

## 4.14 Unforced Capacity Deliverability Rights

Unforced Capacity Deliverability Right (“UDRs”) are rights, as measured in MWs, associated with new incremental controllable transmission projects that provide a transmission interface to a NYCA Locality (i.e., an area of the NYCA in which a minimum amount of Installed Capacity must be maintained). External UDRs are associated with interfaces between a NYCA Locality and an External Control Area. Local UDRs are associated with interfaces between a non-constrained region in the NYCA and a NYCA Locality. When combined with Unforced Capacity which is located in an External Control Area or non-constrained NYCA region either by contract or ownership, and which is deliverable to the NYCA interface with the UDR transmission facility, UDRs allow such Unforced Capacity to be treated as if it were located in the NYCA Locality, thereby contributing to an LSE’s Locational Minimum Installed Capacity Requirement. To the extent, the NYCA interface is with an External Control Area the Unforced Capacity associated with UDRs must be deliverable to the Interconnection Point.

A holder of UDRs may transfer them to another entity.

### 4.14.1 Determination and Assignment of Unforced Capacity Deliverability Rights

The amount of UDRs assigned by the NYISO to each new incremental transmission facility, and any future adjustments there to, will be based on the transmission capability, reliability, and availability of the facility, and appropriate NYSRC reliability studies.

### 4.14.2 Requesting, Granting, Duration and Adjustment of Unforced Capacity Deliverability Rights

An incremental transmission project will be awarded UDRs after a formal request to the NYISO that includes the pertinent technical information needed to determine such award. The NYISO may request additional information as necessary and will grant UDRs to the requestor, or designated rights holder, quantified as an amount the Installed Capacity Equivalent of the Unforced Capacity to be delivered to the Interconnection Point in MWs, throughout its project life. The amount of UDRs awarded to a particular project may be adjusted periodically by the NYISO. Adjustments to such an award will reflect changes in physical characteristics and availability of the associated project.

The formal request may be made anytime after submittal of the studies required to support the NYISO’s Interconnection process, or if the NYISO is conducting those studies, after the NYISO has completed the studies. If a formal request is received by the NYISO from a rights holder for a facility after August 1, the NYSRC will consider the UDRs associated with the new facility as free-flowing transmission capability in the reliability studies conducted for the upcoming Capability Year. The holder may use the UDRs awarded for the upcoming Capability Year, as described in Section 4.14.3.

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The formal request for UDRs must include the following information.

- Interconnection points (i.e., bus names and voltage levels)
- Expected in-service date
- External Control area of interconnection, if applicable
- Internal Locality(ies) of interconnection
- Normal summer/winter ratings in MW of facility, and design temperatures
- Limiting element(s)
- Average expected outage rate, and average expected repair time
- Rights holder of record at the time of the request

The formal request must be provided to:

NYISO

Director of System & Resource Planning

3890 Carman Rd.

Schenectady, NY 12303

### **4.14.3 Use of External Unforced Capacity Deliverability Rights**

In order to use External UDRs, an Installed Capacity Supplier must have a contract to match the number of UDRs with Unforced/Installed Capacity associated with an identifiable physical Resource.

When an entity combines External UDRs with acceptable Installed Capacity/Unforced Capacity, the resulting product, when supplied to an LSE will be treated as Unforced Capacity located in the NYCA Locality and will qualify as Locational Unforced Capacity, provided that the energy is deliverable to the NYCA interface with the UDR transmission facility.

Annually, prior to August 1<sup>st</sup> or such later date as agreed to by the NYSRC, the holder of External UDRs may return to the NYCA a quantity of the External UDRs, up to the maximum amount awarded under Section 14.4.2, to be used in the NYSRC and NYISO reliability studies that determine the NYCA Installed Reserve Margin and the Locational Minimum Installed Capacity Requirements, respectively, for the next Capability Year. This capability will be considered free-flowing transmission capability in these reliability studies to benefit all LSEs when determining the NYCA Installed Reserve Margin and the Locational Minimum Installed Capacity Requirements.

For example, assume a transmission project is awarded 300 MW of External UDRs from ISO-NE to Long Island. Further, assume that the holder of these External UDRs is able to contract for an amount of UCAP that requires 200 MW of UDRs. Prior to August 1,

the holder of these External UDRs may return up to 100 MW of the External UDRs for use in the reliability studies for the next Capability Year.

Each year, the entire quantity of External UDRs awarded a transmission project under Section 14.4.2 will be available to the holder to make the determination described above.

External Installed Capacity Suppliers using External UDRs must fulfill all External Installed Capacity Supplier requirements found in the **NYISO Services Tariff** and NYISO Procedures, except for the requirement to acquire Import Rights as described in section 4.9.2.

#### **4.14.4 Use of Local Unforced Capacity Deliverability Rights**

In order to use Local UDRs, an Installed Capacity Supplier must have a contract to match UDRs with Unforced Capacity associated with an identifiable physical Resource either located in the non-constrained region of the NYCA or able to deliver Unforced Capacity to the non-constrained region of the NYCA.

When an entity combines Local UDRs with Unforced Capacity, the resulting product, when supplied to an LSE in the appropriate NYCA Locality, will be treated as Unforced Capacity located in the NYCA Locality and will contribute to that LSE's Locational Minimum Unforced Capacity Requirement.

Annually, prior to August 1<sup>st</sup> or such later date as agreed to by the NYSRC, the holder of Local UDRs may return to the NYCA a quantity of the Local UDRs, up to the maximum amount awarded under Section 14.4.2, to be used as transmission capability in the NYSRC and NYISO reliability studies that determine the NYCA Installed Reserve Margin and the Locational Minimum Installed Capacity Requirements, respectively, for the next Capability Year. This transmission capability will be considered free-flowing capability in these reliability studies to benefit all LSEs when determining the NYCA Installed Reserve Margin and the Locational Minimum Installed Capacity Requirements.

Each year, the entire quantity of Local UDRs awarded a transmission project under Section 14.4.2 will be available to the holder to make the determination described above.

Installed Capacity Suppliers using Local UDRs must fulfill all Installed Capacity Supplier requirements found in the Services Tariff and NYISO Procedures for the Unforced Capacity they seek to combine with UDRs.

#### **4.14.5 Unforced Capacity Deliverability Rights offered in an Installed Capacity Auction**

UDRs may be offered in NYISO-administered Installed Capacity Auctions when previously combined with qualified Unforced Capacity. External Unforced Capacity combined with UDRs and sold in an NYISO-administered Installed Capacity Auction will not require the allocation of External Installed Capacity Import Rights.

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The information submission requirements for External Installed Capacity Suppliers enumerated in section 4.9.1 of this Manual, with the exception of Operating Data, must be provided to the NYISO at least two (2) business days prior to an NYISO-administered Installed Capacity Auction in which the External Installed Capacity Supplier wishes to offer Unforced Capacity associated with UDRs, and at such times as required by the NYISO and this Manual (e.g., annual DMNC test results). Operating Data must be submitted in accordance with the timing requirements found in 4.4.9 of this Manual (by the tenth (10<sup>th</sup>) day of the month preceding the month in which the prospective External Installed Capacity Supplier wishes to supply Unforced Capacity to the NYCA).

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