

Discussion of UDR Deliverability Requirements

Updated: Slides 8, 9, & 10

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Background

- **Aug. 14, 2017 ICAPWG meeting**
 - Stakeholders asked the NYISO to clarify the minimum external deliverability requirements necessary to sell capacity into the NYISO ICAP market using UDRs
 - Stakeholders asked the NYISO about the CRIS expiration rules for UDRs
 - The NYISO agreed to follow up
- **UDRs connect NYISO Localities with both PJM and ISO-NE**
 - Cross Sound Cable. ISO-NE to NYISO Zone K (Long Island)
 - Neptune Cable. PJM to NYISO Zone K (Long Island)
 - Linden VFT. PJM to NYISO Zone J (NYC)
 - Hudson Transmission Project. PJM to NYISO Zone J (NYC)
- **NYISO Interconnection Queue lists projects that could potentially qualify for UDRs**
 - HVDC lines that are proposed to sink into a NYISO Locality from an External Control Area
 - HVDC lines that are proposed to sink into a NYISO Locality from a NYISO Rest of State Load Zone

Expiration of CRIS for UDRs

CRIS expires three (3) years from the last offer to supply capacity

- **OATT Attachment S (25.9.3.1)**
 - “Large Facilities...will retain their CRIS...provided the facility...is not CRIS-inactive for more than three (3) continuous years.”
- **OATT Attachment X (30.1)**
 - “Large Facility shall mean either a Large Generating Facility or a Merchant Transmission Facility.”
- **CRIS expiration rule is the same for UDR facilities and generators**

Minimum deliverability requirements necessary to sell capacity using UDRs in the NYISO ICAP market

Existing Tariff

- **MST 5.12.2.1 Provisions Addressing the Applicable External Control Area**
 - External Generators, External System Resources, and Control Area System Resources qualify as Installed Capacity Suppliers if they demonstrate to the satisfaction of the NYISO that the Installed Capacity Equivalent of their Unforced Capacity is deliverable to the NYCA or, in the case of an entity using a UDR to meet a Locational Minimum Installed Capacity Requirement, to the NYCA interface associated with that UDR transmission facility and will not be recalled or curtailed by an External Control Area to satisfy its own Control Area Loads, or, in the case of Control Area System Resources, if they demonstrate that the External Control Area will afford the NYCA Load the same curtailment priority that they afford their own Control Area Native Load Customers
- **MST 5.12.2.1 is also referenced in the ICAP Manual**

NYISO ICAP Manual, Section 4.9.3 (v6.37)

- **External Installed Capacity Suppliers are required to demonstrate that the Energy associated with Unforced Capacity supplied to the NYCA is either deliverable to the NYCA interface with the UDR transmission facility.**
- **Deliverability of Energy to the NYCA border associated with External Unforced Capacity is demonstrated as follows:**
 - For External Installed Capacity associated with UDRs, demonstrate delivery of such Energy to the NYCA interface with the UDR transmission facility for the time the Energy may be scheduled in the DAM, included in the HAM, or pursuant to an SRE, as applicable. If the NYCA interface with the UDR transmission facility is full, the External Installed Capacity Supplier is not required to "bump" the entity whose Energy has been committed on the line and the Energy associated with External Unforced Capacity from that External Installed Capacity Supplier is not required to be delivered to the NYCA interface with the UDR transmission facility. If the NYCA interface with the UDR transmission facility was full but the External Control Area curtails an amount that would reduce the Import below the UDR transmission facility total transmission capability, the External Installed Capacity Supplier will be required to respond to the NYISO request and use the transmission capability to provide Energy to the NYCA.

Administering UDR Capacity Deliverability (MST 5.12.2.1)*

- Based on the NYISO's current understanding and its discussions with PJM, External ICAP that procures Long Term Firm Point-to-Point Out Service with receipt at the source of the External ICAP (or equivalent) and delivered to the UDR Point of Interconnection within PJM is eligible to satisfy the NYISO UDR deliverability provisions of MST 5.12.2.1
 - If at any point the NYISO determines that capacity and energy associated with UDRs that was sold into the NYISO's market does not have such firm transmission service reservation, the NYISO will take actions under its tariff and will evaluate eligibility to engage in future offers of capacity associated with the UDRs
- **These requirements are for eligibility to offer capacity associated with UDRs.**

*Note: Capacity associated with UDRs or otherwise imported must meet other requirements under the rules.

Deliverability Requirements when Capacity Associated with UDRs is Awarded a Capacity Obligation

- Capacity associated with UDRs must follow all obligations of capacity suppliers, including Bid, Schedule, or Notify.
- Capacity associated with UDRs must deliver energy associated with a capacity offer when called upon or be subject to a penalty

MST 5.14.2.2 Additional Provisions Applicable to External Installed Capacity Suppliers

- In addition to the general provisions set forth in Section 5.14.2.1 above that are applicable to External Installed Capacity Suppliers as Installed Capacity Suppliers, the following provisions shall also apply to External Installed Capacity Suppliers.
- In the event that an External Installed Capacity Supplier fails to deliver to the NYCA the Energy associated with the Unforced Capacity it committed to the NYCA due to a failure to obtain appropriate transmission service or rights, the External Installed Capacity Supplier shall be deemed to have a shortfall 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 or the end of the term for which it certified the applicable block of Unforced Capacity, whichever occurs first, subject to the limitation that any prior lack of demonstrated delivery will not precede the beginning of the period for which the Unforced Capacity was certified. An External Installed Capacity Supplier deemed to have a shortfall shall be required to pay to the ISO a deficiency charge equal to one and one-half times the applicable Market-Clearing Price of Unforced Capacity determined in the ICAP Spot Market Auction for the applicable month, prorated for the number of hours in the month that External Installed Capacity Supplier is deemed to have a shortfall (i.e., $((\text{deficiency charge} \div 12 \text{ months}) \div \text{total number of hours in month when shortfall occurred}) \times \text{number of hours the shortfall lasted}) \times \text{number of MWs of shortfall}$).

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- Maintaining and enhancing regional reliability
- Operating open, fair and competitive wholesale electricity markets
- Planning the power system for the future
- Providing factual information to policy makers, stakeholders and investors in the power system



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