

CRIS Expiration Evaluation

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ICAPWG/MIWG

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Agenda

- **Background**
- **Tariff Revisions**
 - CRIS modeling in deliverability studies
 - CRIS retention
 - Partial CRIS expiration for internal facilities
 - Partial CRIS expiration for UDRs and EDRs
 - Same location CRIS transfers
- **Next Steps**

Background

Background

- **Objective:** develop modifications to further enhance CRIS expiration rules as well as the rules surrounding CRIS transfers
- **Stated Goal:** increase capacity deliverability headroom and potentially lower the cost of market entry to future facilities seeking to participate in the ICAP market.
- **2022 Project Deliverable:** Q3 Market Design Complete
- **Current Status:** NYISO began stakeholder discussions on tariff revisions to capture the market proposals developed as part of the CRIS expiration evaluation project

Previous Discussions

Date	Working Group	Discussion Points and Links to Materials
March 11, 2021	ICAPWG	Current rulesets related to CRIS retention, expiration and transfer: https://www.nyiso.com/documents/20142/19871290/CRIS%20Expiration_ICAPWG_03112021.pdf
April 29, 2021	ICAPWG	Initial thoughts on proposals: https://www.nyiso.com/documents/20142/21044421/CRIS%20Expiration%2004292021_v10.pdf
June 25, 2021	ICAPWG	Proposed rule changes: https://www.nyiso.com/documents/20142/22568342/CRIS%20Expiration%20for%20ICAPWG%2006252021_v5.pdf
July 27, 2021	ICAPWG	Revised proposals for discussion: https://www.nyiso.com/documents/20142/23319404/CRIS%20Expiration%20for%20ICAPWG%2007272021.pdf
March 03, 2022	ICAPWG	Kick-off MDC project, recap 2021 discussions, and introduce open items: https://www.nyiso.com/documents/20142/28897222/CRISExpirationEvaluation_ICAPWG_03032022.pdf

Previous Discussions

Date	Working Group	Discussion Points and Links to Materials
March 31, 2022	ICAPWG	Reorganize market proposals and start discussion on implementation details https://www.nyiso.com/documents/20142/29607069/4%20CRISExpirationEvaluation_ICAPWG_03312022.pdf
April 28, 2022	ICAPWG	Discuss implementation details and remaining open items https://www.nyiso.com/documents/20142/30276257/CRISExpirationEvaluation_ICAPWG_04282022.pdf

Tariff Revisions

CRIS Tariff Revisions

- **As a part of the CRIS Expiration Evaluation project, the NYISO proposes tariff revisions in the OATT Attachment S**
 - Edits to Section 25.7 regarding rules on modeling CRIS in deliverability studies
 - Edits to Section 25.9 regarding rules on CRIS retention, Partial CRIS expiration, and Same Location CRIS transfers

Revisions to the Rules for Modeling CRIS in Deliverability Studies

Market Design Concept Proposal

- **Proposal:** The NYISO proposes modifying the existing rules to require deactivated facilities to inform the NYISO, prior to the start of a Class Year, whether the facility intends to transfer its CRIS rights prior to the scheduled completion of the study
- **Application:** Deactivated facilities
- **The proposal formalizes the existing rule that removes CRIS from the applicable deliverability study base case if such CRIS will expire prior to the scheduled completion of the deliverability study**
 - If the CRIS of the deactivated facility would expire prior to the scheduled completion of the Class Year study (12 months), the deactivated facility, prior to the start of the CY study, must notify the NYISO and submit documentation regarding a proposed or potential CRIS transfer
 - Deactivated facilities must notify the NYISO by submitting the corresponding standardized form
 - The notification for CRIS transfer could be for either full or part of the existing CRIS rights
 - Upon receipt of the notification form and confirmation of information, the NYISO will notify the facility, confirming that it will continue to model the corresponding CRIS rights on the applicable deliverability studies
 - Proposed transfers will be processed in accordance with applicable rules for same location or different location CRIS transfers (e.g., different location transfers must be evaluated in a Class Year Study)
 - Failure to submit documentation regarding a proposed or potential CRIS transfer will result in the CRIS of the deactivated facility ceasing to be modeled in the applicable deliverability studies if its CRIS will expire prior to the scheduled completion of the applicable CY study
- **Note: Current tariff rules for when the CRIS expires, or for when a transfer becomes effective will remain the same**

OATT - Attachment S

- **The NYISO proposes tariff revisions to OATT Attachment S, Sections 25.7.8.2.1.3 and 25.7.8.2.2.3**
 - 25.7.8.2.1.3
 - Revisions regarding removing CRIS from the CY deliverability study base case if such CRIS will expire on or before twelve months after the CY Start Date, except where the facility has provided notice of a CRIS transfer anticipated to be finalized by the date that is twelve months after the CY Start Date
 - 25.7.8.2.2.3
 - Revisions regarding removing CRIS from the EDS study base case if such CRIS will expire on or before four months after the EDS Start Date, except where the facility has provided notice of a CRIS transfer anticipated to be finalized by the date that is four months after the CY Start Date

Notification Form

- **For the purpose of notifying prior to the Start Date of the applicable deliverability study, the NYISO will develop a standardized notification form known as the “CRIS Transfer Notice”**
 - Proposed content of the notification form (Appendix)
- **Any deactivated facility, including the ones for which their CRIS will not expire within the window, would be able to use this form to request either a same location or a different location CRIS transfer**
- **The standardized form would be included as an attachment to the Transmission Expansion and Interconnection Manual**

Revisions to the Rules for CRIS Retention

Market Design Concept Proposal

- **Proposal:** The NYISO proposes modifying the existing rules to include an option and process for deactivated facilities with unexpired CRIS to voluntarily relinquish their CRIS
- **Application:** Deactivated facilities
- **Under the proposal, if a deactivated facility wishes to relinquish its CRIS, it can do so by notifying the NYISO at any point during the calendar year**
 - Deactivated facilities electing to relinquish their CRIS must notify the NYISO by submitting the corresponding standardized form
 - CRIS could only be relinquished in full (*i.e.*, the facility may not elect to relinquish a portion of its CRIS)
 - NYISO will notify the deactivated facility its CRIS has expired upon receipt of the notification form and confirmation of the CRIS level and deactivation status of the facility
 - The effective date of the CRIS expiration would be the date the NYISO notifies the facility that its request has been confirmed and processed, unless a later date was requested
 - After a confirmation notification has been sent to the facility, the NYISO will cease to model the corresponding CRIS in the applicable deliverability studies that commence after the effective date of the expiration of the CRIS
 - The NYISO will make the information about CRIS expiration publicly available on the Generator Status Update Report
- **Unless a deactivated facility relinquishes its CRIS under this new rule, the NYISO would continue to model the CRIS in the applicable deliverability studies unless the CRIS is scheduled to expire during the applicable deliverability study**
- **The information about deactivated facilities with unexpired CRIS will continue to be available in the Gold Book**

OATT - Attachment S

- **The NYISO proposes tariff revisions to OATT Attachment S, Section 25.9.3.1 and the addition of a new Section 25.9.3.2**
 - 25.9.3.1
 - Revisions to summarize the CRIS retention rules in the following subsections regarding voluntary termination and full CRIS termination
 - Revisions to relocate language referring to expiration of CRIS after three years of being CRIS inactive to the new section “Full CRIS Termination”
 - Clarification that a facility awarded CRIS under OATT Attachment S that is later withdrawn from the interconnection queue does not receive such CRIS
 - Renumbering and other ministerial revisions as well as revisions for consistency
 - 25.9.3.2
 - New section describing CRIS termination upon request by the facility owner
 - Included language previously in Section 25.9.3.1 regarding expiration of CRIS due to CRIS-inactivity

Notification Form

- **For the purpose of notifying about the voluntary relinquishment of CRIS, the NYISO will develop a standardized notification form known as the “CRIS Voluntary Termination Request”**
 - Proposed content of the notification form (Appendix)
- **The standardized form would be included as an attachment to the Transmission Expansion and Interconnection Manual**

Rules for Partial CRIS Expiration for Internal Facilities

Market Design Concept Proposal

- **Proposal:** The NYISO proposes modifying the existing rules to include a condition to expire partial CRIS rights based upon utilization criteria
- **Application:** all internal generators
- **Proposal would expire a portion of a facility's CRIS if its CRIS utilization ratio (i.e., ratio of the monthly CRIS utilization to its total applicable seasonal CRIS value) falls at or below 0.9 for every month for three consecutive years, measured on a forward rolling basis**
 - If a unit falls at or below the threshold, the unit's CRIS will be reduced to the MW level of its existing CRIS values multiplied by the maximum utilization ratio plus 0.05 for any month within the prior three-year period
 - The 0.9 threshold is established in an effort to remain consistent with trends of historic degradation levels
 - A 0.05 value gives units flexibility for recoverable losses and maintenance repairs
 - Note: CRIS utilization is the MW sum for a given month of the Installed Capacity Equivalent of UCAP: (1) offered into ISO capacity auctions; (2) certified through a Bilateral Transaction(s); and (3) exported to an External Control Area
- **The NYISO will make the information about partial CRIS expirations publicly available on the Generator Status Update Report**
 - After notification of partial CRIS expiration, the expired CRIS will cease to be modeled in deliverability studies
- **For purposes of calculating CRIS utilization, any months during which a facility is in a Mothball Outage or ICAP Ineligible Forced Outage are excluded and not considered as part of the three-year period for determining CRIS utilization.**

OATT - Attachment S

- **The NYISO proposes to add a new Section 25.9.3.3 and corresponding subsections describing the rules regarding Partial CRIS Termination**

Rules for Partial CRIS Expiration for UDRs and EDRs

Market Design Concept Proposal

- **Proposal:** The NYISO proposes to expire partial CRIS rights for facilities physically limited from utilizing their full CRIS due to physical limitations in neighboring control area systems
- **Application:** UDRs and EDRs
- **If a UDR or EDR does not solve the physical limitations that prevent them from being fully deliverable at their existing CRIS (*e.g.*, because it does not proceed with system upgrades required to physically do so), the NYISO will expire their unutilized CRIS rights after 3 years of such underutilization**
 - Three years after the UDR or EDR first starts in service, the NYISO will evaluate whether the unit has been able to solve the physical limitations to be fully deliverable at its existing CRIS level
 - If the unit failed to solve the physical limitations before the three-year expiration clock, the unit's CRIS level would be reset to the withdraw capacity ability level in the neighboring control area system
 - If the unit demonstrates to have solved the physical limitations before the three-year expiration clock, the NYISO will confirm that the facility is fully deliverable at its existing CRIS level, and no partial expiration rule will be applied
- **Once the NYISO confirms a facility is subject to the application of the partial CRIS expiration rule, it will notify the facility about the partial expiration of its CRIS and confirm the facility's new MW level of CRIS**
 - The NYISO will make the information about partial CRIS expirations publicly available on the Generator Status Update Report

OATT - Attachment S

- **The NYISO will present, at a future ICAPWG meeting, proposed language for a new Section 25.9.3.3.2 regarding application of the Partial CRIS termination rules to UDRs/EDRs**

Revisions to the Rules for Same Location CRIS Transfers

Market Design Concept Proposal

- **Proposal**: The NYISO proposes modifying the existing rules to allow for same location CRIS transfers to have the same flexibility as different location CRIS transfers regarding deactivation requirements
- **Application**: Standalone facilities, multi-unit single technology resources, and CSRs
- Under the proposed change, facilities could transfer part or all of their CRIS to a facility located at the same electrical location while still in the process of shutting down (deactivate) or electing to remain active (ERIS-only or partial CRIS status)

Market Design Concept Proposal (Cont.)

- **Requirements for the facility/resource transferring CRIS at the same location:**
 - A facility/resource requesting a same location CRIS transfer, that elects to remain active after the transfer, would be required to follow the process described below:
 - 1) Request a same location CRIS transfer using the “CRIS transfer notification” form
 - Facility would be able to request a same location CRIS transfer at any point during the calendar year
 - 2) If located in a MCZ, request and obtain a physical withholding determination for the level of CRIS transfer requested
 - 3) Once (1), (2) and (a) are finalized, confirm the same location CRIS transfer using the “CRIS transfer confirmation notification” form prior to August 1st of the year preceding the next capability year
 - The CRIS transfer confirmation notification is binding
 - Transfer will become effective no earlier than the start of the next Capability Year
 - Until the transfer is effective, the transferor maintains its CRIS and its ability to participate in capacity sales up to that level if meeting all applicable requirements to do so

- **Requirements for the facility/resource receiving CRIS:**
 - If it is located in a MCZ and is not an “Excluded Facility” as defined by Section 23.2 of the Services Tariff, the Resource will be subject to a Buyer Side Mitigation Examination pursuant to Section 23.4.5.7:
 - a) If a BSM Examination is required, the facility must accept its BSM determination prior to August 1st of the year preceding the next capability year for the level of incremental CRIS requested
 - Facility would be required to participate in any of the EDS that follows the confirmation date of the initial CRIS transfer notification form (Step 1).

Market Design Concept Proposal (Cont.)

■ Requirements for the facility/resource transferring CRIS at the same location:

- A deactivated facility/resource requesting a same location CRIS transfer would be required to follow the process described below:
 - 1) Request a same location CRIS transfer using the “CRIS transfer notification” form
 - Facility would be able to request a same location CRIS transfer at any point during the calendar year
 - 2) Once (1), and (a) are finalized, confirm the same location CRIS transfer using the “CRIS transfer confirmation notification” form
 - The CRIS transfer confirmation notification is binding
 - The transfer could be effective as soon as the start of the next capability month, subject to the receiving facility meeting all the applicable requirements
 - Until the transfer is effective, the transferor maintains its CRIS
 - If (a) is not required, facility is only required to complete (2) and not (1)

■ Requirements for the facility/resource receiving CRIS:

- Is located in a MCZ and is not an “Excluded Facility” as defined by Section 23.2 of the Services Tariff, the Resource will be subject to a Buyer Side Mitigation Examination pursuant to Section 23.4.5.7
 - a) If a BSM Examination is required, the facility must accept its BSM determination for the level of incremental CRIS requested
 - Facility would be required to participate in any of the EDS that follows the confirmation date of the initial CRIS transfer notification form (Step 1).

OATT - Attachment S

- **The NYISO proposes tariff revisions to OATT Attachment S Section 25.9.4 regarding same location CRIS transfers**
 - 25.9.4
 - Revisions to incorporate the terms “transferor facility” and “transferee facility” in replacement to “original facility”, “existing facility” and “new facility ”
 - Proposed revisions include:
 - Definition of “same electrical location”
 - Effect of a transfer on prior CRIS-inactive periods
 - Application of rules to a Distributed Energy Resource (DER)
 - Buyer-side mitigation examination requirement and timeline

Open items

- **The NYISO will return to a future ICAPWG to discuss the following:**
 - If any additional evaluations are necessary as part of the same location CRIS transfer process for an active facility/resource
 - Content of the proposed notification form required for an active facility/resource transferring CRIS at the same location
 - Tariff provisions regarding application of Partial CRIS Expiration rules to UDRs and EDRs

Next Steps

Next Steps

- **The NYISO is looking to obtain feedback on the attached language (OATT Attachment S, Section 25.7 and Section 25.9) from stakeholders and will return to a working group meeting in July 2022 to continue the discussions**
 - Please send feedback to: skeegan@nyiso.com; jsanchez@nyiso.com

Questions?

Appendix

CRIS Transfer Notice

- **The form would require, for example:**

1. Submitting Entity's Information
2. Receiving Entity's Information
3. Type of transfer
 - Partial transfer of deliverability rights/Full transfer of deliverability rights
 - Proposed Same Location CRIS transfer/Potential Same Location CRIS transfer/Proposed Different Location CRIS transfer
4. Identity of Generator(s)
5. Acknowledgments
6. Signed Certification

CRIS Voluntary Termination Request

■ The form would require, for example:

1. Submitting Entity's Information

- Submitting entity's interest in and relationship with Generator(s)
- Contact information

2. Identity of Generator(s)

3. Acknowledgments

- The submitting entity will be required to acknowledge:
 - The request is binding, meaning the submitting entity cannot rescind this notice once submitted.
 - The request, if granted, will result in the full expiration of the facility's CRIS.
 - Upon acceptance of the relinquishment request, the CRIS expiration and its effective date will be made public

4. Signed Certification

- The requestor will be required to attest to the accuracy of the information and to certify that the signatory is authorized to bind the submitting entity

Example of Partial CRIS Expiration – Internal generators

■ For Example:

- A 200 CRIS MW unit with a max CRIS utilization of 180 MW for every month for three consecutive years
- Using 0.9 as the specified threshold:
 - CRIS Utilization Ratio: $\frac{180}{200} \leq 0.9$ (for every month)
- Because the unit falls at or below the threshold level (every month) a portion of it's CRIS would be expired
 - New CRIS value: $(0.9 \times 200 \text{ MW}) + (0.05 \times 200 \text{ MW}) = 190 \text{ MW}$
 - In this example, 10 MW would be expired

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Mission

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Vision

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