

# CRIS Expiration Evaluation

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Management Committee  
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# Agenda

- **Project Background**
- **CRIS Expiration Evaluation Market Design Proposal Summaries**
- **Proposed Tariff Revisions**
- **Next Steps**
- **Appendix**

# Previous Discussions

Date	Working Group	Discussion Points and Links to Materials
March 11, 2021	ICAPWG	Current rulesets related to CRIS retention, expiration and transfer: <a href="https://www.nyiso.com/documents/20142/19871290/CRIS%20Expiration_ICAPWG_03112021.pdf">https://www.nyiso.com/documents/20142/19871290/CRIS%20Expiration_ICAPWG_03112021.pdf</a>
April 29, 2021	ICAPWG	Initial thoughts on proposals: <a href="https://www.nyiso.com/documents/20142/21044421/CRIS%20Expiration%2004292021_v10.pdf">https://www.nyiso.com/documents/20142/21044421/CRIS%20Expiration%2004292021_v10.pdf</a>
June 25, 2021	ICAPWG	Proposed rule changes: <a href="https://www.nyiso.com/documents/20142/22568342/CRIS%20Expiration%20for%20ICAPWG%2006252021_v5.pdf">https://www.nyiso.com/documents/20142/22568342/CRIS%20Expiration%20for%20ICAPWG%2006252021_v5.pdf</a>
July 27, 2021	ICAPWG	Revised proposals for discussion: <a href="https://www.nyiso.com/documents/20142/23319404/CRIS%20Expiration%20for%20ICAPWG%2007272021.pdf">https://www.nyiso.com/documents/20142/23319404/CRIS%20Expiration%20for%20ICAPWG%2007272021.pdf</a>
March 03, 2022	ICAPWG	Kick-off MDC project, recap 2021 discussions, and introduce open items: <a href="https://www.nyiso.com/documents/20142/28897222/CRISExpirationEvaluation_ICAPWG_03032022.pdf">https://www.nyiso.com/documents/20142/28897222/CRISExpirationEvaluation_ICAPWG_03032022.pdf</a>
March 31, 2022	ICAPWG	Reorganize market proposals and start discussion on implementation details: <a href="https://www.nyiso.com/documents/20142/29607069/4%20CRISExpirationEvaluation_ICAPWG_03312022.pdf">https://www.nyiso.com/documents/20142/29607069/4%20CRISExpirationEvaluation_ICAPWG_03312022.pdf</a>

# Previous Discussions

Date	Working Group	Discussion Points and Links to Materials
April 28, 2022	ICAPWG	Discuss implementation details and remaining open items: <a href="https://www.nyiso.com/documents/20142/30276257/CRISExpirationEvaluation_ICAPWG_04282022.pdf">https://www.nyiso.com/documents/20142/30276257/CRISExpirationEvaluation_ICAPWG_04282022.pdf</a>
June 16, 2022	ICAPWG	Tariff revisions and open items for MDC: <a href="https://www.nyiso.com/documents/20142/31532822/3%20CRISExpirationEvaluation_ICAPWG_06162022.pdf">https://www.nyiso.com/documents/20142/31532822/3%20CRISExpirationEvaluation_ICAPWG_06162022.pdf</a>
October 04, 2022	ICAPWG	Tariff revisions and MDC for CRIS Transfers: <a href="https://www.nyiso.com/documents/20142/33562316/CRISExpirationEvaluation_ICAPWG_10042022.pdf">https://www.nyiso.com/documents/20142/33562316/CRISExpirationEvaluation_ICAPWG_10042022.pdf</a>
December 06, 2022	ICAPWG	Tariff revisions and MDC for CRIS Transfers: <a href="https://www.nyiso.com/documents/20142/34833356/6%20CRISExpirationEvaluation_20221206%20ICAPWG.pdf/c8d50adf-8206-2e30-03af-1cb7dd3e6c71">https://www.nyiso.com/documents/20142/34833356/6%20CRISExpirationEvaluation_20221206%20ICAPWG.pdf/c8d50adf-8206-2e30-03af-1cb7dd3e6c71</a>
January 11, 2023	ICAPWG	Tariff revisions and MDC for CRIS Transfers: <a href="https://www.nyiso.com/documents/20142/35547825/CRISExpirationEvaluation_ICAPWG_01112023.pdf/0d28650f-e1c8-2a0c-d191-0c5fda3781a5">https://www.nyiso.com/documents/20142/35547825/CRISExpirationEvaluation_ICAPWG_01112023.pdf/0d28650f-e1c8-2a0c-d191-0c5fda3781a5</a>
January 18, 2023	BIC	CRIS Expiration Evaluation: <a href="https://www.nyiso.com/documents/20142/35626529/01-18-23%20BIC%20CRIS%20Expiration%20Evaluation.pdf/0dcaf985-529e-deed-85b0-25101a19460a">https://www.nyiso.com/documents/20142/35626529/01-18-23%20BIC%20CRIS%20Expiration%20Evaluation.pdf/0dcaf985-529e-deed-85b0-25101a19460a</a>

# Project 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
- **2023 Project Deliverable:** Q4 Functional Requirements for software to track partial CRIS Expiration (implementation of new rules will be upon effective date in FERC order and not impacted by software deployment)
- **Current Status:** approved by the Business Issues Committee on January 18, 2023 and pending approval by the Management Committee

# CRIS Expiration Evaluation Market Design Summary

# CRIS Expiration Market Design Summary

- **CRIS Expiration Evaluation consists of a variety of market design enhancements including:**
  - CRIS Retention
    - “CRIS Voluntary Termination Request” form to be developed by the NYISO
  - Modeling CRIS in Deliverability Studies
  - Partial CRIS Expiration for Internal Facilities
  - Partial CRIS Expiration for UDRs and EDRs
  - CRIS Transfers
    - For active and deactivated facilities/resources at both same and different locations
    - Same location transfers for active facilities contains additional components on physical withholding audits and reviews



# CRIS Retention

# CRIS Retention 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 Facility/Resource\*
- Under the proposal, if the 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 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
  - 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 the 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

*\*A Facility/Resource that (a) is Retired or in a Mothball Outage or (b) is in an IIFO, and has been assessed in a STAR or a Generator Deactivation Assessment where the ISO, in coordination with the Responsible Transmission Owner(s), determined that a Generator Deactivation Reliability Need will not result from the Facility's deactivation*

# CRIS Voluntary Termination Request Form

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

# Modeling CRIS in Deliverability Studies

# Modeling CRIS in Deliverability Studies Proposal

- **Proposal:** The NYISO proposes modifying the existing rules to require facilities to inform the NYISO, prior to the start of a Class Year or EDS, whether the facility intends to transfer its CRIS rights prior to the scheduled completion of the applicable study
- **Application:** Facilities for which their CRIS will expire prior to the scheduled completion of the applicable deliverability study
- **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 applicable deliverability study**
  - If the CRIS of a facility would expire prior to the scheduled completion of the applicable deliverability study, the facility, prior to the start of the applicable study, must notify the NYISO and submit documentation regarding a potential or proposed CRIS transfer
  - 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 CRIS 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 potential or proposed 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 its scheduled completion
- **Note: Current tariff rules for when the CRIS expires, or for when a transfer becomes effective will remain the same**

# CRIS Transfer Request 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 Request Notification”
  - Proposed content of the notification form in the Appendix
- Any 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

# Partial CRIS Expiration for Internal Facilities

# Partial CRIS Expiration for Internal Facilities 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 sum of (1) the maximum utilization ratio for any month within the prior three-year period and (2) 0.05, rounded to the nearest tenth of a MW
    - 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.**



# 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

# Partial CRIS Expiration for UDRs and EDRs

# Proposal for Partial CRIS Expiration for UDRs and EDRs

- **Proposal**: The NYISO proposes to expire partial CRIS rights for facilities limited from utilizing their full CRIS due to physical limitations in neighboring control area systems
- **Application**: UDRs and EDRs
- **If the UDR or EDR does not demonstrate, consistent with ISO Procedures, that it is capable of delivering the MW of Energy to the NYCA interface equivalent to its MW of CRIS, its CRIS MW will be reduced to the maximum monthly amount of MW of Energy demonstrated during the three-year period starting from the date of its initial synchronization**
  - 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
  - Applicable ISO Procedures are detailed in Section 4.9.3.2 of the ICAP Manual
- **If the UDR or EDR demonstrates, consistent with ISO Procedures, that it is capable of delivering MW of Energy to the NYCA interface equivalent to its MW of CRIS, 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**

# CRIS Transfers

# CRIS Transfers 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)
  - Electrical location: Interconnected to the same transmission bus at the same KV level

# CRIS Transfers Proposal

- **Proposed rules would allow for an additional CRIS transfer option for active facilities/resources:**
  - Deactivated Facility/Resource
    - Different Location CRIS Transfer (“Option 1”)
    - Same Location CRIS Transfer (“Option 2”)
  - Active Facility/Resource
    - Different Location CRIS Transfer (“Option 3”)
    - *\*Same Location CRIS Transfer (“Option 4”)\**

# CRIS Transfer – “Option 4”

- A facility/resource requesting a same location CRIS transfer, that elects to remain active after the transfer, and the facility/resource receiving the transfer would be required to follow the process described below
  - 1) Request a same location CRIS transfer using the “CRIS transfer request notification” form (**Transferor**)
    - The facility transferring the CRIS would be able to request a same location CRIS transfer at any point during the calendar year
    - The NYISO will provide public notice of CRIS transfer requests
  - 2) If applicable, obtain a BSM determination (**Transferee**)
    - If it is located in a MCZ and is not an “Excluded Facility” as defined by Section 23.2 of the Services Tariff, the facility/resource receiving the CRIS will be subject to a Buyer Side Mitigation Examination pursuant to Section 23.4.5.7
      - If a BSM Examination is required, the receiving 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
      - To obtain the BSM determination, the receiving facility would be required to participate in any of the EDS that follows the confirmation date of the initial CRIS transfer request notification, Step (1)
  - 3) Once Steps (1), and (2) are finalized confirm the same location CRIS transfer using the “CRIS transfer confirmation notification” form prior to August 1<sup>st</sup> of the year preceding the next capability year (**Transferor and Transferee**)
    - Transfer will become effective “effective date” at the later of the start of the next Capability Year or the synchronization date of the transferee facility
    - If the transferee facility does not reach Initial Synchronization before the end of the next Capability Year the transfer will not be effective, and the CRIS will remain with the transferor
    - 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

# Physical Withholding Considerations

- If the CRIS transferor is in a Mitigated Capacity Zone, it may be subject to an audit and review for physical withholding and potential penalties pursuant to MST 23.4.5.6.3.
- In a 2018 FERC Order regarding the Generator Deactivation Process, the Commission found that there is a need for clarity and transparency surrounding final market power reviews and, given the lack of a deadline for NYISO to perform final market power reviews of deactivating generators, required NYISO to propose “a timeline for completing final market power reviews of deactivating generators, if needed, as part of its Generator Deactivation Process.”
  - In response to that Order, the NYISO created a process to align Physical Withholding Determinations with the Generator Deactivation Process
- The NYISO proposal intends to provide clarity and flexibility for an MP that is transferring CRIS from a facility/resource that will remain active to receive a physical withholding determination before the CRIS Transfer Confirmation Date.
- If an MP request a physical withholding determination prior to the confirmed CRIS Confirmation Date, they may notify the NYISO, in writing at least 90 days prior to the confirmed CRIS Confirmation date, of a request that the ISO issue a final physical withholding determination to the Market Participant
- Provided that such request is supported by a submission showing the relevant information needed by the ISO to complete its review, the ISO shall issue its final determination, if needed, at least sixty days prior to the confirmed CRIS Confirmation date.



# Proposed Tariff Revisions

# Proposed Tariff Revisions

- **Tariff Modifications** for the CRIS Expiration Evaluation project are proposed in OATT 25.7, OATT 25.9, MST 23.2, and MST 23.4, and are included in today's meeting materials
- **Tariff changes related to CRIS Modeling in Deliverability Studies** have been proposed to the following subsections of OATT 25.7:
  - 25.7.8.2.1.3
  - 25.7.8.2.2.3
- **Tariff changes related to CRIS Retention** have been proposed to the following subsections of OATT 25.9:
  - 25.9.3.2
  - 25.9.3.3.1
- **Tariff changes related to CRIS Transfers** have been proposed to the following sections of OATT 25.9, MST 23.4.5.6, and MST 23.2:
  - OATT 25.9.4
  - OATT 25.9.5
  - MST 23.4.5.6.1
  - MST 23.4.5.6.4.2.1
  - MST 23.4.5.6.5
  - MST 23.2.1
- **Tariff changes related to Partial CRIS Expiration for internal facilities** have been proposed to subsection 25.9.3.3.1 of OATT 25.9
- **Tariff changes related to Partial CRIS Expiration for UDRs/EDRs** have been proposed to subsection 25.9.3.3.2 of OATT 25.9

# Proposed Tariff Revisions – Summary

Document	Proposal	Section	Section Update Summary
OATT 25.7	CRIS Modeling in Deliverability Studies	25.7.8.2.1.3	Minor Edits (Clarification)
		25.7.8.2.2.3	
OATT 25.9	CRIS Retention	25.9.3.2	Added language regarding the effective date of the voluntary CRIS termination
		25.9.3.2.1	Added language regarding deactivation status for the application of the voluntary CRIS termination option
	Partial CRIS Expiration for internal facilities	25.9.3.3.1	Minor edits (Clarification)
	Partial CRIS Expiration for UDRs/EDRs	New Section 25.9.3.3.2	Added language regarding application of the rule
	CRIS Transfers	25.9.4	Added language regarding the process for the new Same Location CRIS transfer option for active facilities
25.9.5		Added language clarifying existing requirements and “CRIS inactive” interpretation	

# Proposed Tariff Revisions – Summary

Document	Proposal	Section	Section Update Summary
MST 23.2	CRIS Transfers	23.2.1	Added the definition for “CRIS Transfer Confirmation Date”
MST 23.4.5.6		23.4.5.6.1	Minor edits (Referencing the new process)
		23.4.5.6.4.2.1	Minor edits (Referencing the new process)
		23.4.5.6.5	Added language aligning physical withholding audits and reviews with the transfer of deliverability rights process, and subsequent sections referring to 1) ISO notification, 2) Information requirements, 3) Further information requirements, and 4) Issuance of the physical withholding determination

# Next Steps

# Next Steps

- **Q1 2023 Board approval and FERC filing**

# Questions?

# Appendix



# CRIS Voluntary Termination Request Form

- **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 voluntary termination 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

# CRIS Transfer Request Notification

- **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 Transfer Confirmation Notification

- **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/Proposed Different Location CRIS transfer
  4. Identity of Generator(s)
  5. Acknowledgments
  6. Signed Certification

# Our Mission & Vision



## Mission

Ensure power system reliability and competitive markets for New York in a clean energy future



## Vision

Working together with stakeholders to build the cleanest, most reliable electric system in the nation