

## **Treatment of Renewable Exemption for Class Year 2019**

TPAS/ICAPWG

July 8, 2019

In October 2015, FERC ruled that it would be unjust and unreasonable for the NYISO to continue to mitigate intermittent renewable resources with low capacity factors that lack the incentive or ability to suppress capacity prices and directed the NYISO to create an exemption from mitigation for such renewable resources. In April 2016, the NYISO submitted a compliance filing, in response to the Commission's 2015 order, revising its buyer-side mitigation capacity market power mitigation measures ("BSM Rules") to exempt certain narrowly defined renewable and self-supply resources from Offer Floor mitigation. The April 2016 Filing is still pending before the Commission.

Given that the NYISO anticipates potential wind and solar entrants in the soon-to-commence Class Year 2019, the NYISO will be filing a request in mid-July that the Commission issue an order accepting the pending compliance Filing as soon as possible. The NYISO will state in its filing that if the Commission does not act prior to the start of Class Year 2019, the NYISO will move forward and administer the exemption as proposed in the April 2016 Filing. The NYISO will also indicate that if FERC acts prior to one month before the completion of Class Year 2019 and modifies elements of the filed exemption, the NYISO anticipates being able to apply these modifications to Class Year 2019. If FERC does not act prior to one month prior to the end of the Class Year, the NYISO will plan to issue determinations based on the exemption proposed in the April 2016 Filing. The NYISO will include in its July filing a request for conditional waiver that will request that these determinations be final, even in the event that the Commission subsequently modifies elements of the filed exemption.

Requests for a Renewable Exemption or Competitive Entry Exemption must be received by the ISO no later than the deadline to notify the ISO of a Projects election to enter the Class Year, as set forth in 25.5.9 of the OATT. If any Examined Facility submits both a request for a Renewable Exemption and a Competitive Entry Exemption (i.e., seeking to be considered for both exemptions at the same time,) the ISO shall not consider the request for a Renewable Exemption.