally of the available External Installed Capacity Import Rights for each month within a Capability Year and will post these figures on the NYISO website.

### **4.9.3 External Installed Capacity Sales in ISO-administered Auctions**

External Installed Capacity Suppliers may offer Unforced Capacity in ISO administered Installed Capacity auctions when External Installed Capacity Import Rights for the period associated with the 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 Import Rights necessary in order to permit that Unforced Capacity to count towards the Unforced Capacity requirements of a NYCA LSE; consequently, in order to ensure that there are sufficient External Installed Capacity Import Rights available, the ISO shall limit the number of MW of Unforced Capacity that can be purchased from any External Control Area in those auctions. In each Installed Capacity auction, the ISO shall limit the number of MW of External Unforced Capacity that can be purchased to the number of MW of External Unforced Capacity that can be provided by Installed Capacity Suppliers located in 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 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 4.9 for the applicable time period.

#### **4.9.4 Additional External Installed Capacity Supplier Requirements**

##### **Certification**

Entities that have received External Installed Capacity Import Rights must provide the following additional information, for each month that they intend to supply Unforced Capacity to the NYCA, 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 transaction when the NYISO allocated External Installed Capacity Import Rights to that transaction. The confirmation number should be listed in the comments section of the Installed Capacity Certification form.

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 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 NYCA is available, as determined in studies setting the 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:

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- 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 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.

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# 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.