

2.4 The NYCA Minimum Installed Capacity Requirement

The NYISO calculates the NYCA Minimum Installed Capacity Requirement in megawatts for the Capability Year as the product of the forecasted NYCA peak Load and the quantity one (1) plus the NYSRC Installed Reserve Margin (IRM). The specific IRM value can be found on the NYSRC website, under “Installed Reserve Margin (IRM) Reports” at <http://www.nysrc.org/reports3.asp>. In deriving the Load forecast, the NYISO uses the procedures in the *NYISO Load Forecasting Manual* (available from the NYISO Web site at the following URL: http://www.nyiso.com/public/documents/manuals/planning.jsp?maxDisplay=20http://www.nyiso.com/public/webdocs/documents/manuals/planning/load_fcst_mnl.pdf).

2.5 The NYCA Minimum Unforced Capacity Requirement

For each Capability Period the NYISO calculates the NYCA Minimum Unforced Capacity Requirement by multiplying the NYCA Minimum Installed Capacity Requirement by the quantity one (1) minus the average Equivalent Demand Forced Outage Rate (EFORd) value of the six (6) most recent 12-month rolling average EFORds of all NY Resources in the NYCA.

2.6 Locational Minimum 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 Minimum 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 Minimum Installed Capacity Requirements are imposed. These are the New York City and the Long Island zones. The Locational Minimum Installed Capacity Requirements are established annually by the NYISO. The specific Locational Minimum Installed Capacity Requirements established each year are found under “Resource Adequacy Studies” by activating the following link: http://www.nyiso.com/public/webdocs/services/planning/resource_adequacy/LCR_Requirements_Study.pdfhttp://www.nyiso.com/public/markets_operations/services/planning/planning_studies/index.jsp

The NYISO will compute the Locational Minimum Installed Capacity Requirements for each month in the Capability Period consistent with the election, if any, of an Installed Capacity Supplier holding the rights to UDRs from an External Control Area with a dissimilar capability year without the UDRs for the first month in a Capability Year, and as Unforced Capacity for the remaining months, as provided for in *NYISO Services Tariff* Sections 5.11.4. If no Installed Capacity Supplier holding the rights to UDRs makes a one-time election for a

Capability Period, the UDRs shall be modeled consistently for all months in the Capability Period.

For each Capability Period the NYISO converts the Locational Minimum Installed Capacity Requirements of LSEs into Locational Minimum Unforced Capacity