

Installed Capacity (ICAP) Market

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New York Market Orientation Course (NYMOC) Webinar

June 3-5, 2025 Remote Learning



ICAP Market Module Objectives

- Define Installed Capacity
- Describe the benefits of the ICAP Market
- Identify the NY Control Area and Transmission District Capacity Requirements
- Explain the reason for Locational requirements
- Explain the difference between ICAP and UCAP



ICAP Market Module Objectives – Cont'd

- Identify the process for determining the amount of capacity available
- Explain the factors that determine the amount of capacity suppliers are able to offer
- Describe the Load obligations of an LSE
- Distinguish between the three different ICAP Auctions
- Calculate the settlement for an auction award

ICAP Roadmap



Benefits

- Ensures resource adequacy
- Resources recover a portion of fixed costs
- Provides market signal for investment

Market Mechanics

- Amount of Capacity Required
- Amount of Capacity Available
- Amount of Capacity to Offer
- Amount of Capacity to Procure

Auxiliary Processes & Activities

- Capacity Auctions
- Spot Market Auction Demand Curve
- Settlements
- Responsibilities
- Sanctions

ICAP Market Benefits

Benefits

- Ensures resource adequacy
- Resources recover a portion of fixed costs
- Provides market signal for investment



Benefits of the ICAP Market:



Ensures resource adequacy

- Do we have enough?
 - Supply is sufficient to meet load
 - Adhere to reliability standard

Benefits of the ICAP Market



Recover portion of fixed costs

Variable Costs vs. Fixed Costs



Benefits of the ICAP Market:



Market signal for investment

- Potential Investors:
 - Is it worth building a new plant?
 - Where should I build a new plant?
 - Do I have the technology to build a plant that is competitive?

ICAP Market Mechanics

Benefits

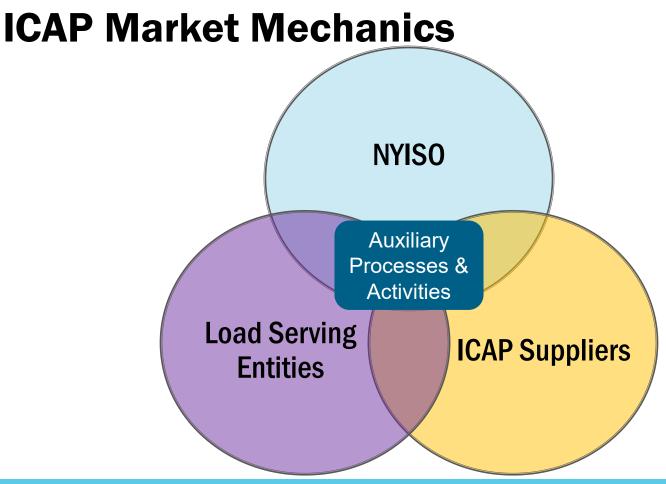
- Ensures resource adequacy
- Resources recover a portion of fixed costs
- Provides market signal for investment

Market Mechanics

- Amount of Capacity Required
- Amount of Capacity Available
- Amount of Capacity to Offer
- Amount of Capacity to Procure

New York ISO







ICAP vs UCAP

ICAP	UCAP
Installed Capacity describes the market as opposed to the product.	The measure by which Installed Capacity Suppliers will be rated, in accordance with formulae set forth in the NYISO Procedures, to quantify the extent of their contribution to satisfy the NYCA Minimum Installed Capacity Requirement, and which will be used to measure the portion of that NYCA Minimum Installed Capacity Requirement for which each LSE is responsible.

Amount of Capacity Required

-How much do we need?



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Amount of Capacity Required



- NYCA Minimum Installed Capacity Requirement
 - Ensures resource adequacy
 - Supply is sufficient to meet load
 - Meets Reliability Standards
 - Calculated by NYISO each Capability Year
 - Expressed as a MW value

NYCA Minimum ICAP Requirement = Forecasted NYCA Peak Load x (1 + IRM)

NYCA Minimum Installed Capacity Requirement



NYCA Minimum ICAP Requirement = Forecasted NYCA Peak Load x (1 + IRM)

Forecast Peak Load

- Last year's NYCA coincident peak load, adjusted for:
 - Weather
 - Changes in Load Growth
 - Load reductions provided by Demand Side Resources

NYCA Minimum Installed Capacity Requirement



NYCA Minimum ICAP Requirement = Forecasted NYCA Peak Load x (1 + IRM)

Installed Reserve Margin (IRM)

- Capacity above firm system load required to provide for equipment outages (both forced and scheduled) and transmission capability limitations.
- Established annually by the NYS Reliability Council (NYSRC) for the upcoming Capability Year
- Based on the Northeast Power Coordinating Council (NPCC) Standard for Resource Adequacy
 - "...the probability (or risk) of disconnecting any firm load due to resource deficiencies shall be, on average, not more than once in ten years."

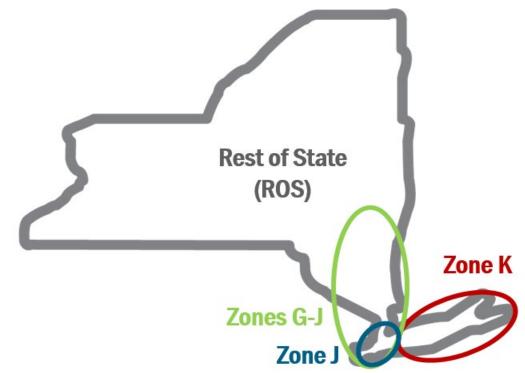
IRM for 2023 Capability Year is 20.0%

- 2022: 19.6%
- 2021: 20.7%



NYCA and Locational Requirements

Minimum Locational Installed Capacity Requirements also established



NYCA Minimum Unforced Capacity Requirement



- ICAP requirement converted to UCAP value
 - Accounts for historic availability of units
- Calculated by NYISO each Capability Period
- Expressed as a MW value
- Minimum Local Capacity Requirements also established

NYCA Minimum UCAP Requirement = Min ICAP x (1 - Locational Translation Factor)

NYCA Minimum Unforced Capacity Requirement



Locational Translation Factors by location

- Average Unavailability
- Capacity Accreditation Factors
- Weighted Average of all NYCA Derating Factors
- Recalculated each Capability Period

Location	Winter 2021-2022	Summer 2022	Winter 2022-2023	Summer 2023
G-J Locality	4.46%	4.76%	5.81%	4.71%
Long Island	7.21%	6.27%	10.31%	7.29%
New York City	2.48%	3.26%	3.41%	1.64%
NYCA	8.40%	9.78%	8.91%	10.14%

ICAP and UCAP Values





Auction 🔻	Mitigation	n 🔻 Load Forecast 🔻 C	alendar 🔻 Righ	ts 🔻 Upload/Download				
					Season: Summer 2023	~	Month: May/2023	Display
Publish	h Data	1						
Effective	e Month	Publish Date	Published By					
May/2	2023	20-Mar-2023 10:02 AM	NYISO					

Locational Calculations

Location	Forecasted Peak Load MW		Requirement %		Derating Factor %			ICAP MW Requirement			UCAP MW Requirement	UCAP Effective %
G-J Locality	15,392.7		85.4000%		4.71%			13,145.4			12,526.2	81.38%
Ц	5,081.8		105.2000%		7.29%			5,346.1			4,956.3	97.53%
NYC	11,239.4	γ	01-70000/g	1	1.64%		2	9,182.6		Б	9,032.0	80.36%
NYCA	32,048.9		120.0000%	4	10.14%		J	38,458.7		J	34,559.0	107.83%

Transmission District Loads NYCA

Transmission Owner	Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement
Meterino Authority - Central Hudson Gas and Flectr	1.026.2	1.231.4	1.106.6
Metering Authority - Consolidated Edison of NY	12,811.7	15,374.1	13,815.1
Metering Authority - Long Island Power Authority	5,060.6	6,072.7	5,457.0
Metering Authority - New York Power Authority	511.9	614.3	552.0
Metering Authority - New York State Electric & Gas	3,142.4	3,770.9	3,388.5
Metering Authority - Niagara Mohawk	6,820.6	8,184.7	7,354.8
Metering Authority - Orange and Rockland Utilities	1,117.2	1,340.6	1,204.7
Metering Authority - Rochester Gas and Electric	1,558.3	1,870.0	1,680.3
Total	32,048.9	38,458.7	34,559.0

ICAP and UCAP Values Locational Requirements





Auction - Mitigation - Load Forecast - Calendar - Rights - Upload/Download

		Season: Summ	ner 2023 Y Month: May/2023 Y	Display				
Publish Data								
Effective Month Publish Date May/2023 20-Mar-2023 10:02 AM	Published By 4 NYISO							
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G-J Locality	15,392.7	85.4000%	4.71%	13,145.4	12,52	.6.2	81.38%	
LI	5,081.8	105.2000%	7.29%	5,346.1	4,95	6.3	97.53%	
NYC	11,239.4	81.7000%	1.64%	9,182.6	9,03	2.0	80.36%	
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ransmission District Load	ls G-J Locality	Transmission Owner			Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement	
etering Authority - Central Hudson Gas and	Electr				1,042.2	890.1		
etering Authority - Consolidated Edison of N	IY				12,869.7	10,990.7	10	
etering Authority - New York State Electric 8	& Gas				365.2	311.9		
etering Authority - Orange and Rockland Ut	ilities				1,115.6	952.7		
				Total	15,392.7	13,145.4	12	
ansmission District Load	ls LI							
		Transmission Owner			Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement	
etering Authority - Long Island Power Autho	ority				5,081.8	5,346.1	4	

Transmission District Loads NYC

Transmission Owner	Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement
Metering Authority - Consolidated Edison of NY	11,239.4	9,182.6	9,032.0
Total	11,239.4	9,182.6	9,032.0

Transmission District (TD) Capacity



TD ICAP Requirement = TD Forecasted Peak Load x (1 + NYCA IRM)

- TD Minimum ICAP Requirement Example for Con Edison
 - Con Edison of NY Forecasted Peak Load: 12,811.7 MW
 - NYCA IRM: 20.0%

= 12,811.7 x (1 + 0.20) = **15,374.1 MW**

(Summer 2023 values)

TD Minimum UCAP Requirement



- Based on the annual NYCA Forecasted Peak Load and the individual TD Forecasted Peak Load
- TD Min UCAP used to calculate LSE Minimum UCAP Requirement

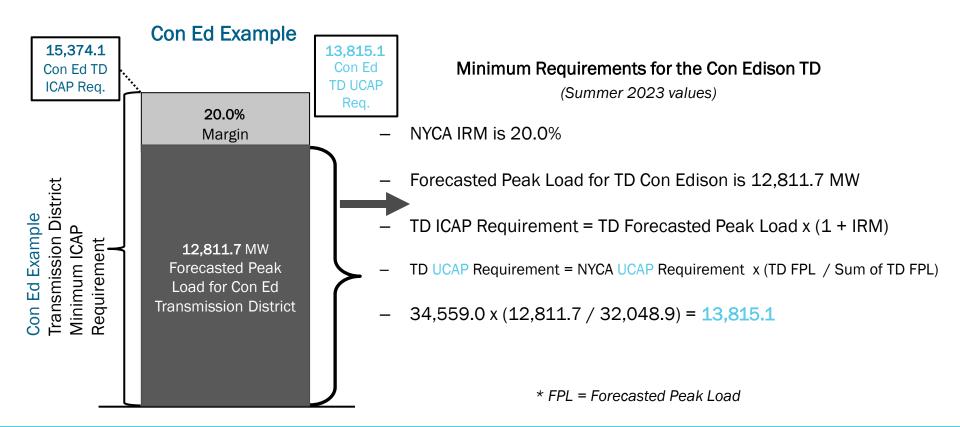
TD Forecasted Coincident Peak Load

TD Min UCAP Requirement = NYCA Min UCAP Requirement x Sum of Forecasted Coincident Peak Loads for all TDs

*Refer to Section 3.3 of the ICAP Manual

TD Minimum ICAP and UCAP Requirements





ICAP and UCAP Values





Auction • Mitigation • Load Forecast • Calendar • Rights • Upload/Download

			Season: Summer 2023 V Month: May/2023 V Display
Publish Data	1		
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Locational Calculations

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Amount of Capacity Available

-How much do we have?



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Determine the Amount of Capacity Available

- Suppliers provide data to demonstrate their capability to produce a certain number of MW (Resource Capability)
- Seasonal effects are taken into consideration
- Resource Capability determined by one of the following
 - DMNC / DMGC Test
 - Performance Test
 - Resource Nameplate
 - Actual Production Data

Determine the Amount of Capacity Available



Dependable Maximum Net Capability (DMNC) Test

- Demonstrates a generator's ability to generate power
- Tested every Capability Period
- Must coordinate test with NYISO
- Different rules for different classes of generator
- Value determines ICAP value for the Capability Period*

Dependable Maximum Gross Capability (DMGC) Test

- Applicable to Behind-the-Meter Net Generation Resources
- The same procedures that apply to DMNC also apply to DMGC
- Refer to ICAP Manual Section 4.2



Capability Periods and Test Periods Available

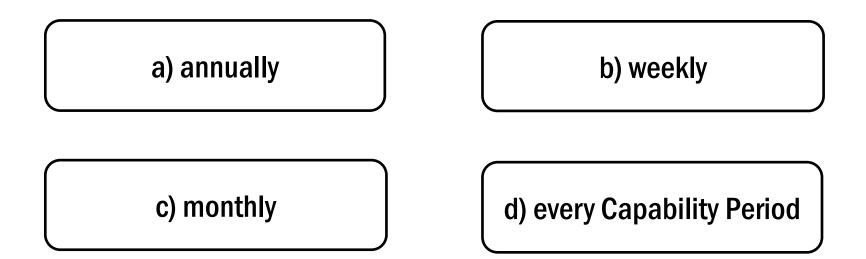
Winter	Winter Capability Period						Summ	er Capal	bility Per	riod			
Nov	Dec	Jan	Feb	Mar	Ар	or	May Jun Jul Aug				Se	эр	Oct
	Winter Test Period Nov 1 st -April 15 th								nmer Tes e 1 st -Sep				

- Exceptions to these test periods are Special Case Resources
- Out of period testing permitted for specific conditions see ICAP Manual





How often must a DMNC test be conducted?





When can a DMNC test be conducted for the summer capability period?

a) April 15th – Sept 15th b) May 1st – Aug 31st

c) June 1st – Sept 15th

d) June 1st – Oct 31st

Amount of Capacity Suppliers are Qualified to Offer -How much can be sold?



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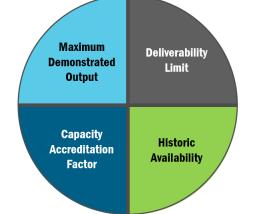
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Determining UCAP

The four key components in determining UCAP are:

- Maximum Demonstrated Output
- Deliverability Limit
- Capacity Accreditation Factor
- Historic Availability



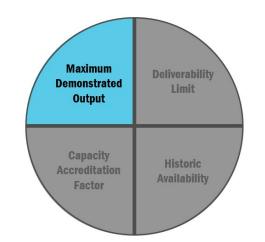


Maximum Demonstrated Output



Amount of capacity available

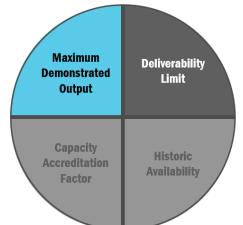
- Dependable Maximum Net Capability (DMNC) Test
- Dependable Maximum Gross Capability (DMGC) Test



Deliverability Limit



- Demonstrated output adjusted to account for deliverability
 - Capacity Resource Interconnection Service (CRIS)
 - Class Year Deliverability Studies are conducted to determine the amount of capacity that resources can deliver to any point in its Capacity Region
 - Applicable to new resources or existing resources that request to increase their CRIS
 - CRIS Value or "CRIS CAP"
 - Enables a resource to participate in the NYISO Installed Capacity market to the extent of its deliverable capacity
 - *Note: "Capacity Region" has a different meaning than "Locality."

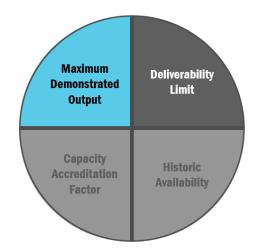




Available ICAP

Available ICAP for Internal Resources

Available ICAP = Min (CRIS Cap*, DMNC)

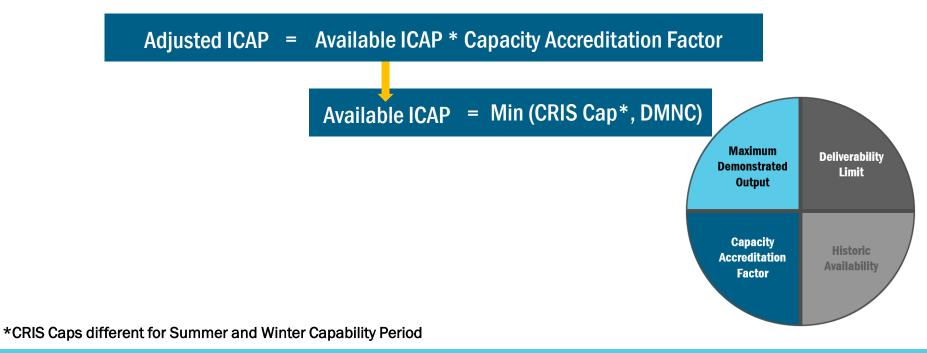


*CRIS Caps different for Summer and Winter Capability Period

Adjusted ICAP



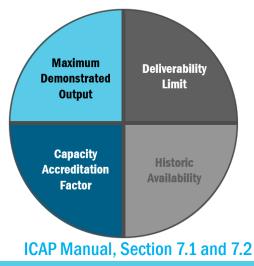
 <u>Adjusted ICAP</u>: The amount of ICAP a Resource has available, taking into account its applicable Capacity Accreditation Factor





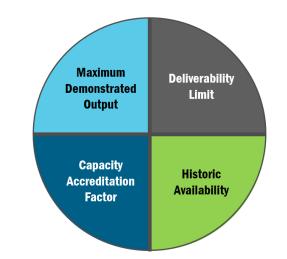
Capacity Accreditation Factor

- <u>Capacity Accreditation Factor</u>: Reflect the marginal reliability contribution of the ICAP Supplier's within each Capacity Accreditation Resource Class (CARC) toward meeting NYSRC resource adequacy requirements for the upcoming Capability Year
 - Each ICAP Supplier will be assigned to a CARC and receive the applicable CAF for its assigned CARC and capacity region
 - CARC will be based on the ICAP Suppliers chosen participation model, elected Energy Duration Limitation, and resource characteristics
 - An ICAP Supplier's assigned CAF will be used in calculating its Adjusted ICAP and, in turn, the UCAP the Supplier is qualified to offer to supply to the NYCA





- Availability is based on Derating Factors that are a function of one or more of the following factors:
 - Forced Outages
 - Forced Derates
 - Actual Performance





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Derating Factors

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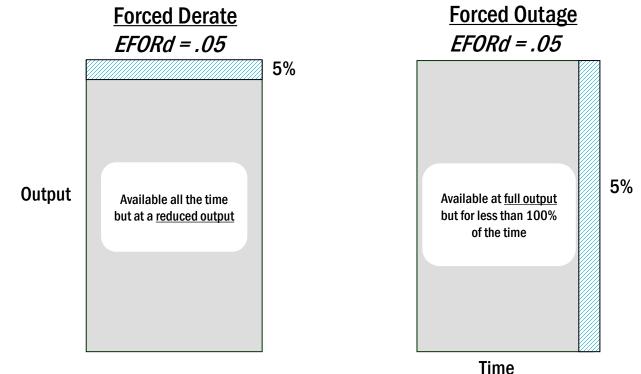
Unit Type	Derating Factor	ICAP Manual Reference(s)
Conventional Generator, Energy Limited Resource (ELR)	Equivalent Demand Forced Outage Rate (EFORd)	Attach J
Special Case Resources (SCR)	Historical Performance Factor	Section 4.12
Intermittent Power Resources (IPR) (Wind, Solar, Landfill Gas)	Actual Performance "Production Factor"	Attach J
Limited Control Run-of-River Hydro	Actual Production Data	Attach J
Energy Storage Resources (ESR)	Average Unavailability Factor	Attach J
Co-located Storage Resources (CSR)	Derating Factor for each individual resource type (IPR and ESR), adjusted for Derating Factor for shared Point of Injection (POI)	Attach J
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EFORd

- Equivalent Demand Forced Outage Rate
 - Calculated from Generating Availability Data System (GADS)
 - Year-to-Date Data Submitted to NYISO Monthly
 - Forced Outages and Forced Derates
 - Dispatched and unable to respond
 - Unplanned event

Derates and Outages



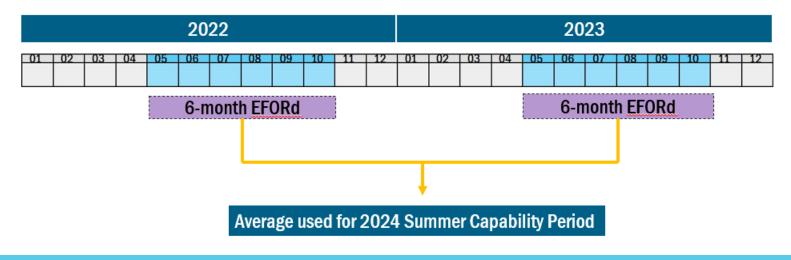




Availability-Based Resources

Summer UCAP Calculation

NYISO will use an average of two previous Summer 6-month EFORd calculations to establish a Summer ICAP to UCAP derating factor (Avg EFORd, AEFORd_{summer})

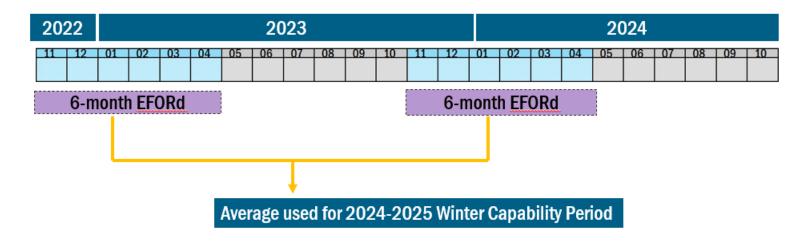




Availability-Based Resources

Winter UCAP Calculation

NYISO will use an average of two previous Winter 6-month EFORd calculations to establish a Winter ICAP to UCAP derating factor (Avg EFORd, AEFORd_{winter})



UCAP for Resources



A generator <u>may sell Capacity</u> equal to its adjusted ICAP multiplied by its <u>historic availability</u>.

UCAP = Adjusted ICAP * (1 – Derating Factor)

Adjusted ICAP = Available ICAP * Capacity Accreditation Factor

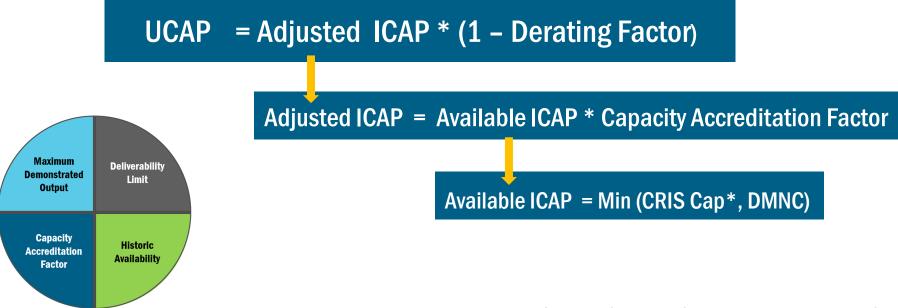
Available ICAP = Min (CRIS Cap*, DMNC)

*This formula is for Internal Generators that are not BTM:NG

UCAP for Resources



A generator <u>may sell Capacity</u> equal to its adjusted ICAP multiplied by its <u>historic availability</u>.



*This formula is for Internal Generators that are not BTM:NG

Unforced Capacity (UCAP)



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Resource Type	How UCAP is Calculated
Generators, System Resources and ELRs	Based on Equivalent Demand Forced Outage Rate (EFORd)
Special Case Resources (SCR)	Based on their Average Coincident Load and use Performance Factor instead of EFORd
Control Area System Resource	Based on Control Area Resource and Load (CARL) Data
Intermittent Power Resources (Wind, Solar, Landfill Gas)	Based on the amount the intermittent can provide during system peak Load hours, as determined per ISO Procedures
Limited Run-of-River Hydro Resource	Determined separately for Winter and Summer Capability Periods as rolling average of the hourly net Energy provided by each resource during the 20 highest NYCA integrated real-time load hours in each of the five previous Summer or Winter Capability Periods
Energy Storage Resources	Based upon time-weighted UOL availability evaluated against the ICAP sold
Co-located Storage Resources	Based on existing methods for each resource type, with adjustments for shared Point of Injection (POI) availability
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If a resource has a Derating Factor of .05, what is its historic availability?

a) 5%

b) 10%

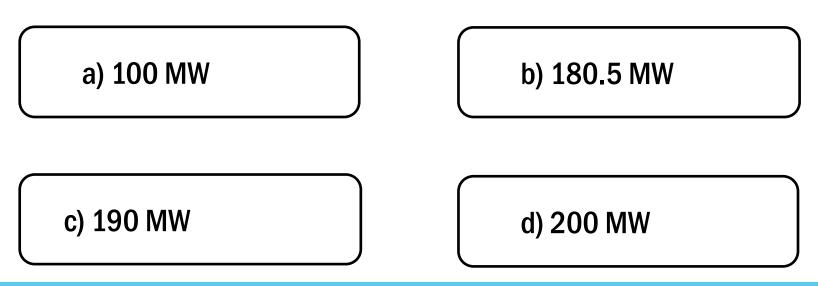
c) 50%

d) 95%

Let's Review



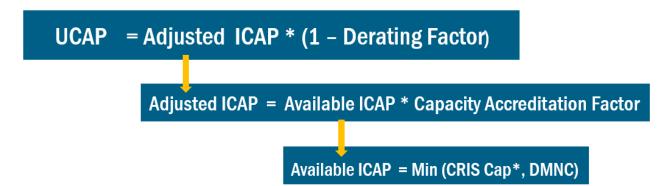
What is the maximum capacity that a unit can sell given that it has a DMNC of 200 MW, deliverable CRIS CAP of 190 MW, a Capacity Accreditation Factor of 1, and a historic availability of 0.95?



Let's Review – Answer Key



What is the maximum capacity that a unit can sell given that it has a DMNC of 200 MW, deliverable CRIS CAP of 190 MW, a Capacity Accreditation Factor of 1, and a historic availability of 0.95?



Capacity Resources





Capacity Resources

Generators

- Within NYCA
- Outside NYCA

Special Case Resources (SCRs)

- Within NYCA
- External Capacity Resources
- Unforced Capacity Deliverability Rights (UDRs)
- External-to-ROS Deliverability Rights (EDRs)

Special Case Resources



- Load reductions achieved through interruptible / curtailable loads or loads able to operate a qualified behind-the-meter Local Generator to remove load off the grid
- Each SCR is enrolled by Responsible Interface Party (RIP)

SCR UCAP = **ICAP** * Applicable Performance Factor * Capacity Accreditation Factor

ICAP = Load Reduction Capability * (1 + Transmission Loss Factor)

**Refer to Section 4.12 of ICAP Manual



External Capacity Resources

External CRIS Rights: (ECRs)

- One time opportunity to convert Grandfathered Rights were to External CRIS Rights or awarded through the Class Year process
- Contract or Non-Contract Commitment
- Consequences for not supplying
- Capacity associated with Existing Transmission Capacity for Native Load ("ETCNL")
- Capacity associated with Unforced Capacity Deliverability Rights (UDRs)
- Import Rights
 - First Come First Served: Subject to Import Limits

*External Installed Capacity Supplier requirements listed in ICAP Manual, Section 4.9

External Capacity Resources: Import Limits



- Limit is established after considering External CRIS Rights and ETCNL
 - Established by NYISO
 - Based on reliability studies
 - Determined annually
 - Available Import Rights are based on Import Limits
 - Calculated for each month of upcoming Capability Period

External Capacity Resources: Import Limits



Maximum provided by resources outside NYCA

(Excluding Resources Using UDRs, EDRs, ETCNL, and External CRIS Rights)

Amount of External ICAP Permitted to Grandfathered (MW) and Cap. Year Total (MW) Remaining (MW) be Allocated for NYCA Interfaces External CRIS (MW) PJM 1138 38 1100 75 75 0 ISO-NE 80 0 80 Ontario 1110 (May - Oct) 11 (May - Oct) 207 (Nov) 914 (Nov) 0 (Dec - Feb) 1121 (Dec - Feb) 20 (Mar) 1101 (Mar) Quebec via Chateauguay 1121 914 (Apr) 207 (Apr) **Ouebec via Cedars** 0 0 0 **Total NYCA Interfaces** 2414

2023-2024 Capability Year

***Neighboring Control Area rules must provide that the resource will not be recalled or curtailed to satisfy the Control Areas own load.

*Import Limits: ICAP Manual, Attachment B



Unforced Capacity Deliverability Rights

(UDRs) & External-to-ROS Deliverability Rights (EDRs)

- Rights associated with a specific transmission interface in a Locality (UDR) or in "Rest of State" (EDR)
 - Either from an External Control Area or a non-constrained region in NYCA
- Allows remote capacity external to the area to be treated as if it were physically located in the Locality/Rest of State zone
- Only associated with Scheduled Lines
- UDRs approved based on CRIS requested and received in relation to transfer capability

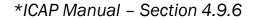
Unforced Capacity Deliverability Rights (UDRs)



Current UDRs Awarded	
Cross Sound Cable (CSC)	
New England to Long Island, Zone K	330 MW
Neptune Cable PJM to Long Island, Zone K	660 MW
Linden VFT	
PJM to New York City, Zone J	315 MW
Hudson Transmission Project (HTP) PJM to New York City, Zone J	660 MW



Current EDRs Awarded	
Cedars HQ to Rest-of-State (ROS), Zone D	80 MW



New York

Independent System Operator

ISO

UCAP for UDR



- The UDR Rightsholder/ICAP Supplier designates which resources will be used to supply capacity via the UDR.
- Each Rightsholder's UDRs are reduced by its share of:
 - UDR Line Losses
 - Each Resource's Derating Factor
 - UDR Line Unavailability

∑ of each UDR Resource's [(Resource ICAP – Resource Loss MWs) * (1- Resource Derating Factor) * (1- UDR Unavailability) * CAF]

UCAP for UDR Example

- A UDR Line XYZ from NE to LI is configured
- This UDR has Resource A and Resource B



```
UDR Total UCAP Available to Offer in LI =
117.7 + 186.2
303.9
```



UCAP for UDR Example

New York ISO

- A UDR Line XYZ from NE to LI is configured
- This UDR has Resource A and Resource B



Amount of LSE Capacity Obligation to Procure -How much must be purchased?



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LSE Capacity Requirements Obligation to Procure

- How much must be procured?
 - All LSEs are required to purchase a specific amount of the Total NYCA Capacity Requirement
 - Based on their contribution to the Transmission District's peak load coincident with the NYCA peak load
 - LSEs may also have Locational Capacity Requirements
 - (G-J Locality, LI and NYC)

LSE Capacity Requirements



• LSE Minimum ICAP Requirement

- Each LSE required to procure a certain percentage of the Total Capacity Requirement
- The amount that forms the base is calculated each Capability Year and includes:
 - Forecasted Peak Load
 - IRM and Locational Capacity Requirement percentages
 - System changes due to transmission capability

LSE Capacity Requirements



LSE Minimum UCAP Requirement

- Min UCAP calculated separately for each Transmission District in which it serves load
- NYISO calculates for a Capability Period
- Each month each LSE must satisfy its minimum UCAP requirement
 - May satisfy via self-supply, bilateral transactions or through NYISO administered auctions
 - UCAP requirement adjusted monthly for customer switching

LSE Capacity Requirements



• Why ICAP to UCAP ?

- Incorporates Locational Translation Factor
- Calculated by NYISO every Capability Period
- Calculated for NYCA and localities
 - For LSEs serving load in G-J Locality, Zone K (LI), or Zone J (NYC), a specified amount of their requirement must be purchased within the LSE's respective Locality (based on their local load forecast)



Locational Capacity Requirements

- Locational Minimum ICAP Requirements
 - Locational Capacity Requirements (LCRs) established annually for the following Localities:

2023/2024 Capability Year (May 1, 2023 – April 30, 2024)		
G-J Locality Requirement	85.4% of G-J forecasted peak load	
Zone K (LI) Requirement	105.2% of LI forecasted peak load	
Zone J (NYC) Requirement	81.7% of NYC forecasted peak load	

Note: These values are the NYSRC Executive Committee approved IRM and the NYISO approved LCRs for the applicable Capability Year

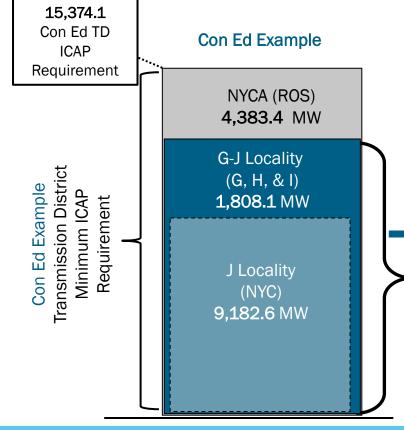
Locational Minimum ICAP Requirement = Locational Forecasted Peak Load x LCR Percentage

Locational Minimum UCAP Requirement = Locational Minimum ICAP x (1 – Locational Translation Factor)

Example: Locational Minimum ICAP Requirement



(Summer 2023 values)



For Con Ed's portion only:

Con Ed's TD ICAP Requirement = 15,374.1

	Forecasted Peak Load (FPL)	Requirement
Con Ed TD NYCA	12,811.7	120.0%
Con Ed TD G-J	12,869.7	85.4%
Con Ed TD NYC	11,239.4	81.7%

G-J Locational ICAP Requirement is 85.4% of G-J Locality FPL: 12,869.7 x 85.4% = 10,990.7 MW

NYC Locational ICAP Requirement is 81.7% of NYC FPL:

11,239.4 x 81.7% = 9,182.6 MW

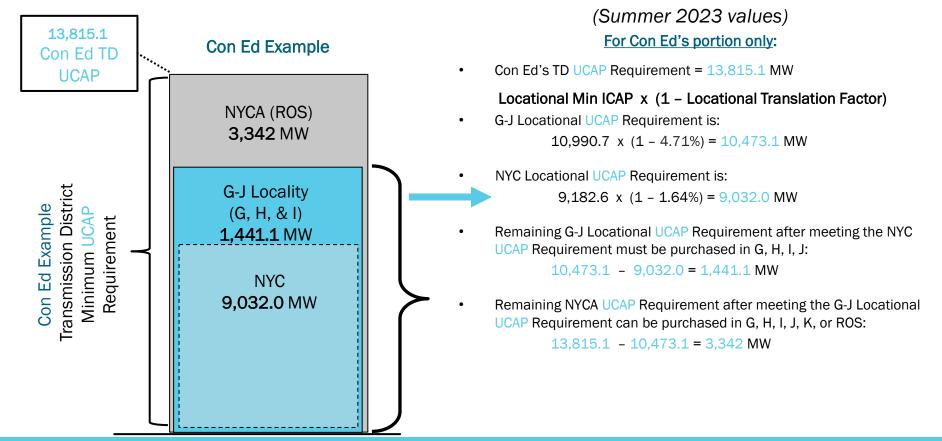
Remaining G-J Locational Requirement after meeting the NYC requirement must be purchased in G, H, I, J:

10,990.7 - 9,182.6 = 1,808.1 MW

• Remaining NYCA requirement can be purchased in G, H, I, J, K, or ROS: 15,374.1 - 10,990.7 = 4,383.4 MW

Example: Locational Minimum UCAP Requirement





ICAP and UCAP Values Locational Requirements



Installed Capacity View ICAP and UCAP Calculations

Auction - Mitigation - Load Forecast - Calendar - Rights - Upload/Download Season: Summer 2023 Month: May/2023 × Display Publish Data Effective Month Publish Date Published By May/2023 20-Mar-2023 10:02 AM NYISO Locational Calculations Forecasted Peak ICAP MW UCAP MW LICAD

Location	Load MW	Requirement %	Derating Factor %	Requirement	Requirement	Effective %
G-J Locality	15,392.7	85.4000%	4.71%	13,145.4	12,526.2	81.38%
LI	5,081.8	105.2000%	7.29%	5,346.1	4,956.3	97.53%
NYC	11,239.4	81.7000%	1.64%	9,182.6	9,032.0	80.36%
NYCA	32,048.9	120.0000%	10.14%	38,458.7	34,559.0	107.83%
	Location G-J Locality LI NYC NYCA	G-J Locality 15,392.7 LI 5,081.8 NYC 11,239.4	G-1 Locality 15,592.7 85,4000% LI 5,081.8 105,2000% NYC 11,239.4 81,7000%	G-D Locality 15.392.7 85.4000% 4.71% LI 5.081.8 105.2000% 7.29% NYC 11.239.4 81.7000% 1.64%	G9 Locality 15,392.7 85,4000% 4,71% 13,145,4 L1 5,081.8 105,200% 7,29% 5,346.1 NYC 11,239.4 81,7000% 1,64% 9,182.6	Gel Locality 15,592.7 85,400% 4,71% 13,145.4 12,526.2 LI 5,081.8 105,200% 7,29% 5,346.1 4,956.3 NYC 11,239.4 81,700% 1,64% 9,032.0

Transmission District Loads G-J Locality

Transmission Owner	Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement
Metering Authority - Central Hudson Gas and Electr	1,042.2	890.1	040.1
Metering Authority - Consolidated Edison of NY	12,869.7	10,990.7	10,473.1
Metering Authority - New York State Electric & Gas	365.2	311.9	297.2
Metering Authority - Orange and Rockland Utilities	1,115.6	952.7	907.8
Total	15,392.7	13,145.4	12,526.2

l	Transmission District Loads LI				
		Transmission Owner	Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement
	Metering Authority - Long Island Power Authority		5,081.8	5,346.1	4,956.3
		Total	5,081.8	5,346.1	4,956.3
č					

Transmission District Loads NYC

Transmission Owner	Forecasted Peak Load MW	ICAP MW Requirement	UCAP MW Requirement
Metering Authority - Consolidated Edison of NY	11,239.4	9,182.6	9,032.0
Total	11,239.4	9,182.6	9,032.0





The Locational Minimum ICAP Requirement for the G-J locality is 85.4% of _____.

a) NYCA Minimum ICAP Requirement

b) NYCA Forecasted Peak Load

c) G-J Forecasted Peak Load

ICAP Auxiliary Processes & Activities

Benefits

- Ensures resource adequacy
- Resources recover a portion of fixed costs
- Provides market signal for investment

Market Mechanics

- Amount of Capacity Required
- Amount of Capacity Available
- Amount of Capacity to Offer
- Amount of Capacity to Procure

Auxiliary Processes & Activities

- Capacity Auctions
- Spot Market Auction Demand Curve
- Settlements
- Responsibilities
- Sanctions

New York ISO

Capacity Auctions



ICAP Market Auctions



Capability Period Auction (Strip Auction)

- Matches Bids & Offers
- Sets Market-Clearing Price

Monthly Auction

- Matches Bids & Offers
- Sets Market-Clearing Price

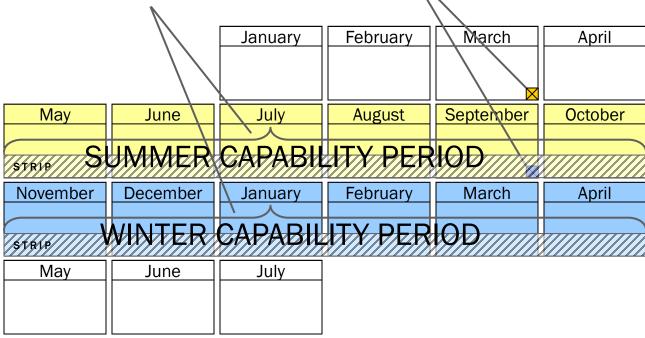
Spot Market Auction

- Deficiency and Excess UCAP
- Market Clearing Price based on Demand Curve

Capability Period Auction



- A bid in this auction is for the same MW level and price for the entire capability period
- Auction is run <u>at least 30 days</u> prior to the start of the Capability Period
- Auction solves for a (6) Month Strip of UCAP at a Single Price/Month



Monthly Auction



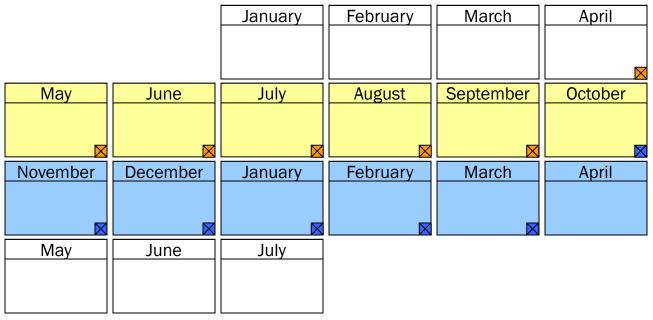
- May buy/sell for any month remaining in the Capability Period
- Auction is run at least 15 days prior to the start of the month

		January	February	March	April
May	June	July	August	September	October
November	December	January	February	March	April
May	June	July			

Spot Market Auction



- May sell for upcoming month only
- Must certify all Capacity before Auction
- Auction solves using the Demand Curve
- Auction is run <u>2 days</u> prior to the start of the month



Spot Market Auction and Demand Curve

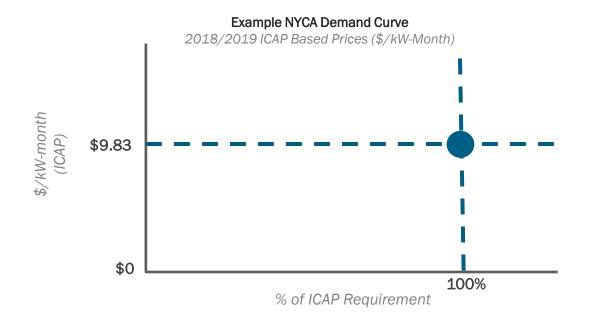
- Demand Curve used to determine a spot market clearing price
 - Values additional UCAP above Minimum NYCA and Locational requirements
 - Reduces price volatility
 - Provides signal for capacity investment

Spot Market Auction and Demand Curve

- Separate ICAP Demand Curves to determine
 - <u>Total [NYCA]</u> LSE UCAP Obligation
 - <u>NYC</u> Locational component of LSE UCAP Obligation
 - Long Island Locational component of LSE UCAP Obligation
 - <u>G-J Locality</u> component of LSE UCAP Obligation
- Demand Curves are reset every four years and include annual adjustments

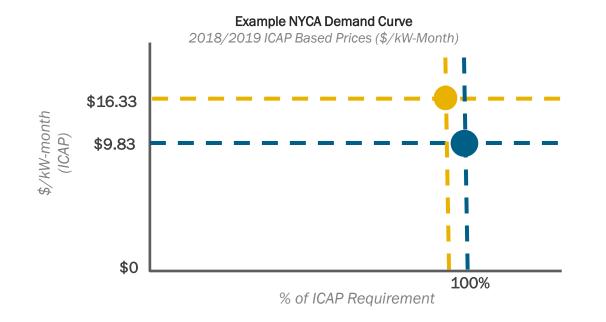


• Reference Point: Set price point for 100% of minimum requirement



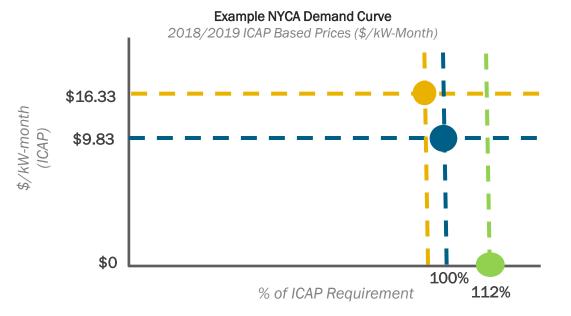


- Reference Point: Set price point for 100% of minimum requirement
- Maximum Clearing Price: Equal to 1.5 times the estimated localized levelized cost of new peaking unit



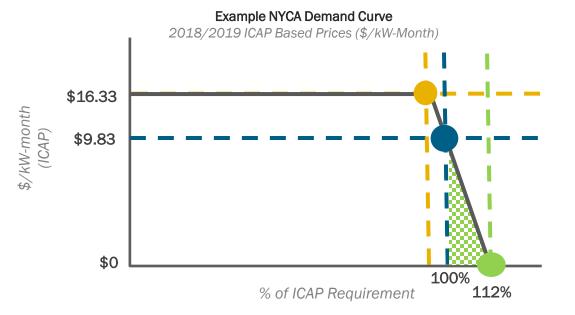


- Reference Point: Set price point for 100% of minimum requirement
- Maximum Clearing Price: Equal to 1.5 times the estimated localized levelized cost of new peaking unit
- Zero Crossing Point: Percentage of requirement where price is \$0





- Reference Point: Set price point for 100% of minimum requirement
- Maximum Clearing Price: Equal to 1.5 times the estimated localized levelized cost of new peaking unit
- Zero Crossing Point: Percentage of requirement where price is \$0





- Reference Point: Set price point for 100% of minimum requirement
 - NYCA: \$9.83
 - G-J Locality: \$16.59
 - NYC: \$21.95
 - LI: \$15.96
- Maximum Clearing Price: Equal to 1.5 times the estimated localized levelized cost of new peaking unit

(\$/kW-Month)

- NYCA: \$16.33
- G-J Locality: \$22.51
- NYC: \$26.93

2018/2019 ICAP Based Prices (\$/kW-Month)

2018/2019 ICAP Based Prices

• LI: \$25.11

Zero Crossing Point: Percentage of requirement where price is \$0

- NYCA Demand Curve: 112%
- G-J Locality Demand Curve: 115%
- LI & NYC Locational Demand Curves: 118%

ICAP Event Calendar



	Installed Capacity						
	nt Calendar						
	t ▼ Calendar ▼ Rights ▼ Upload/Download						
		Start Date From: 05/15/2023 3 To: 05/26/2023 3 Display					
Event Schedule							
Legend:							
	Winter Season Event	Summer Season Event	Season Change Event				
Monday May 15, 2023							
08:00 AM		IMPORT RIGHTS - First Come First Serve - begin to submit requests					
05:00 PM	AFFILIATES - Deadline to select or de-select affiliate names for Jun ICAP Market						
05:00 PM	APPLIANCS - Ueadime to select or de select armane names tor Jun LAA- Market IMPORT RIGHTS - First Come First Serve - deadline to submit requests						
05:00 PM	MITIGATION - Deadline to submit Going Forward Cests for generators in NYC for Aug Spot Nkt						
05:00 PM		SCR - Deadline for MPs to import resource response data into DRIS for March 1st - Zone D SCR Winter Perform	nance Test #1				
Tuesday May 16, 2023							
08:00 AM	IMPORT RIGHTS - First Come First Serve - begin to confirm requests						
08:00 AM	SCR - Aggregation Management Period for Jun Opens						
08:00 AM	SCR - Strike Price Management Period for Jun Opens						
05:00 PM	IMPORT RIGHTS - First Serve - deadline to confirm requests						
05:00 PM	IMPORT RIGHTS - ISO will announce if Import Rights are fully allocated/returns allowed						
Wednesday May 17, 2023							
08:00 AM	IMPORT RIGHTS - ISO notifies Requestors of Priority and if Import Rights Requests were accepted or rejected						
05:00 PM	IMPORT RUGHTS - ISO posts the remaining available Import Rights						
05:00 PM	SCR - Aggregation Management Period for Jun Closes						
05:00 PM	SCR - RIPs deadline to view and take action on the ACL data requests for Jun						
05:00 PM	SCR - Strike Price Management Period for Jun Closes						
Thursday May 18, 2023							
05:00 PM		EXTERNAL TRANSACTIONS - Deadline to submit MIS transaction IDs for Import Rights, Exports, and I	JDRs				
Friday May 19, 2023		IMPORT RIGHTS - External Bilaterals confirmed for MIS transactions IDs received					
Saturday May 20, 2023		IMPOKI KIGH IS - External Bilaxerals confirmed for MIS transactions IDS received					
05:00 PM		GADS - Deadline for Suppliers to submit GADS data for Apr activity					
Monday May 22, 2023							
05:00 PM	CERTIFICATION - Deadline for Certification for LSEs and Suppliers for Jun						
05:30 PM	MITIGATION - Default Raferance Price						

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FOR TRAINING PURPOSES ONLY



Which auction allows market participants to purchase capacity for an entire 6 month period all at once?

a) Capacity Auction

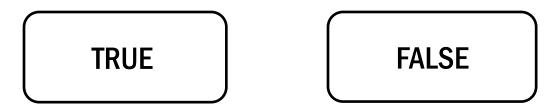
b) Spot Market Auction

c) Monthly Auction

d) Strip Auction



TRUE or FALSE: The purpose of the spot market is to cover any shortfall or deficiency and allows an opportunity to sell excess capacity.







The Demand Curve is applicable to which auction(s)?

a) Capability Auction

b) Spot Market Auction

c) Monthly Auction

d) All of the above



Auction Settlements

- Award amount x Auction Clearing Price
 - 100 MW x \$2.67/kW-month
 - Convert 100 MW to kW: (100 MW x 1,000kW/MW)
 - 100,000 kW x 2.67/kW = 267,000 for the month
- Auction Awards appear in following weekly invoice
 - Monthly amount is prorated by the number of days on the weekly invoice divided by the number of days in the month

 Bilateral Transactions are settled between parties outside of NYISO

Activities / Responsibilities



- Submission of GADS Data, monthly
- Certification prior to applicable auction
 - LSE must certify the amount of UCAP it has or has obtained
 - Suppliers certify UCAP has not been sold for use in an External Control Area
 - UDR & EDR holders certify that their capacity is not already accounted for elsewhere

Secure UCAP

• Bilateral contract (includes self-supply) or NYISO Auction

Bid, Schedule, Notify in DAM Energy Market***

Bid, Schedule or Notify

- ICAP Suppliers must either:
 - "Bid" [Offer] Energy in the DAM
 - Schedule a Bilateral Transaction
 OR
 - Notify the NYISO of any outage

ICE

- The total amount of Energy that an ICAP supplier "bids," schedules or declares unavailable on a given day must equal or exceed the Installed Capacity Equivalent (ICE) amount of UCAP sold
 - ICE value is a generator's capacity sold adjusted for availability

UCAP Sold

- Derating Factor) * Capacity Accreditation Factor





Exceptions to this are outlined in Section 4.8 of the ICAP manual

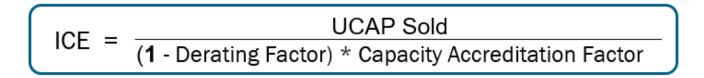
Let's Review



How much must this ICAP supplier Offer, Schedule, or Notify in DAM if:

UCAP Sold = 50 MWs

Derating Factor = .05 (available 95% of the time)



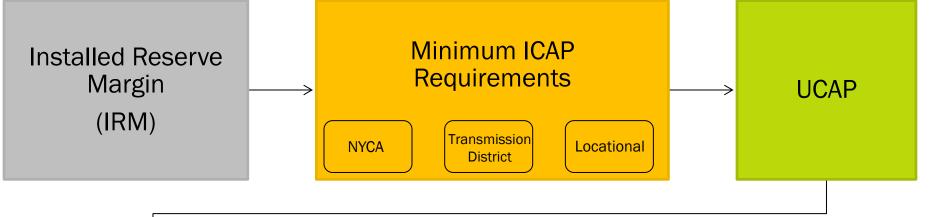


Sanctions

- Failure to comply with bidding, scheduling and notification requirements and procedures
- Failure to provide required information

ICAP Market Summary







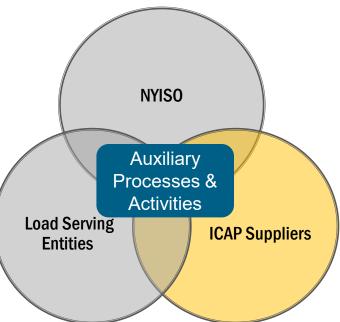
Individual LSE Minimum UCAP Requirement

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ICAP Summary - Supplier Activities

- Submit DMNC data each Capability Period
- Submit monthly GADS data, or equivalent
- Certify prior to ICAP Spot Market Auction
- Offer capacity in auction
- Bid, schedule or notify in Day-Ahead Market, if obligated to do so

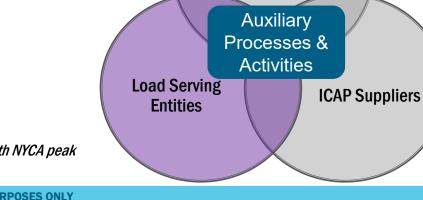




ICAP Summary - Load Activities

Purchase capacity in auction

- Minimum requirement
- Locational Requirements
- Certify prior to ICAP Spot Market Auction



NYISO

Note: Transmission Owners must submit Adjusted Load data coincident with NYCA peak

ICAP Summary – NYISO Activities



- Through the ICAP Working Group
- Provide Minimum ICAP Requirements
- Calculate UCAP
- Conduct Auctions
- Post award data to web
- Settlement mechanism







What is the primary purpose of the ICAP market?

a) Ensure sufficient load exists for NYCA generation

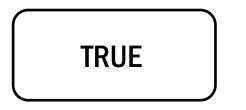
b) Ensure competitive pricing of new generation

c) Facilitate competitive procurement of generator fixed costs

d) Ensure sufficient resources exist to serve load



TRUE or FALSE: In addition to submitting data to support their actual output, suppliers also required to Bid, Schedule, Notify in the DAM as an ICAP supplier.









Which of the following statements are true regarding DMNC tests?

a) Test should be conducted only during test periods

b) An out-of-period test can be conducted with prior NYISO approval

c) In lieu of a test, a generator can submit actual operating data

d) All of the above are true





What does UCAP represent?

a) Unforced operating parameters

b) The average availability of a given generator

c) Demonstrated output adjusted for deliverability and availability and Capacity Accreditation Factor

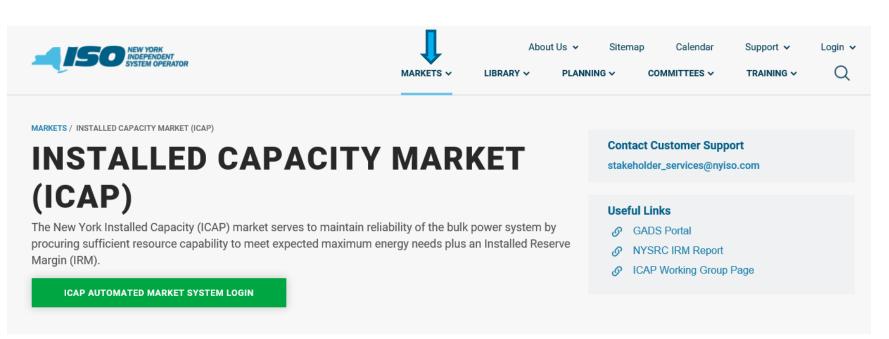
d) ICAP adjusted for forecasted usage

Installed Capacity NYISO Website Data

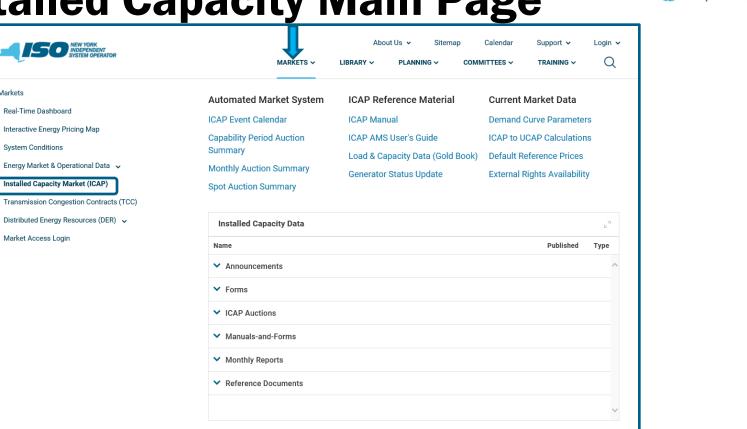


Installed Capacity Main Page





Installed Capacity Main Page



Markets

Real-Time Dashboard

System Conditions

Market Access Login

Interactive Energy Pricing Map

Installed Capacity Market (ICAP)



ICAP Event Calendar



Install Event C	ed Capacity alendar				
Auction Mitigation Load Forecast	Calendar 🔻 Rights 👻 Upload/Download				
		Start Date From: 01/22/2019 3 To: 01/31/2019 3 Display			
Event Schedule					
Legend:					
	Winter Season Event	Summer Season Event	Season Change Event		
Tuesday Jan 22, 2019					
05:00 PM		IMPORT RIGHTS - Deadline for Import Rights returns if ISO announced fully allocated			
05:00 PM		IMPORT RIGHTS - External Bilaterals confirmed for MIS transactions IDs received			
05:00 PM		IMPORT RIGHTS - ISO posts the remaining available Import Rights			
Wednesday Jan 23, 2019					
05:00 PM		CERTIFICATION - Deadline for Certification for LSEs and Suppliers for Feb			
05:30 PM		MITIGATION - Default Reference Price			
Thursday Jan 24, 2019					
05:00 PM	LOAD SHIFT - Deadline for TOs to provide daily load shift (customer switching) for Jan				
05:00 PM	TRUE UP - Deadline for TOs to provide true-up load shift (actual data) for LSE activity 3 months prior				
Friday Jan 25, 2019					
08:00 AM	SPOT MARKET AUCTION - Offer period opens for Feb Spot Market Auction				
05:00 PM	IMPORT RIGHTS - Allocated Import Rights w/o MIS transaction IDs entered into Spot Mkt Auction @ \$0.00				
Monday Jan 28, 2019					
05:00 PM		SPOT MARKET AUCTION - Offer period closes for Feb Spot Market Auction			
Wednesday Jan 30, 2019					
08:00 AM	IMPORT RIGHTS - Import Rights First Come First Save - bagin to submit requests				
05:00 PM		DMNC - Deadline to submit DMNC data for New Generators to ensure can be used for Mar	r		
05:00 PM		IMPORT RIGHTS - ISO notifies Import Rights Requestors of Priority			
05:00 PM		IMPORT RIGHTS - Import Rights First Come First Serve - deadline for requests			
05:00 PM		SCR/EDRP - Deadline to update DRIS contacts to be used for event/test notifications for Fe	eb		
05:00 PM		SPOT MARKET AUCTION - ISO posts results of Feb Spot Market Auction			
Thursday Jan 31, 2019		CCD Defension Enter well-ble in DDC for Common 2010			
08:00 AM 08:00 AM	SCR - Performance Factors available in DRIS for Summer 2019 SCR - RIPs may begin to report resources with partial PTID Sales for Feb in DRIS				
05:00 AM	SUX - Kurs may begin to report resources with partial P III Sales for Field in DKLS IMPORT RIGHTS - Deadline for ISO to receive Supporting Documents for Import Rights Requests				
U5:00 PM		אטאטא אואטא אויז א זאטא איז א דענא איז א דענא איז א דענא איז א דענא גענא גענא גענא גענא גענע גענע גענע ג	lests		

Additional Resources



- Tariffs MST and OATT
- ICAP Manual
- ICAP Automated Market System (AMS) User's Guide
- Outage Scheduler User's Guide