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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.

4.9.1 Requirements to Qualify as an External Installed Capacity Supplier

Prior to requesting External Installed Capacity 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, imports 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 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.

With the exception of item four (4), this information must be provided to the ISO at least two (2) days prior to the commencement 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 Unforced Capacity that can be provided to the NYCA by Resources located in each neighboring Control Area. 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, the allocation among ISO Customers of import rights to External Unforced Capacity supply is done according to the following procedures.

Grandfathered External Installed Capacity Rights

Details concerning Grandfathered 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. External Installed Capacity Import Rights may ultimately only be used by LSEs located within the NYCA, but any ISO Customer may submit a request for External Installed Capacity Import Rights.

Initial requests for External Installed Capacity Import Rights may be sent to the ISO during the following time periods:

For a Capability Period (External Unforced Capacity to be imported to the NYCA for the entire 6-month Capability Period)

- Beginning at 8:00 AM EST seven (7) business days prior to the Capability Period Auction,
- Ending at 5:00 PM EST three (3) business days prior to this same auction.

If External Installed Capacity Import Rights are not fully subscribed after the Capability Period 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 External Installed Capacity Import Rights remain.

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For each month within a Capability Period (External Unforced Capacity to be imported to the NYCA for a particular month or months remaining in a Capability Period)

- Beginning at 8:00 AM EST five (5) business days prior to the Monthly Auction,
- Ending at 5:00 PM EST three (3) business days prior to this same 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 either
 - (a) a Load within the NYCA, or
 - (b) an Installed Capacity Marketer **that demonstrates a commitment to a Load in the NYCA;**
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;
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 as a “Request for External Installed Capacity Import Rights” to the ISO’s Manager of Resource Reliability via facsimile to the following number: 518-356-6208.

If the ISO determines, by 5:00 PM EST on the business 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 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

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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, by 5:00 PM EST on the business day following receipt of a complete request. A rejection may be based on the following:

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

4.9.3 External Installed Capacity Sales in ISO-administered Auctions

By 5:00 PM EST two (2) business days prior to any ISO-administered Installed Capacity Auction all External Installed Capacity Import 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 Installed Capacity Import Rights which is not committed to an LSE serving NYCA Load will be offered for sale into the auction at a price of \$0/MW. The External Installed Capacity Supplier holding such External Installed Capacity Import Rights will be paid the market-clearing price determined in the auction.

If the ISO has not received certification from an LSE which demonstrates that the External Installed Capacity Import Rights it has secured are matched with a qualified External Installed Capacity Supplier, that LSE will relinquish those rights.

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.

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 in 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 in general under the provisions of this Section 4.9.

4.9.4 Additional External Installed Capacity Supplier Requirements

Certification

External Installed Capacity Suppliers that have received External Installed Capacity Import Rights must provide the following additional information to the ISO no later than the 20th of the month preceding each month for which it intends to supply Unforced Capacity.

- Certification that Unforced Capacity being sold to the NYCA has not been sold elsewhere.

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 Transfer Capability for the transmission of Energy associated with the Unforced Capacity that an External Installed Capacity Supplier wishes to supply to the NYCA is presumed to exist and such Energy is presumed to be deliverable to the NYCA 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 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 Supplier does not need to be delivered to the NYCA border.

4.9.5 Charges Associated with External Unforced Capacity Deficiencies

In accordance with the Services Tariff, if an External Installed Capacity Supplier fails to deliver part or all of the Energy associated with Unforced Capacity it sold in the NYCA 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 deficiency and will be deemed to have been deficient from the last time the External Installed Capacity Supplier "demonstrated" delivery of its Installed

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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.

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