

Project Candidate Template

Instructions: Stakeholders should contact Brian Hurysz at (518) 356-6126 or email bhurysz@nyiso.com (cc Leigh Bullock lbullock@nyiso.com on any email communications) to discuss any suggestions for new projects. A NYISO staff member will be assigned to work with the stakeholder on each new project request, provide assistance with completing this template as needed, and facilitate internal discussions for the NYISO scoring and costing. Please complete this template with as much information as possible to assist the NYISO in developing an accurate a business case.

1 Capacity Zone Elimination,

1.1 Problem / Opportunity

The current capacity market rules establish the methodology for the creation of new capacity zones based on a deliverability test. While these zones can be created, there is no methodology for zones, once created, to be eliminated once the deliverability issues have been addressed. While it is understood that under the current market construct prices may substantially converge with the prices in the Rest of State, if the zone is not eliminated, mitigation rules would continue to apply.

1.2 Project Objective(s) & Anticipated Deliverable(s)

The project should develop a simple and consistent methodology to trigger the elimination of a previously created capacity zone. This project should not be expanded to include a comprehensive review of the current zone creation process and merely address the market imbalance issue.

1.3 Project Justification

This project would address the imbalance in the capacity market rules. In the current process zones can be created but not eliminated. The current LVH or G-J zone was never identified as a zone needed to ensure reliability and was not intended to be a permanent zone. Addressing this market issue with clear concise rules before the potential for market harm and well in advance of any potential zone elimination will provide transparency to the capacity market.