

4.9. External Resources, Imports, Exports and Wheels Through

External Generators, System Resources, Control Area System Resources, and entities purchasing Installed Capacity from them may participate in the NYCA Installed Capacity market. With the exception of those requirements and procedures regarding Summer Transitional Grandfathered Import Rights, External Installed Capacity Suppliers using UDRs or EDRs must comply with the requirements and procedures identified in this section 4.9. Refer to section [4.14](#) of this *ICAP Manual* for additional Installed Capacity Supplier requirements and procedures associated with the use of UDRs and EDRs.

4.9.1. Requirements to Qualify as an External Installed Capacity Supplier

Prior to supplying Unforced Capacity to the NYCA, External Generators, System Resources, Control Area System Resources and entities purchasing Installed Capacity from them must qualify as External Installed Capacity Suppliers. In addition to satisfying the requirements for External Installed Capacity specified in Section [2.7](#) of this *ICAP Manual*, to qualify as External Installed Capacity Suppliers such entities must provide the following information to the NYISO:

1. Name and location of the Resource (if multiple units are involved, identify each unit);
2. Assurance that the External Control Area in which the Resource is located either:
 - a. Will not recall or curtail, for the purposes of satisfying its own **Control Area Loads Resource Adequacy needs**, exports from that External Control Area to the NYCA of an amount of Energy equal to the Installed Capacity Equivalent of the amount of Unforced Capacity that Resource is supplying to the NYCA; or
 - b. In the case of Control Area System Resources, will afford NYCA Load the same pro-rata curtailment priority that it affords its own Control Area Load;
3. Documentation of a DMNC test, or its equivalent, in accordance with the procedures found in Section [4.2](#) or [4.10.3](#) of this *ICAP Manual*;
4. Submission of Operating Data for the prior 24 months in accordance with Sections [4.4](#) and [4.4.9](#), and [Attachment K](#) of this *ICAP Manual*;
5. Documentation which satisfies the Maintenance Scheduling Requirements in Section [4.3](#) of this *ICAP Manual*; and
6. Expected return dates from full or partial outages.

7. Demonstration of deliverability to the NYCA border, pursuant to Section 4.9.3 of this ICAP Manual.
8. Execution of the Letter Certifying Contractual Control or External Customer Registration Agreement if the External Installed Capacity Supplier does not own the resource being sold.

All of the information required by this Section [4.9.1](#) must be in accordance with the *ICAP Manual* sections referenced in the items above, and received by the NYISO not later than the date and time set forth in those sections and as further specified on the ICAP Event Calendar, and at such additional times as required by the NYISO and this *ICAP Manual*.

The NYISO may verify this data with the appropriate External Control Area.

4.9.2. External Capacity Processes and Information

Section 4.9.2.4 shall be in effect for all Capability Periods. Nothing in this Section [4.9.2](#) shall be construed to prohibit or limit revisions to this *ICAP Manual* or create a precedent for any future changes.

4.9.2.1. [This Section intentionally left blank]

4.9.2.2. [This Section intentionally left blank]

4.9.2.3. [This Section intentionally left blank]

4.9.2.4. Allocation of Import Rights - Winter 2010-2011 through Winter 2018-2019

This Section 4.9.2.4 in its entirety, and the clauses herein jointly or collectively, shall not apply to the Summer 2010 Capability Period.

The NYISO establishes the maximum amount of Unforced Capacity that can be provided to the NYCA by Resources located in each neighboring Control Area according to the procedures contained in Section [2.7](#) of this *ICAP Manual*. Once the NYISO determines this amount for each neighboring Control Area, the allocation among NYISO customers of Import Rights to all External Unforced Capacity supply is determined according to the following procedures consistent with modeling in the Installed Reserve Margin study and the Import Rights limit study as defined in Section 2.7, for the associated Capability Period.

Grandfathered External Installed Capacity Rights

Details concerning Grandfathered External Installed Capacity rights are provided in [Attachment E](#) to this *ICAP Manual*.

Other Allocations

After accounting for Grandfathered External Installed Capacity rights and External CRIS Rights, the NYISO will allocate the rights for External Unforced Capacity supply on a first-come, first-serve basis to the limits established in accordance with this Section [4.9.2.4](#). Import Rights may ultimately only be used by LSEs located within the NYCA, but any NYISO Customer may submit a request, along with all required supporting documents, for External Installed Capacity Import Rights.

On or prior to the fifteenth calendar day prior to the date of submission of requests for Import Rights for the upcoming Capability Period, New York State Electric & Gas Corporation, Inc. ("NYSEG") shall notify the NYISO in writing of its intent to use a specified quantity of its ETCNL rights for each month of the upcoming Capability Period.

Completion of the Import Rights Deliverability Study for the Upcoming Capability Year

Prior to the date of submission of requests for Import Rights for the upcoming Summer Capability Period, the NYISO will perform the Import Rights Deliverability Study to determine the MW amount of imports that are deliverable for the Capability Year. The NYISO will model in the base case both (a) the ETCNL quantities set forth in the NYSEG notice for the Summer Capability Period, and (b) all External CRIS Rights awards. The NYISO will then determine the MW amount of deliverability headroom available and compute shift factors for each external interface on a set of internal constraints that could limit the level of imports that are deliverable. The NYISO will use the shift factors determined in the annual Import Rights Deliverability Study to determine headroom available for the Winter Capability Period based upon the quantity of MW in NYSEG's ETCNL notice submitted prior to the Winter Capability Period.

Request for Import Rights

Requests for Import Rights for one or more months within the upcoming Capability Period will be received by facsimile by the NYISO (at the number listed below) during the time period specified below. A request sheet for Import Rights is available from the ICAP Market page from the NYISO's public website, under ICAP Auctions for the current Capability Period the following location:

<https://www.nyiso.com/installed-capacity-market>.

- Beginning at 8:00 A.M. ET
 - For Summer Capability Period: with at least one business day notice to the NYISO ISO Tie List and posting to the ICAP Event Calendar;
 - For Winter Capability Period: on the first business day not more than thirty (30) days prior to a Capability Period Auction, and
- Ending at 5:00 P.M. ET five (5) business days prior to a Capability Period Auction.

If Import Rights are not fully allocated after the Capability Period Auction has concluded, the NYISO will open another period of first-come, first-serve allocations prior to each Monthly Auction for the month or months in which Import Rights remain available, and the NYISO will post the quantity of remaining available Import Rights after each Monthly Auction.

For each month within a Capability Period, requests for Import Rights will be received by facsimile to the NYISO (at the number listed below) during the times identified in the ICAP Event Calendar at http://icap.nyiso.com/ucap/public/evt_calendar_display.do.

Start Time for Submission of Requests

As described above, receipt by facsimile of requests for Import Rights, whether prior to the start of a Capability Period or prior to the start of a Monthly Auction, may be made only after the occurrence of the start time of 8:00 A.M. ET.

This procedure will be implemented by programming of the NYISO's facsimile machine (the "FAX Machine") to begin receiving faxes only after the occurrence of 8:00 A.M. ET based on the synchronization of the clock in the FAX Machine with a Network Time Protocol (NTP) server that is, in turn, synchronized with the U.S. atomic clock. However, the clock in the FAX Machine will establish, for Import Rights allocation purposes, the occurrence of the start time of 8:00 A.M. ET. The FAX Machine will create a log of received faxes and place a date/time stamp on each request.

A clock displaying Eastern (EST/EDT) time in hours, minutes and seconds (HH:MM:SS) will be visible on the NYISO Web site. This clock will be synchronized with a NTP server that is, in turn, synchronized to the US atomic clock. This NYISO Web site clock display is for the convenience of Customers only and does not govern the start time for the Import Rights allocation process. Instead, as set forth above, the FAX Machine establishes the start time of the Import Rights allocation process.

Contents of Request for Import Rights

Each request must contain the following information:

1. The identity of the NYISO Customer making the request;
2. The identity of the External Installed Capacity Supplier;
3. The name and location of the Resource;
4. The Control Area in which the Resource for which the Installed Capacity Supplier seeks rights is located;
5. The NYCA external interface where the requested Import Rights will be offered in the DAM;
6. The megawatt amount requested at each external interface, equal to the Installed Capacity Equivalent of the Unforced Capacity sale to the NYCA from the Resource designated in (3) above. (For example, a request for 100 MW of Import Rights from a Resource with a 10% EFORD will support a UCAP sale of 90 MW);
7. The time period, in blocks of whole months, for which the rights are requested;
8. E-mail address of the requesting party to which the NYISO can respond.

The information listed above must be received as a “Request for External Installed Capacity Import Rights” by the NYISO’s Manager of ICAP Market Operations via facsimile to the following NYISO Fax Machine number: 518-356-6208.

If the NYISO determines that the information provided in the request is incomplete or inadequate, the NYISO will notify the requesting party. By 5:00 P.M. of the day on which requests are received, the NYISO will notify all requestors from which the NYISO has received a complete and adequate request for Import Rights of their priority.

Priority

Only complete requests received on the date and within the time specified in the ICAP Event Calendar (consistent with the time periods specified above) will be evaluated by the NYISO. A facsimile transmission that is shown on the FAX Machine log as incomplete will result in the treatment as incomplete of any requests included in any portion of the facsimile transmission that is received. The start time for these time periods will be established in the manner described in the “Determination of Start Time for Submission of Requests” section above. The time/date stamp provided by the FAX Machine (as described in that section) will determine the relative priority among the requests received following the start time; however, the maintenance of a Customer’s priority is contingent upon the NYISO’s receipt from the Customer of the supporting documents

within the time period set forth in the “Supporting Documents” section below. If the complete and adequate supporting documents are not received by the NYISO within that time period, the corresponding request will be automatically rejected upon expiration of that time period.

If multiple requests are received by the NYISO from a Customer in multiple separate facsimile transmissions within a single request period with the intent that the ISO evaluate each request individually, the Customer must notify the ISO of that intent separately and in writing (by e-mail to: ICAP_Info@nyiso.com), and such notification must be received by the NYISO at least one hour prior to the start time for the request period. If a Customer’s request (by separate facsimile transmission) changes the content of a prior request by that Customer in an earlier facsimile transmission within the same request period without prior notice of intent to make separate requests for individual evaluation, or if an identical request is received by the NYISO more than once in multiple facsimile transmissions, the latest timestamp will determine its priority relative to other Customers’ requests. If duplicate requests are received by the NYISO in the same facsimile transmission, they must be identified as duplicates or they will be treated by the NYISO as requests for a cumulative megawatt amount.

Following the receipt of requests submitted via FAX for the upcoming Capability Period, the NYISO will perform the following steps:

1. In the order of FAX receipt, the NYISO will process each request and allocate Import Rights up to and including but not exceeding either the deliverability headroom or the applicable interface Import Limit. A request's usage of the deliverability headroom will be calculated. After granting a request, the NYISO will reduce the deliverability headroom taking into account the Import Rights allocated to that point and the shift factors determined in the import rights deliverability study.
2. After the completion of step 1 (immediately preceding this step 2), import limits at each external interface will be calculated for each month of the upcoming Capability Period ("Capability Period Import Limits") based on the remaining deliverability headroom in each month ("Remaining Monthly Headroom").
 - a. For each month, the Remaining Monthly Headroom shall be prorated among all external interfaces in proportion to the column labeled Remaining (MW) in ICAP Manual Section [4.9.6](#) of this *ICAP Manual*. In no event shall the Capability Period Import Limit be greater at an external interface than the megawatt quantity set

forth in Section [4.9.6](#). Accordingly, to the extent the prorated amount at an external interface for a month exceeds the quantity for the external interface set forth in Section [4.9.6](#), the Capability Period Import Limit for the external interface shall be fixed for the month at the limit stated in Section [4.9.6](#) for the interface. In such a case, the excess will be reallocated on a proportional basis to the other external interfaces, provided that the megawatt quantity set forth in Section [4.9.6](#) for each external interface may not be exceeded.

- b. For the Capability Period Auction only, the import limits at all external interfaces for all months of the upcoming Capability Period will be set at the import limits calculated in 2(a), above, for the month in the Capability Period with the lowest Remaining Monthly Headroom.
3. For the Monthly Auctions or ICAP Spot Auctions during the upcoming Capability Period and all related FAX processes in any month within the upcoming Capability Period, requests for remaining Import Rights at an external interface may be requested and will be allocated up to the Capability Period Import Limit established for the external interface in Subsection 2(a), above.

Supporting Documents

The requestor of Import Rights must provide documentation of the bilateral agreements for which External Capacity Import Rights are being requested, with pricing redacted, between a qualified External Installed Capacity Supplier or a marketer with a contract with a qualified External Installed Capacity Supplier and:

- a. a LSE within the NYCA; or,
- b. a marketer that is not an affiliate of the External Installed Capacity Supplier.

The supporting documentation of bilateral agreements must be received by the time specified in the ICAP Event Calendar on the business day following the day in which the requests for Import Rights are received by the NYISO.

If the NYISO determines that the information it received as supporting documentation is incomplete or inadequate, the NYISO will notify the requesting party. The receipt of incomplete or inadequate information does not alter the time frame in which such documents are due. For example, a requestor from which incomplete or inadequate supporting documentation was received has until the time specified in the ICAP Event Calendar on the business day following the

day in which the requests for Import Rights are received by the NYISO to provide adequate and complete supporting documentation.

Response from the NYISO

Upon receipt of supporting documentation of a bilateral transaction, the NYISO will respond by the time specified in the ICAP Event Calendar on the second business day following the day in which the requests for Import Rights are received by the NYISO.

The NYISO will notify the requesting party if its request has been accepted or rejected, with reasons for rejection, if such be the case, within the time period specified above. If accepted, the NYISO will provide a confirmation number. A rejection may be based on any of the following:

- Incomplete or inadequate information;
- Fully subscribed External Installed Capacity Import Rights;
- Late receipt of supporting documentation of bilateral agreements;
- Unqualified External Installed Capacity Resources; or,
- The MW amount provided in the supporting documentation is less than the MW amount included in the Import Rights request.

If a request is rejected, the allocation of ICAP Import Rights proceeds using the assigned priorities as if that request had never been submitted.

Tally of Import Rights

The NYISO will maintain a tally of the available Import Rights for each month within a Capability Year and will post these figures on the NYISO Automated Market System.

If at any time, the NYISO has allocated all of the Import Rights that are available to permit the import of Installed Capacity from one or more control areas for one or more months, the NYISO will promptly issue an announcement to all Market Participants, alerting them to this fact. Recipients of these Import Rights will have until 12:00 P.M. ET two business days following the issuance by the NYISO of this announcement or until 5:00 P.M. ET on the last business day that precedes the beginning of the Capability Period Auction by at least 15 days, if that is later, either to decide to keep these Import Rights, or to return these Import Rights to the NYISO. The NYISO may exhaust its supply of Import Rights for different Control Areas and different months at different times, so this deadline may differ from Control Area to Control Area within a month, and it may vary from month to month for a given Control Area.

Entities that had requested those Import Rights, but which elect to return them to the NYISO prior to this deadline, will be under no further obligation associated with those Import Rights. Likewise, if the NYISO never makes such an announcement pertaining to Import Rights to import Installed Capacity from a given Control Area for a given month (because the NYISO never allocated all of the Import Rights that were available to permit the import of Installed Capacity from those Control Areas in those months), then the recipients of those Import Rights will be under no obligation to use those Import Rights to support the import of Installed Capacity to a New York LSE, nor will they be required to offer Installed Capacity into any NYISO-administered auctions. The NYISO will notify all Market Participants when Import Rights have been made available due to Import Rights that have been returned back to the NYISO from previously awarded Import Rights recipients via the ICAP AMS. Any Import Rights that are returned to the NYISO shall be available for allocation to market participants using the same procedures for other Import Rights that are then remaining in the Capability Period.

Entities that elect not to return those Import Rights by the deadline described above after such an announcement is made, and entities that are allocated Import Rights to import Installed Capacity from a Control Area for a given month after such an announcement has been issued for that Control Area and that month by the NYISO, shall demonstrate to the NYISO no later than the deadline for monthly certification, as provided by the applicable Capability Period on the Installed Capacity (ICAP) Market page of the NYISO Web site (http://icap.nyiso.com/ucap/public/evt_calendar_display.do), that they have used those Import Rights to support the import of Installed Capacity from the relevant Control Area into New York to meet the LSE Unforced Capacity Obligation of an LSE serving load in the NYCA. If, by that time, the NYISO has not received from a holder of such Import Rights documentation of a certified bilateral agreement to supply Installed Capacity to a New York LSE using those Import Rights and an associated MIS transaction number to deliver that capacity in accordance with [Section 4.9.3](#), the associated Installed Capacity will be offered for sale into the ICAP Spot Market Auction as price taker, i.e., at a price of \$0/MW. The Supplier will be paid the market-clearing price for the Unforced Capacity, with such amount determined in accordance with this *ICAP Manual*.

External Installed Capacity Sales in NYISO Administered Auction

All purchasers of Unforced Capacity that is located in an External Control Area in an NYISO-administered auction shall receive the External Installed Capacity Import Rights necessary in order to permit that Unforced Capacity to count towards the LSE Unforced Capacity Obligation;

consequently, in order to ensure that there are sufficient External Installed Capacity Import Rights available, the NYISO shall limit the number of MW of Unforced Capacity that can be purchased in any External Control Area in each auctions. In each Capability Period Auction, the NYISO shall limit the number of MW of Unforced Capacity that can be purchased in any External Control Area to the number of MW of Unforced Capacity that can be provided by Installed Capacity Suppliers located in that Control Area and that satisfies the deliverability requirements in the NYISO's tariffs and this *ICAP Manual*, less all External Installed Capacity Import Rights that have been requested for that External Control Area under the provisions of this section.

In the Monthly Auctions, the NYISO shall limit the number of MW of Unforced Capacity that can be purchased in any External Control Area to the number of MW of Import Rights that the NYISO makes available for the Capability Period from that Control Area and that satisfies the deliverability requirements in the NYISO's tariffs and this *ICAP Manual*, less the number of MW of Unforced Capacity purchased in that External Control Area for that month in preceding Monthly Auctions and the Capability Period Auction, less all External Installed Capacity Import Rights that have been requested to support external Bilateral Transactions for that month.

The NYISO will reduce External Installed Capacity Import Rights eligible to be used in the Capability Period Auction based on the allocations made according to the above procedures.

4.9.2.5. Allocation of Import Rights – Summer 2019 and Beyond

The NYISO establishes the maximum amount of External Installed Capacity that may be imported to the NYCA from each neighboring External Control Area for the upcoming Capability Year according to the procedures in Section 2.7 of this *ICAP Manual* and consistent with the modeling of the Installed Reserve Margin. The NYISO then sets the Import Rights limit at the amount of External Installed Capacity that is deliverable to the NYCA across any individual External Interface and across all of those External Interfaces taken together (collectively, the "NYCA Interface") consistent with the procedures in Section 4.9.2.5.2 of this *ICAP Manual*. The NYISO shall make such Import Rights, up to and including, but not exceeding, the Import Rights limit for the NYCA interface, available for allocation to Market Participants, after identifying the portion of the NYCA interface amount that is available at each individual External Interface. The NYISO will make the Import Rights available to Market Participants through the first-come, first-served (FCFS) Import Right request and allocation process, and if any are remaining thereafter, through the

opportunity to offer Unforced Capacity from an External Control Area across an External Interface into an Installed Capacity auction.

4.9.2.5.1. New York State Electric & Gas Corporation, Inc. ("NYSEG") Existing Transmission Capacity for Native Load ("ETCNL")

New York State Electric & Gas Corporation, Inc. (NYSEG) shall notify the NYISO in writing of its election to use a specified quantity of its Existing Transmission Capacity for Native Load (ETCNL) for each month of the upcoming Capability Period. This notification must be received by the NYISO prior to the fifteenth calendar day before the date on which the NYISO will first receive FCFS Import Right requests for the upcoming Capability Period, as identified by the ICAP Event Calendar.

4.9.2.5.2. Annual External Installed Capacity Deliverability Test for the Upcoming Capability Year

The NYISO will complete the annual External Installed Capacity deliverability test for the upcoming Capability Year prior to the date on which the NYISO will first receive FCFS Import Right requests for the upcoming Summer Capability Period, as identified by the ICAP Event Calendar. The deliverability test will determine the amount of Import Rights that are deliverable across any individual External Interface and for the NYCA Interface for the upcoming Capability Year. In the deliverability test, the NYISO will model the ETCNL quantities set forth in the NYSEG notice, all External CRIS Rights (ECRs), and External-to-ROS Deliverability Rights (EDR) as deliverable. The deliverability test will determine the MW amount of headroom remaining on a set of internal interfaces. If the deliverability test determines that the maximum MW amount of External Installed Capacity determined by the ISO procedures causes the transfer capability across any of a set of internal interfaces to be degraded, then the NYISO will compute shift factors for each External Interface on the internal interface(s) that limit the deliverability of External Installed Capacity.

For each Capability Period, the NYISO will use the maximum allowances for External Installed Capacity to be imported into the NYCA, set forth in Section 4.9.6 of this *ICAP Manual*, and, if necessary, the shift factors computed in the annual deliverability test described in the preceding paragraph to determine the amount of Import Rights that are deliverable at each External Interface individually and simultaneously so that they do not exceed the total for the NYCA Interface.

4.9.2.5.3. FCFS Import Right Request and Allocation Period

FCFS Import Rights may be secured within a FCFS Import Right request and allocation period (“FCFS R&A Period”), on the date identified by the ICAP Event Calendar. The Installed Capacity Supplier that will have the obligation to the NYISO to supply the External Installed Capacity, referred to in this section of the *ICAP Manual* as the “seller”, can request the FCFS Import Right in the ICAP AMS and must name the counterparty that will be the purchaser (*i.e.*, the LSE or the Installed Capacity Marketer that is not an Affiliate of the seller), referred to in this section of the *ICAP Manual* as the “buyer”. A FCFS Import Right request shall only be received by the NYISO in the ICAP AMS and only within the applicable FCFS Request Period. Any request that is sent to or received by the NYISO by any other means or that is received outside of such applicable FCFS Request Period will not be a valid FCFS Import Right request and shall not be considered for allocation of Import Rights. A FCFS Import Right request must be backed by a written and duly authorized bilateral transaction. FCFS Import Rights can only be used to supply External Unforced Capacity to satisfy an LSE’s NYCA Minimum Unforced Capacity Requirement.

Prior to each Capability Period Auction and as identified by the ICAP Event Calendar, the NYISO will open a FCFS Import Right R&A Period for all months within the upcoming Capability Period. The FCFS R&A Period will open not more than thirty (30) days prior to the Capability Period Auction. Prior to each Monthly Auction, the NYISO will open a FCFS R&A Period for any or all months remaining in the Capability Period for which the certification deadline has not passed and Import Rights remain available. After the Monthly Auction results are posted, and prior to the close of the certification period each month, the NYISO will open a FCFS R&A Period for any or all months remaining in the Capability Period for which Import Rights remain available.

If there is a change to the MW amount of remaining available Import Rights following the completion of each FCFS R&A Period, or after the posting of results for each Capability Period and Monthly Auction, the remaining available Import Rights will be posted in the ICAP AMS.

4.9.2.5.3.1. FCFS Import Right Request Period and Confirmation Period

Within each FCFS R&A Period, the NYISO will open a FCFS Import Right Request Period for one business day, as identified in the ICAP Event Calendar. On the following business day, the NYISO will open a FCFS Import Right Confirmation Period for one business day, and within the timeframe shown in the ICAP Event Calendar a buyer must confirm the FCFS Import Right requests to which they are a counterparty. If the buyer does not confirm the Imports Rights request in accordance with this section, the Imports Right request will be invalid and there will be no further opportunity to confirm that FCFS Imports Right request.

4.9.2.5.3.1.1. Seller Requests for FCFS Import Rights

The system clock of the ICAP AMS will govern the begin time and end time of each event within the FCFS R&A Period. For each FCFS R&A Period, the ability of the ICAP AMS to receive requests shall only be enabled at the begin time of 8:00:00 A.M. Eastern time as determined by the system clock of the ICAP AMS. At the end of FCFS Request Period shown in the ICAP Event Calendar, the ability of the ICAP AMS to receive requests shall be disabled.

A clock displaying Eastern time (EST/EDT) in hours, minutes, and seconds (HH:MM:SS) is visible on the NYISO website for convenience only and does not govern the FCFS R&A Period. The ICAP AMS clock governs the beginning and end of the FCFS Request Period.

FCFS Import Right requests in the ICAP AMS may be a single request or may contain multiple requests for FCFS Import Rights. For those requests (a “group”) that contain multiple FCFS Import Right requests, the relative priority of each FCFS Import Right request shall be defined by the descending order of the request records in the ICAP AMS (*i.e.*, the first request record shall have the highest relative priority). The relative priority order of individual FCFS Import Right requests in a group cannot be modified by the seller in the ICAP AMS once the request is received in the ICAP AMS.

FCFS Import Right requests (individual or those within a group) may be deleted by the seller in the ICAP AMS within the FCFS Request Period. If the seller deletes a FCFS Import Right request that was within a group, the relative priority of each remaining request in that group of requests will be maintained. The relative priority of FCFS Import Right requests within a group cannot be modified after the requests have been received in the ICAP AMS except by deleting that group of requests, and then recreating the group of requests in the ICAP AMS with a modified relative priority order and during the FCFS Request Period day, as shown in the ICAP Event Calendar.

Each individual FCFS Import Right request (whether individual or within a group) must contain the information enumerated below. If any of the information provided is incomplete or inaccurate, then the individual request or if a group of multiple requests, then all requests in a group, will not be valid and the ICAP AMS will reject them.

Required Information:

1. The seller organization (*i.e.*, Installed Capacity Supplier) that is the supplying party to the bilateral transaction;
2. The buyer organization (*i.e.*, LSE or Installed Capacity Marketer that is not an Affiliate of the seller) that is the purchasing party to the bilateral transaction;
3. The External Control Area in which the qualified External Resource is located;

4. The PTID and name of the qualified External Resource;
5. The Installed Capacity Equivalent MW of Import Rights requested for and the identified month or all months remaining in the Capability Period. (The Installed Capacity Equivalent of the Unforced Capacity offered for sale into the NYCA from the qualified External Resource designated in (4) above is calculated as set forth in *ICAP Manual Attachment J*);
6. E-mail address of the contact for the seller organization to the bilateral transaction in the ICAP AMS that will be associated with the request (which is the address to which the NYISO will send a notice under Section 4.9.2.5.3 of this *ICAP Manual*); and
7. E-mail address of the contact for the buyer organization to the bilateral transaction in the ICAP AMS that will be associated with the request (which is the address to which the NYISO will send a notice under Section 4.9.2.5.3 of this *ICAP Manual*).

The ICAP AMS will permit sellers to create and to “test” a FCFS Import Right request, or group of multiple requests, prior to the beginning of the FCFS R&A Period, for data validation.

4.9.2.5.3.1.2. Buyer Confirmation of FCFS Import Right Requests

The NYISO will open a confirmation period on the business day immediately following the FCFS Request Period as identified by the ICAP Event Calendar. The ICAP Event Calendar will identify the date and time at which FCFS Import Right requests can be confirmed and the date and time after which FCFS Import Right requests cannot be confirmed. The interim period is the “FCFS Confirmation Period”. Within a FCFS Confirmation Period, a buyer that is counterparty to a valid FCFS Import Right request may view and shall have the ability to confirm such a request, and in so doing is affirming that the request is supported by the terms of a bilateral contract to which both the seller and buyer are a party. The system clock of the ICAP AMS will govern the begin time and end time of the FCFS Confirmation Period. For each FCFS Confirmation Period, the ability of a buyer to confirm a request shall only be enabled at the begin time of 8:00:00 A.M. Eastern time as determined by the system clock of the ICAP AMS. At the end of time of the FCFS Confirmation Period shown in the ICAP Event Calendar, the ability of the ICAP AMS to confirm a valid FCFS Import Right request shall be disabled.

A clock displaying Eastern time (EST/EDT) in hours, minutes, and seconds (HH:MM:SS) is visible on the NYISO website for convenience only and does not govern the start time for the FCFS Confirmation Period. The ICAP AMS clock governs the FCFS Confirmation Period.

A FCFS Import Right request must be in a buyer-confirmed state in the ICAP AMS at the occurrence of the end time of the FCFS Confirmation Period in order to be prioritized by the NYISO for possible allocation of Import Rights. A FCFS Import Right request that is in an unconfirmed state (*i.e.*, not confirmed by the buyer) in the ICAP AMS at the occurrence of the end time of the confirmation period will be automatically rejected.

4.9.2.5.3.2. Prioritization and Allocation of FCFS Import Right Requests

The NYISO will notify requestor(s) of the priority of their FCFS Import Right request(s) on the business day immediately following the FCFS Confirmation Period, as identified by the ICAP Event Calendar. All FCFS Import Right requests that were valid and that remained in a confirmed state in the ICAP AMS at the occurrence of the end time of the FCFS Confirmation Period shall be assigned a priority, used to allocate FCFS Import Right awards among requesting parties. The priority order shall be the order in which the FCFS Import Right request record was written to the database when it was received in the ICAP AMS (*i.e.*, a request record with an earlier timestamp will be prioritized before a request record with a later timestamp, and likewise with requests that contain a group of requests).

The recorded timestamp of the FCFS Import Right request record and, if the request record was for a group of multiple requests, the relative priority assigned to each request, will be viewable in the ICAP AMS by the seller and buyer organizations that are party to the requests at the deadline shown in the ICAP Event Calendar for the NYISO to notify sellers and buyers of the priority for their FCFS Import Right request.

4.9.2.5.3.2.1. Methodology for Allocation of a FCFS Import Right Request

Prior to a Capability Period Auction, the NYISO will perform the following steps to allocate Import Right awards among valid FCFS Import Right requests that remain in a confirmed state in the ICAP AMS at the end of the FCFS Confirmation Period.

1. The NYISO will prioritize valid and confirmed FCFS Import Right requests and will allocate Import Rights up to and including, but not exceeding, the total amount of External Installed Capacity that has been determined to be deliverable to the NYCA at any individual External Interface or at the NYCA Interface, whichever is more limiting, taking into account the Import Rights awarded to that point and, if necessary, the shift factors computed in the annual External Installed Capacity deliverability test (*i.e.*, such test per Section 4.9.2.5.2 of this *ICAP Manual*). Shift

- factors will only be taken into account if there is a deliverability constraint found on any of the internal interfaces considered in the annual deliverability test.
2. The NYISO will then recalculate the Capability Period import limit for each External Interface and the NYCA Interface for each month of that upcoming Capability Period which shall be based on the results of the associated FCFS R&A Period that occurred prior to the Capability Period Auction.
 - a. For each month remaining in the Capability Period, the available Import Rights remaining after the Capability Period Auction shall be prorated among all External Interfaces in proportion to the column labeled Remaining (MW) in Section 4.9.6 of this ICAP Manual. In no event shall the Capability Period import limit be greater at an External Interface than the MW quantity set forth in Section 4.9.6. Accordingly, to the extent the prorated amount at an External Interface for a month exceeds the quantity for the External Interface set forth in Section 4.9.6, the Capability Period Import Limit for the External Interface shall be fixed for the month at the limit stated in Section 4.9.6. In such a case, the excess will be reallocated proportionally to the other External Interfaces, provided that the MW amount set forth in Section 4.9.6 for each External Interface may not be exceeded.
 - b. For the Capability Period Auction, the Import Right limits at all External Interfaces and the NYCA Interface, for all months of the upcoming Capability Period, will be set at the Import Right limits calculated in Subsection 2(a) above, using the month in the Capability Period with the lowest remaining available Import Right limit.
 3. For any of the Monthly Auctions or ICAP Spot Market Auctions, and all FCFS Import Rights R&A Periods within a Capability Period, the remaining available Import Right limits at all External Interfaces for any or all months for which the certification deadline has not passed, Import Rights may be allocated up to and including, but not exceeding the amount of the remaining available Import Rights established in Subsection 2(a) above, for the External Interface or for the NYCA Interface.

The NYCA Interface, or an individual External Interface, shall be fully allocated when Import Rights have been allocated up to but not exceeding the amount of the available Import Rights as the

result of a FCFS Import Right award or as the result of an Unforced Capacity award in an Installed Capacity Auction.

4.9.2.5.3.3. FCFS Import Right Award

A FCFS Import Right request that has been determined to be valid and that was confirmed may be allocated an Import Right award provided that the remaining available Import Rights established in Section 4.9.2.5.3.2.1(2)(a), for the External Interface or for the NYCA Interface are not to be exceeded. A FCFS Import Right award may be allocated a zero, partial, or full FCFS Import Right award MW amount and, if awarded a MW amount greater than zero, that FCFS Import Right award shall be assigned a FCFS Import Right award bilateral transaction in the ICAP AMS. The seller and buyer that are party to the award will be able to view the resulting FCFS Import Right award bilateral transaction in the ICAP AMS.

4.9.2.5.3.3.1. Limited Opportunity for Award Return if an External Interface or the NYCA Interface is Fully Allocated

The NYCA Interface or an individual External Interface may become fully allocated for any or all months remaining within a Capability Period as the result of a FCFS Import Right award or by an Installed Capacity Auction Import Right award. If that happens prior to the close of certification in a month (*i.e.*, other than if the full allocation occurs as a result of an ICAP Spot Market Auction award(s)), the NYISO will send a notice via email to the email address for each of the buyer and seller organization that were provided with the request in the ICAP AMS (as required under Section 4.9.2.5.3.1.1(6) and (7) of this *ICAP Manual*). The NYISO also will send an email to the NYISO TIE list stating that there is a fully allocated condition. The buyer and seller to the affected FCFS Import Right awards shall have until 5:00:00 P.M. Eastern time, on the later of the business day following the NYISO's issuance of the notice of the fully allocated condition or until the beginning of the certification period for the obligation month of the award (the "Return Deadline"), to return, through utilizing the functionality in the AMS, the full amount of a FCFS Import Right award for the fully allocated Interface for the affected month(s). If there is a fully allocated condition returns of less than the fully amount a FCFS Import Right Award are not permitted. To return an award, first the buyer must un-confirm the awarded request, and then the seller must delete the unconfirmed request. After those steps are both completed, the NYISO will send an email to the NYISO TIE list stating that there has been a return that has resolved the fully allocated condition. If both the buyer and seller do not so act, the obligation remains.

If the NYCA Interface or an individual External Interface remains fully allocated for any or all months remaining within the Capability Period following the Return Deadline, then any FCFS Import Right award bilateral transaction for any fully allocated External Interface, and if the NYCA Interface is fully allocated, all FCFS Import Right awards bilateral transactions, and all Installed Capacity Auction awards for the affected month or months, shall have an obligation to provide the MIS transaction ID number for the FCFS Import Right awards bilateral transactions to the NYISO in the ICAP AMS on or before the deadline identified by the ICAP Event Calendar for providing such MIS transaction ID numbers. If those affected FCFS Import Right award bilateral transactions do not have the MIS transaction ID number entered in the ICAP AMS for the obligation month(s) of the full allocation, then the buyer will not be credited with the Unforced Capacity for such month(s) and Unforced Capacity shall automatically be purchased on its behalf in that month's ICAP Spot Market Auction. Additionally, the Unforced Capacity MW amount of that obligation will be automatically offered into that month's ICAP Spot Market Auction from the External Resource PTID designated in the request, at an offer price of \$0.00/kW-mo.

If the fully allocated condition occurs for a month as the result of an Import Right award in the Capability Period Auction or a Monthly Auction, then the notification and Return Period described above, which is available only to FCFS Import Right awards and not Installed Capacity Auction awards, will be the schedule established by the ICAP Event Calendar for the next following FCFS Import Right R&A Period for that month in which the fully allocated condition exists.

If the fully allocated condition occurs for a month as the result of an Import Right award in the ICAP Spot Market Auction, there will not be a notification and Return Period. The outcome of the ICAP Spot Market Auction is posted in the AMS and the monthly ICAP Market Report is posted on the NYISO website. All ICAP Spot Market Auction awards of imports rights shall have an obligation to provide the MIS transaction ID number to the NYISO in the ICAP AMS on or before the deadline identified by the ICAP Event Calendar for providing such MIS transaction ID numbers. If an MIS transaction ID number is not entered in the ICAP AMS for the obligation month(s) the Installed Capacity Supplier shall be subject to sanctions and penalties provided under the Services Tariff.

4.9.2.5.3.3.2. Returns if an External Interface or the NYCA Interface is Not Fully Allocated

If the NYCA Interface or an individual External Interface(s) is not fully allocated for the month, either as a result of a FCFS Import Right award bilateral transactions or an Import Right award in the Capability Period Auction or Monthly Auction, then FCFS Import Right award bilateral transactions shall have no obligation to support the import of Unforced Capacity. If

both the seller and buyer take the actions described in Section 4.9.2.5.3.3.3 of this *ICAP Manual* in the prescribed period, they can return in the ICAP AMS either a partial or full FCFS Import Right award bilateral transaction.

4.9.2.5.3.3.3. Certification of a FCFS Import Right Award Bilateral Transaction

A seller that has been awarded a FCFS Import Right and has been assigned a bilateral transaction in the ICAP AMS must certify its Unforced Capacity to the NYISO in the ICAP AMS no later than the deadline for providing MIS transaction ID numbers (as set forth in Section 4.9.3 of this *ICAP Manual*) and monthly certification as detailed below and as identified by the ICAP Event Calendar.

Certification of FCFS Import Right award bilateral transactions is completed in the AMS by the seller re-confirming the transaction during the obligation month's open certification period (*i.e.*, in the calendar month prior to the obligation month). The buyer that is the counterparty to the transaction does not have an affirmative obligation but must not un-confirm the transaction for that same obligation month and during the same open certification period.

If the seller does not certify Unforced Capacity, including providing an MIS transaction number, associated with the FCFS Import Right award bilateral transaction to the NYISO in the ICAP AMS prior to the deadline for monthly certification, then the buyer will not be credited with the Unforced Capacity and Unforced Capacity shall automatically be purchased on its behalf in the Spot Market Auction for the affected month(s), and the External Resource PTID for such a bilateral transaction will not be allocated that amount of Unforced Capacity that is associated with the uncertified FCFS Import Right award bilateral transaction.

In the case where the FCFS Import Right award bilateral transaction occurred that fully allocated either an External Interface or the NYCA Interface, as shown in the ICAP AMS at the deadline for returns of awards, and remains uncertified at the close of the certification period, any uncertified FCFS Import Right award bilateral transactions at that External Interface or at the NYCA Interface are voided, and the buyer(s) will have the equivalent UCAP purchased on their behalf in the ICAP Spot Market Auction and the seller's Resource PTID(s) equivalent UCAP MW amount shall be offered into the Spot auction at \$0.00/kW-mo.

4.9.2.5.4. External Installed Capacity Sales With Import Rights in Installed Capacity Auction

All purchasers of Unforced Capacity that is located in an External Control Area in an Installed Capacity Auction shall receive the External Installed Capacity Import Rights necessary for that Unforced Capacity to count towards the LSE Unforced Capacity Obligation; consequently, in order to ensure that there are sufficient External Installed Capacity Import Rights available, the NYISO shall limit the amount of Unforced Capacity from any neighboring External Control Area that can be sold in each auction. The restriction described in this Section 4.9.2.5.4 does not apply to External capacity associated with ETCNL, UDRs, External CRIS rights, or External-to-ROS Deliverability Rights.

In each Capability Period Auction, the NYISO shall limit the amount of Unforced Capacity from any neighboring External Control Area that can be sold to the MW amount of External Unforced Capacity that can be provided that satisfies the deliverability requirements in the NYISO's Tariffs and this *ICAP Manual*, less all External Installed Capacity Import Rights that have been previously allocated for that External Control Area under the provisions of Section 4.9.2 of this *ICAP Manual*.

In the Monthly Auctions, the NYISO shall limit the amount of Unforced Capacity from any neighboring External Control Area that can be sold to the MW amount of Import Rights that the NYISO makes available for the Capability Period from that neighboring Control Area and that satisfies the deliverability requirements in the NYISO's Tariffs and this *ICAP Manual*, less the amount of Unforced Capacity purchased in that External Control Area for that month and any remaining months in the Capability Period in preceding Monthly Auctions and the Capability Period Auction, less all External Installed Capacity FCFS Import Rights awards that have been previously allocated to FCFS Import Right award bilateral transactions for that month and any remaining months in the Capability Period.

In the ICAP Spot Market Auction, the NYISO shall limit the amount of Unforced Capacity from any neighboring External Control Area that can be sold to the amount of Import Rights that the NYISO makes available for the Capability Period from that neighboring Control Area and that satisfies the deliverability test and this *ICAP Manual*, less the amount of Unforced Capacity purchased in that External Control Area for that month in the Capability Period Auction and the preceding Monthly Auctions, less all External Installed Capacity FCFS Import Rights awards that have been previously allocated to support FCFS Import Right award bilateral transactions for that month.

4.9.3. Additional External Installed Capacity Supplier Requirements

4.9.3.1 Certification

Entities that have received External Installed Capacity Import Rights, External CRIS Rights, or that are using UDRs or EDRs to meet NYCA Minimum Unforced Capacity Requirements (and in the case of a UDR, a Locational Minimum Unforced Capacity Requirement) must certify that Unforced Capacity sold to NYCA LSEs has not been sold elsewhere for each month that they intend to supply Unforced Capacity to the NYCA. These External Installed Capacity Suppliers and any Wheels-Through from an External Control Area to another neighboring Control Area must provide the MIS transaction number to the NYISO on or before the date and time specified in the ICAP Event Calendar.

These External Installed Capacity Suppliers and any capacity that is backed by a Wheels-Through from an External Control Area to a neighboring Control Area must provide the MIS transaction numbers for those external transactions to the NYISO on or before the date and time specified in the ICAP Event Calendar.

See also Section [4.7](#) of this *ICAP Manual* for complete information in connection with monthly Installed Capacity Supplier certification requirements. The NYISO will verify this data with the appropriate External Control Area.

4.9.3.2 Deliverability to NYCA Border

Energy must be deliverable to the NYCA border or, when using UDRs, to the NYCA interface with the UDR transmission facility, and when using EDRs, to the NYCA interface over which it creates increased transfer capability; and in all instances using the transmission service rules of the External Control Area. For External Installed Capacity associated with Import Rights, External Installed Capacity Suppliers may secure External Installed Capacity Import Rights during the first-come, first-serve request and allocation process described above with a bilateral agreement or sell External Unforced Capacity in an NYISO-administered Installed Capacity auction pursuant to the procedures identified in this *ICAP Manual*. For External Installed Capacity associated with UDRs and EDRs, the External Installed Capacity must have a sufficient amount of UDRs or EDRs either owned or under contract for the term of the transaction.

External Installed Capacity Suppliers are required to demonstrate that the Energy associated with Unforced Capacity supplied to the NYCA is either deliverable to the NYCA border; in the case of

UDRs, to the NYCA interface with the UDR transmission facility; and in the case of an EDR, to the NYCA interface over which it creates increased transfer capability.

Deliverability of Energy to the NYCA border associated with External Installed Capacity is demonstrated as follows. For External Installed Capacity associated with Import Rights or External CRIS Rights, demonstrate the ability to deliver Energy to the NYCA border, or for External Installed Capacity associated with UDRs, demonstrate delivery of such Energy to the NYCA interface with the UDR transmission facility, and with EDRs, demonstrate delivery of such Energy to the NYCA interface over which it creates increased transfer capability, for the time the Energy may be scheduled in the DAM, included in the Hour Ahead Market (“HAM”), or pursuant to a Supplemental Resource Evaluation (“SRE”), as applicable. ~~If the transmission interface between the NYCA and the adjacent Control Area is full, the External Installed Capacity Supplier is not required to “bump” the entity whose Energy has been committed on the line and the Energy associated with External Unforced Capacity from that External Installed Capacity Supplier is not required to be delivered to the NYCA border. If the transmission tie between the NYCA and the Control Area where the External Installed Capacity Supplier is located was full but the External Control Area curtails an amount that would reduce the Import below the External Installed Capacity commitment level, the External Installed Capacity Supplier will be required to respond to the NYISO request and use the transmission capability to provide Energy to the NYCA.~~ External Installed Capacity Suppliers are required to fulfill the requirements set forth in Section 5.12.1.10 of the NYISO *Services Tariff*, otherwise they may be subject to the penalty in Section 5.12.12.2 of the NYISO *Services Tariff*.

In addition, External Installed Capacity must fulfill the following requirements to demonstrate deliverability, as applicable based on the Control Area where the External Installed Capacity Supplier is electrically located. The External Installed Capacity Supplier must provide documentation of the following requirements dated the day of, and received by the NYISO on the date of and by the deadline shown in the ICAP Event Calendar. Documentation must be sent via email to and received at icap_info@nyiso.com, along with the name(s) of the External generator(s) and MIS transaction number(s) for awarded capacity import obligations by this deadline. If the NYISO does not receive from the Installed Capacity Supplier documentation that conforms to all requirements by the deadline or is unable to verify the documentation, then the Installed Capacity Supplier may incur penalties, including those under MST section 5.14.2.1. In order to be eligible to sell capacity for a particular month, External Installed Capacity Suppliers must provide proof of deliverability, in accordance with the following requirements based on the Control Area in which the External Installed Capacity Supplier is electrically located.

- i) Installed Capacity Suppliers with capacity import obligations into NYCA from PJM for the month of May 2018 and beyond must provide verifiable documentation confirming firm transmission service for each day of the calendar month of the obligation, for the ICAP equivalent of the capacity import obligation, and containing the information specified in this Section. The Installed Capacity Supplier must provide the firm transmission documentation dated the day of, and received by the NYISO on the date of and by the deadline shown in the ICAP Event Calendar (i.e., the date the ICAP Spot Market Auction results are posted on the NYISO's web site.) Documentation must be sent via email to and received at icap_info@nyiso.com, along with the name(s) of the External generator(s) and MIS transaction number(s) for awarded capacity import obligations by this deadline. If the NYISO does not receive from the Installed Capacity Supplier documentation that conforms to all requirements by the deadline or is unable to verify the documentation, then the Installed Capacity Supplier may incur penalties, including those under MST section 5.14.2.1. The firm transmission documentation must contain all of the following information:
- (a) Installed Capacity Supplier Name
 - (b) PJM OASIS Transaction Assignment Reference number
 - (c) Start Date and Time of Firm Transmission Service
 - (d) Stop Date and Time of Firm Transmission Service
 - (e) Firm Transmission Service Source Location
 - (f) Firm Transmission Service Sink Location
 - (g) Firm Transmission Service Path Name
 - (h) MW of Firm Transmission Service Secured
- ii) Installed Capacity Suppliers seeking to obtain a capacity import obligation into the NYCA from IESO must provide written and verifiable documentation of IESO's decision regarding the External Installed Capacity Supplier's Capacity Export Request for each Obligation Procurement Period before such External Installed Capacity Supplier may secure a capacity import obligation in the NYISO Installed Capacity market. The Installed Capacity Equivalent of such a capacity import obligation must be less than or equal to the IESO-approved MW amount of the Capacity Export Request for each Obligation Procurement Period. The External Installed Capacity Supplier must provide documentation sufficiently in advance of the applicable auction in order to afford the NYISO adequate time to review this information before the auction is run.

iii) Installed Capacity Suppliers seeking to obtain capacity import obligations into the NYCA from ISO-NE must provide verifiable documentation confirming either of the following:

(a) That the External Installed Capacity Supplier has obtained an approved Export De-List bid in the ISO-NE Forward Capacity Market for a MW amount greater than or equal to the Installed Capacity Equivalent, and during the Obligation Procurement Period, of the capacity import obligation it may seek to obtain; or

(b) That the External Installed Capacity Supplier's Resource is electrically located in an ISO-NE Capacity Zone, excluding resources that are located in a Capacity Zone modeled in ISO-NE for the specific period as:

(i) an export-constrained Capacity Zone;

(ii) an import-constrained Capacity Zone that is separated from the NYCA capacity zone into which the External Installed Capacity Supplier is seeking to obtain a capacity import obligation by one or more import-constrained or export-constrained Capacity Zones; or

(iii) the Rest-of-Pool Capacity Zone, unless it is adjacent to the NYCA capacity zone into which the External Installed Capacity Supplier is seeking to obtain a capacity import obligation.

Further, the net of the MW amount of the Resource's Capacity Supply Obligation ("CSO") to ISO-NE subtracted from its Capacity Network Resource Capability ("CNRC") must be greater than or equal to the Installed Capacity Equivalent of the capacity import obligation it may seek to obtain in the Obligation Procurement Period.