

new • york • independent • system • operator

nyiso Installed Capacity Manual

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Additions are underlined like this.

Deletions are crossed out ~~like this.~~

NYISO staff proposed revisions to the ICAP Manual to address reliability issues resulting from the current ICAP to UCAP translation methodology.

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2.5 The NYCA Unforced Capacity Requirement

~~The~~For each Capability Period the ISO calculates the NYCA Unforced Capacity Requirement by multiplying the NYCA Installed Capacity Requirement by the quantity one (1) minus the average forced outage rate for EFORd value of the six (6) most recent rolling 12-month EFORDs of all NY Resources in the NYCA ~~based on the data used to determine the Installed Reserve Margin by the NYSRC.~~

2.6 Locational Installed Capacity Requirements

Due to transmission limitations into certain areas within the NYCA, LSEs serving Load in these areas must procure a percentage of their total Unforced Capacity requirement from Installed Capacity Suppliers electrically located within the constrained areas. Currently, there are two areas, called Localities, within the NYCA where Locational Installed Capacity Requirements are imposed. These are the New York City and the Long Island zones. The Locational Installed Capacity Requirements applicable to these zones were established by rulings of the PSC and the Long Island Power Authority.

~~Starting with the 2001-2002 Winter~~For each Capability Period, the ISO converts the Locational Installed Capacity Requirements of LSEs into Locational Unforced Capacity Requirements by multiplying such Locational Installed Capacity Requirements by the quantity one (1) minus the average forced outage rate for EFORd value of the six (6) most recent rolling 12-month EFORDs of all Resources located in the relevant Locality ~~based on the data used to determine the Installed Reserve Margin by the NYSRC.~~

For the purpose of specifying Locational Installed Capacity Requirements, the remainder of the NYCA is grouped together as “All other NYCA Zones.” Locational Installed Capacity Requirements are shown in Attachment B. Maps of the NYCA Transmission Districts and NYCA Zones can be found in Attachment C. Localities that are subject to ISO Services Tariff restrictions are also noted in Attachment C.

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3.4 Establishing an LSE’s Unforced Capacity Requirement for an Obligation Procurement Period

A LSE’s ~~Unforced~~Installed Capacity requirement Requirement is the sum of the ~~Unforced~~Installed Capacity requirements Requirements of each of its customers. Each customer ~~LSE’s~~ Unforced Installed Capacity requirement Requirement is set May 1st and remains constant throughout the Capability Year. Each LSE’s Installed Capacity

Requirement is translated into an Unforced Capacity requirement as noted in Sections 2.5 and 2.6 of this Manual. Sections 3.5.1 and 3.5.2 of this Manual describe the only conditions that would require a change of an individual customer LSE's Unforced ~~Installed~~ Capacity requirement **Requirement** during the Capability Year.

Every month, each LSE must procure sufficient Unforced Capacity to meet its Unforced Capacity requirement for the following Obligation Procurement Period. The ISO will calculate the Unforced Capacity requirement of each LSE in two steps prior to the ~~first day of the Summer~~ **Capability Period and in one step prior to the Winter** Capability Period. The ISO will first calculate an initial Unforced Capacity requirement and provide it to each LSE in March for the following **Summer** Capability Year, which reflects **Period reflecting** verified customer-switching through the end of February. The ISO will perform a second calculation in early April, when the ISO provides each LSE with its binding ~~May 1 Summer~~ **Summer** Capability Year **Period** Unforced Capacity requirement. ~~This second~~ **The ISO will perform a third** calculation, **in early October and provide each LSE with a binding Winter Capability Period Unforced Capacity requirement.** **These calculations will be made in accordance with this Section 3.4 and Sections 2.5 and 2.6 of this Manual. Each Capability Period Unforced Capacity requirement will be** adjusted every month thereafter **following the initial Capability Period assignment** to reflect customer-switching, **and** is binding with regard to the LSE's obligation to procure Unforced Capacity for each Obligation Procurement Period of ~~that~~ **within the corresponding** Capability Year **Period**.

The Unforced Capacity requirement for each LSE will be calculated separately for each Transmission District in which it serves Load. The requirement is based upon the LSE's contribution to each Transmission District's forecast peak based on actual contributions to the Transmission District's peak Load for the prior calendar year. Where an LSE serves end-use partial requirement customers (i.e., customers for whom the LSE provides service up to a specified amount), the portion of the LSE's contribution to the peak attributable to such partial requirement customers shall be equal to the lesser of their actual contribution to the peak or the contract demands of such partial requirement customers, if fully utilized, at the time of the Transmission District's peak.

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4.5 Calculation of the Amount of Unforced Capacity each Resource may Supply to the NYCA (Section 5.12.6(a) ISO Services Tariff)

~~Each month, the~~ **The** ISO will calculate the amount of Unforced Capacity that Resources are qualified to supply to the NYCA. ~~Starting with the 2001-2002 Winter Capability Period, the ISO will use an Unforced Capacity methodology to rate and qualify Resources.~~ The Unforced Capacity methodology estimates the probability that a Resource is available to serve Load,

Blackline Proposed ICAP Manual Revisions Addressing the UCAP Translation Reliability Issue
For Review at the September 19, 2002 ICAPWG Meeting - Draft Dated September 18, 2002

taking into account forced outages. To evaluate this probability, the ISO will use the Operating Data submitted by each Resource in accordance with Section 4.4 of this Manual, and the mathematical formulae included in Attachment J of this Manual. **Starting with the 2002-2003 Winter Capability Period, and for each Capability Period thereafter, the ISO will base the amount of UCAP a Resource is qualified to supply on the average EFORD value of the six (6) most recent 12-month rolling EFORDs for that Resource. Such UCAP value will remain in effect for the entire Capability Period. The six most recent 12-month rolling EFORDs shall be for the same interval used to determine the ICAP-UCAP requirement translation, as noted in Sections 2.5 and 2.6 of this Manual.**

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