

Buyer Side Mitigation: Overview

Lou Lombardi

Senior Engineer, ICAP Market Mitigation & Analysis

Buyer Side Mitigation Information Session

July 26, 2019

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED



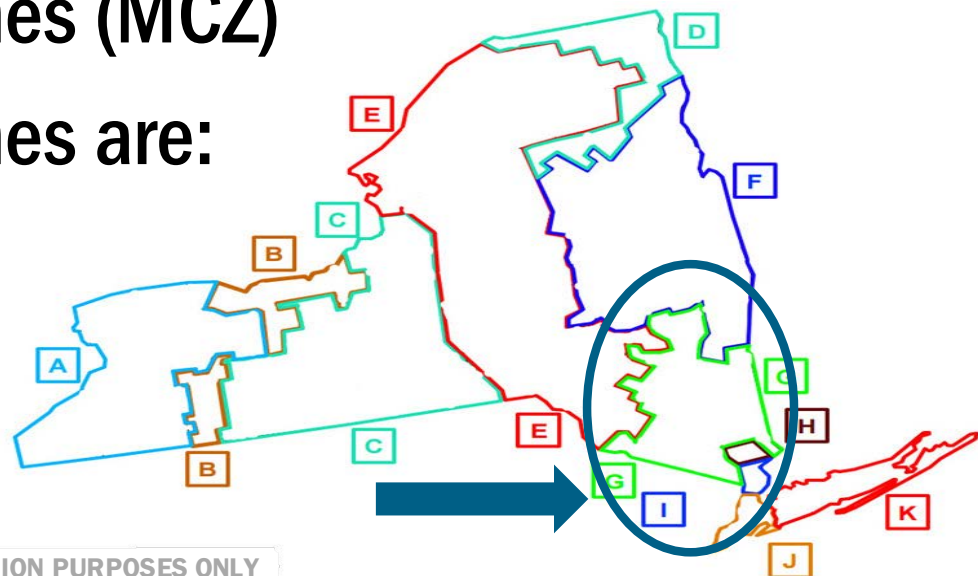
Capacity Mitigation Measures

Mitigation Measures

- **NYISO Market Power Mitigation Measures:**
 - Are intended to provide the means for the ISO to mitigate the market effects of conduct that would substantially distort competitive outcomes in the ISO Administered Markets, while avoiding unnecessary interference with competitive price signals
- **Capacity Market Mitigation Measures include:**
 - Supplier-Side Mitigation
 - Buyer-Side Mitigation
- **Installed Capacity Market Mitigation Measures are further detailed in Services Tariff (MST) Att. H, Section 23.4.5**

Mitigated Measures Applied

- Capacity market mitigation measures are applied in Mitigated Capacity Zones (MCZ)
- Mitigated Capacity Zones are:
 - NYC
 - G-J Locality



DRAFT – FOR DISCUSSION PURPOSES ONLY

Buyer Side Mitigation Measures

The purpose of Buyer Side Mitigation is to prevent uneconomic entry from artificially suppressing capacity prices.

Buyer-Side Mitigation Measures

- **Resources subject to the BSM rule are:**
 - Proposed new MCZ generators in a MCZ, and UDR projects with a terminus in a MCZ, that request CRIS or a transfer of CRIS from a different location, or seek a transfer CRIS from the same location
 - Existing generators or UDR projects that seek to increase CRIS (“Additional CRIS MW”) either through a Class Year or a transfer
- **Proposed new generators, UDR projects, and Additional CRIS MW are referred to as “Examined Facilities”**
 - Examined Facilities are examined in a two-part test to determine whether an Offer Floor is applicable
 - An examined facility may request a Competitive Entry Exemption, Renewable Exemption or Self-Supply Exemption

Buyer-Side Mitigation Measures

■ Additional CRIS projects

- Facilities grandfathered under the BSM rules (i.e., existing by March 2008) and facilities that were determined to be exempt from BSM “on their own economics” (“passing” the Part B test)
 - Offer Floor exemption test based only on the revenues and costs associated with Additional CRIS MW
- Facilities subject to an Offer Floor, or that were determined to be exempt under the Part A test
 - Offer Floor exemption test based on the whole facility, inclusive of the costs associated with increasing to the Additional CRIS
 - Unit Net CONE will be the greater of the Net Cone of the Additional CRIS MW and the Total Evaluated MW (Additional CRIS + other non-exempt MW)

Process Overview

BSM analysis is done concurrent with the Class Year in which the CRIS request is evaluated, or if a transfer of CRIS at the same location, in the specified study period

Interconnection Process Overview

Interconnection Studies

- Feasibility Study
- Deliverability Study



Class Year

- Part 1 Study for ERIS
- Part 2 Study for CRIS
- BSM Process
 - On-going data requests and evaluation



Construction

- Project awarded appropriate ERIS and/or CRIS

DRAFT – FOR DISCUSSION PURPOSES ONLY

Questions?

We are here to help. Let us know if we can add anything.

Buyer Side Mitigation: Rules and Application

Lou Lombardi

Senior Engineer, ICAP Market Mitigation & Analysis

Buyer Side Mitigation Information Session

July 26, 2019

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED



Mitigation Exemption Tests

Each Examined Facility is evaluated under the Part
A test and Part B test

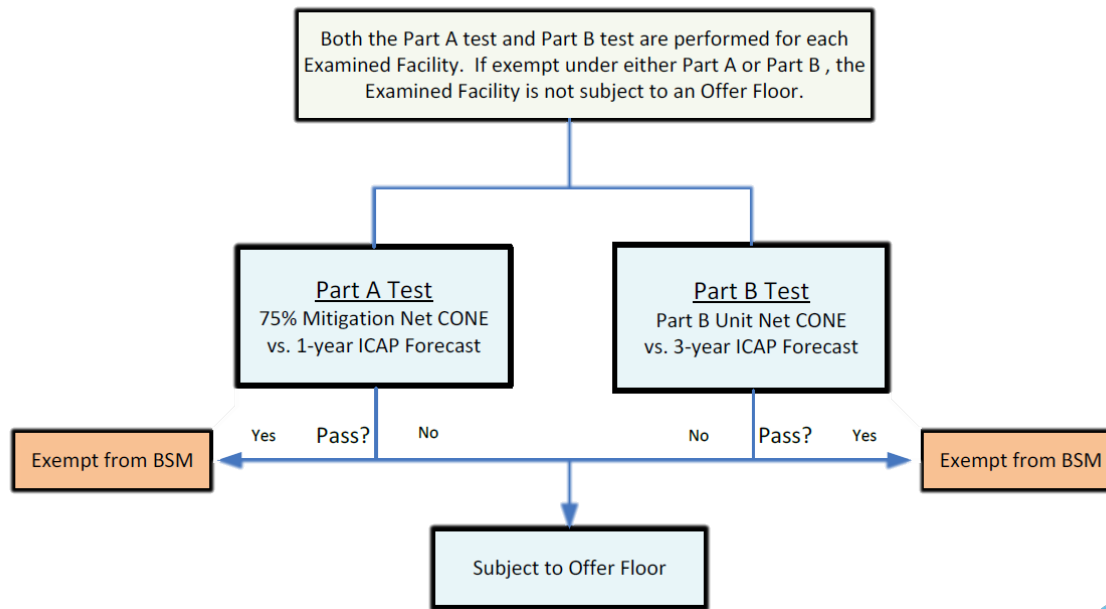
Mitigation Study Period

- **Examined Facilities are evaluated during the Mitigation Study Period (MSP)**
 - This represents the Capability Periods of expected entry
 - The Starting Capability Period is the Summer Capability Period commencing three years from the start of the year of the Class Year

Unit Net CONE

- The NYISO identifies an Examined Facility's Unit Net CONE (Cost of New Entry)
- CONE includes the following costs, from which certain revenues are netted
 - Embedded costs
 - Capital costs
 - Construction costs
 - Interconnection costs
 - Estimated Annual Energy and Ancillary Services revenues
 - Certain revenues associated with other energy products (e.g., energy services, RECs)
- This value is compared to the ICAP Forecast to determine if an Examined Facility passes either the Part A or Part B test

Mitigation Exemption Tests



DRAFT – FOR DISCUSSION PURPOSES ONLY

Example

- Given two Examined Facilities:
 - Unit X
 - 100 MW
 - Unit Net CONE = \$170/kW-yr
 - Unit Y
 - 200 MW
 - Unit Net CONE = \$140/kW-yr

		Part A Test		Part B Test	
Examined Facility	Size (MW)	75% Mitigation Net CONE (\$/kW-yr)	1 Year ICAP Forecast (\$/kW-yr)	Unit Net CONE (\$/kW-yr)	3 Year ICAP Forecast (\$/kW-yr)
Unit X	100	200	175	170	120
Unit Y	200	200	165	140	150

DRAFT – FOR DISCUSSION PURPOSES ONLY

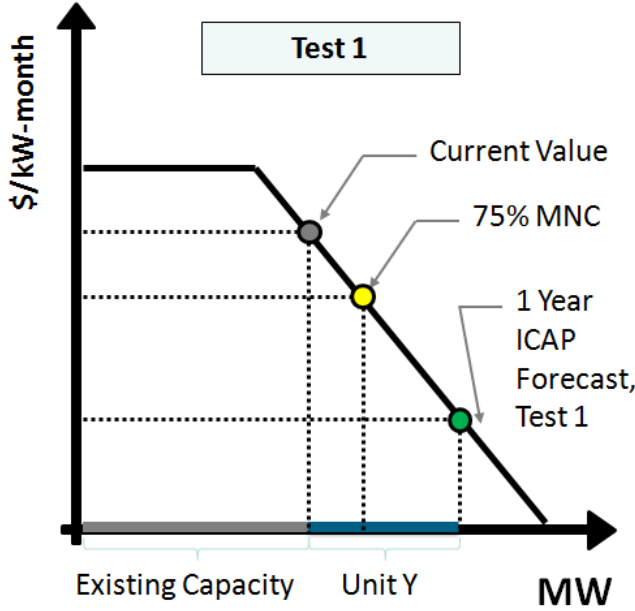
"Fail" in these examples means not exempt;
 "Pass" means exempt

Examined Facility	Size (MW)	75% Mitigation Net CONE (\$/kW-yr)	1 Year ICAP Forecast (\$/kW-yr)
Unit X	100	200	175
Unit Y	200	200	165

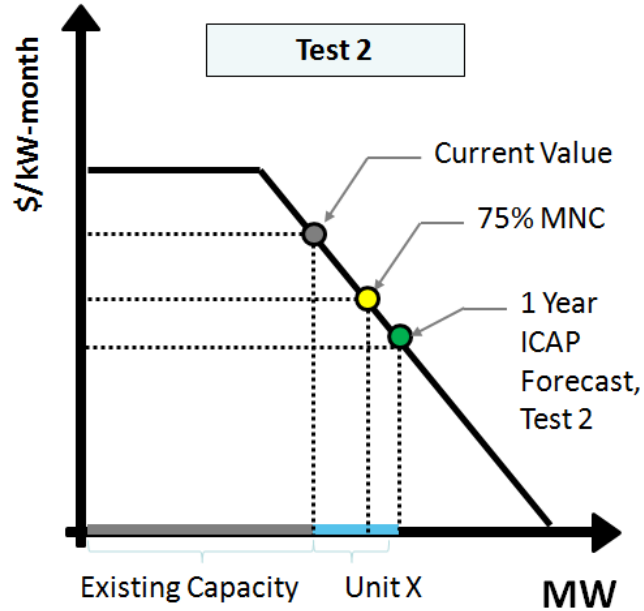


Example

Part A



Result: Unit Y **FAILS** Part A Test



Result: Unit X **FAILS** Part A Test

DRAFT – FOR DISCUSSION PURPOSES ONLY

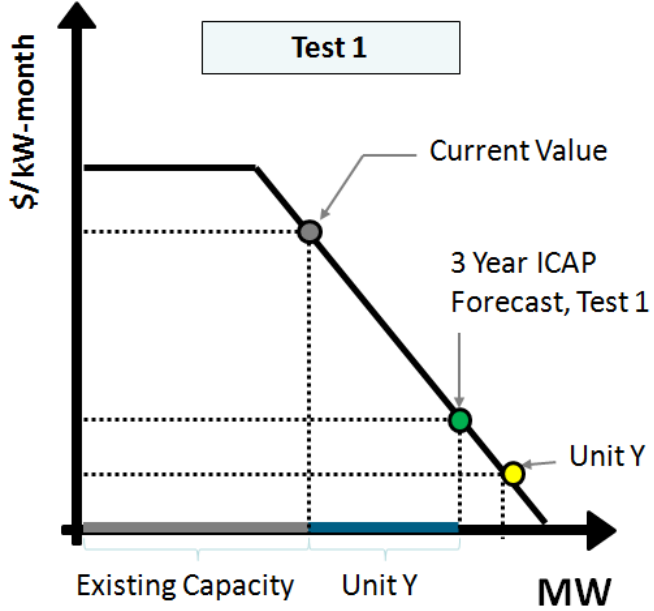
"Fail" in these examples means not exempt;
 "Pass" means exempt



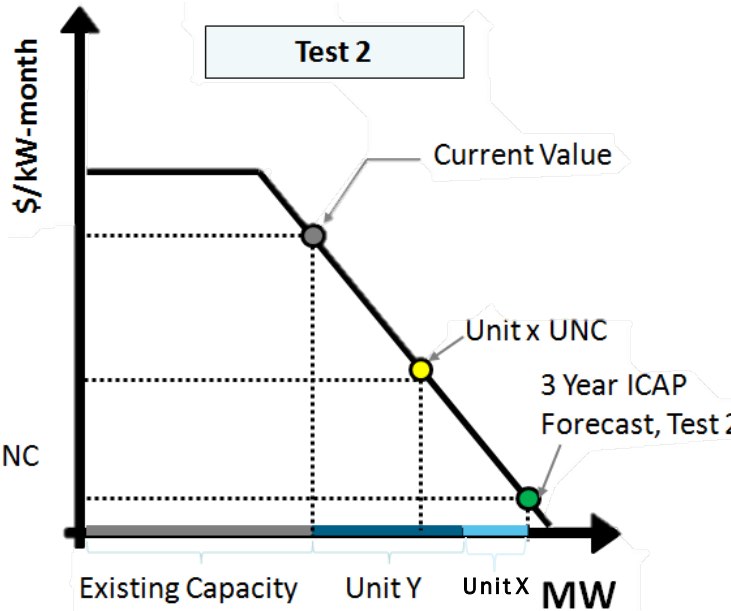
Example

Part B

Examined Facility	Size (MW)	Unit Net CONE (\$/kW-yr)	3 Year ICAP Forecast (\$/kW-yr)
Unit X	100	170	120
Unit Y	200	140	150



Result: Unit Y **PASSES** Part B Test



Result: Unit X **FAILS** Part B Test

DRAFT – FOR DISCUSSION PURPOSES ONLY

Example

- Only Unit Y Passes

- Unit X
 - Part A: 75% Mitigation Net CONE > 1 Year ICAP Forecast = FAIL
 - Part B: Unit Net CONE > 3 Year ICAP Forecast = FAIL
- Unit Y
 - Part A: 75% Mitigation Net CONE > 1 Year ICAP Forecast = FAIL
 - Part B: Unit Net CONE < 3 Year ICAP Forecast = PASS

Examined Facility	Size (MW)	Part A Test		Part B Test	
		75% Mitigation Net CONE (\$/kW-yr)	1 Year ICAP Forecast (\$/kW-yr)	Unit Net CONE (\$/kW-yr)	3 Year ICAP Forecast (\$/kW-yr)
Unit X	100	200	175	170	120
Unit Y	200	200	165	140	150

DRAFT – FOR DISCUSSION PURPOSES ONLY

Non-Exempt Examined Facility

An Examined Facility that does not receive an exemption will be subject to an offer floor.

Application of Offer Floors

- **If the Examined Facility does not receive an exemption, it may only offer into the Spot Market Auction**
 - Offer Floors are established for projects at the time the Class Year is completed
 - The Offer Floor will apply except for the MW amount that has cleared for any twelve, not necessarily consecutive months
- **Application of Offer Floors detailed in the Services Tariff (MST) Att. H, Sec 23.4.5.7**

Determination of Offer Floors

- **Seasonal offer floors are shaped from the lower of the Annual Unit Net CONE or the Default net CONE of the first year of the MSP**
 - Summer Offer Floor
 - Winter Offer Floor
- **If an Examined Facility first offers capacity during a Capability Year other than the first year of the MSP, the Offer Floor is adjusted using the Inflation Rate**
 - The inflation rate is defined in the MST as the most recently accepted ICAP Demand Curve or its Annual Update

Questions?

We are here to help. Let us know if we can add anything.

Buyer Side Mitigation: Data Requirements

Lou Lombardi

Senior Engineer, ICAP Market Mitigation & Analysis

Buyer Side Mitigation Information Session

July 26, 2019

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED



Data Requirements

- **Developers are expected to submit, a completed template through the ICAP Reference System**
 - **Template includes:**
 - General unit information
 - Capital costs
 - Fixed and variable O&M costs
 - Financing parameters
 - Plant performance curves
- **Template must be completed even if the developer requests a Competitive Entry, Renewable, or Self Supply Exemption**
- **An example BSM input template and template instructions are on the NYISO's website under the Data Submission subfolder of the ICAP Market Mitigation folder**

DRAFT – FOR DISCUSSION PURPOSES ONLY



Additional Resources

Resources

■ ICAP Reference System User's Guide

- https://www.nyiso.com/documents/20142/2922803/ICAP_RS_UG.pdf/d57402d5-4a1d-d737-21b2-2678e8700f6a

■ BSM Template (example)

- <https://www.nyiso.com/documents/20142/3026303/BSM%20Input%20Template.xls/2b1ec47f-ce46-e812-367b-7b439ac20be0>

■ BSM Template Instructions

- <https://www.nyiso.com/documents/20142/3026303/BSM%20Input%20Template%20Instructions.pdf/0628036a-afd6-fc43-c4e2-0a9bfd1e8857>

■ Narrative and Numerical Example

- https://www.nyiso.com/documents/20142/3026079/BSM_Narrative%20and%20Numerical%20Example%20Updated%20December%201%202016.pdf/0be44f0f-a3ea-b1b3-5bf3-bc0a8839fcd2

■ Reports and Documentation from past Class Years

- <https://www.nyiso.com/market-monitoring> → ICAP Market Mitigation → Buyer Side Mitigation

Additional Assistance

- Issues related to accessing IRS, contact NYISO Stakeholder Services
 - stakeholder_services@nyiso.com
- Data submission related issues, contact NYISO ICAP Market Mitigation
 - MMA-ICAPMarketMitigation@nyiso.com

DRAFT – FOR DISCUSSION PURPOSES ONLY

Questions?

We are here to help. Let us know if we can add anything.

Buyer Side Mitigation: Exemptions

Lou Lombardi

Senior Engineer, ICAP Market Mitigation & Analysis

Buyer Side Mitigation Information Session

July 26, 2019

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED



Buyer-Side Mitigation Measures

■ Exemptions

- Mitigation Exemption Tests (Part A and Part B)
 - Applicable to:
 - New generators and UDR projects
 - Additional CRIS projects
 - Competitive Entry Exemption
 - Proposed Renewable Exemption
 - Proposed Self-Supply Exemption

■ If non-exempt, then Offer Floor applies

- May only offer into the Spot Market Auction
- Applied until UCAP clears in any 12 months

Buyer-Side Mitigation Exemptions

■ Competitive Entry Exemption

- The main criteria to receive this exemption are if it a) does not have any “non-qualifying contractual relationship” as defined in MST Att. H Section 23.4.5.7.9.1.2, with a Non-Qualifying Entry Sponsor and b) is not itself a Non-Qualifying Entry Sponsor
 - “because a purely merchant generator places its own capital at risk, ... any such resource will have strong incentive to bid its true costs into the auction.”

- **A unit that requests a Competitive Entry Exemption, but is determined to not qualify for such exemption can still be exempt if it “passes” either the Part A or Part B Tests**

Buyer-Side Mitigation Exemptions

■ Proposed Renewable Exemption

- FERC directed the NYISO to create this exemption, and the following NYISO-proposed tariff revisions are pending before it:
 - A proposed new unit can apply for a Renewable Exemption if it is an Intermittent Power Resource, or a Limited Control Run-of-River Hydro Resource
 - Intermittent Power Resources are solely fueled by wind, solar, or landfill gas
 - Renewable Exemptions are limited to 1,000 MW of ICAP in any Class Year
 - Note that this cap is in terms of ICAP, not UCAP

- **A unit that requests a Renewable Exemption, but is determined to not qualify for such exemption can still be exempt if it “passes” either the Part A or Part B Tests**

FERC Pending Renewable Exemption

- The NYISO anticipates potential wind and solar entrants in the soon-to-commence Class Year 2019.
- The NYISO filed a request on [July 15th] that the Commission issue an order accepting the pending compliance Filing as soon as possible.
 - 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.
 - 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 included 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.

Request for a CEE or Renewable 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 a Competitive Entry Exemption the ISO shall not consider any request for a Renewable Exemption

Buyer-Side Mitigation Exemptions

■ Proposed Self-Supply Exemption

- FERC directed the NYISO to create this exemption, and the following NYISO-proposed tariff revisions are pending before it:
 - An LSE with a “self-supply business model” can apply for a Self-Supply Exemption
 - Generally, an LSE that supplies more than 50% of its own capacity obligations
 - Net Long and Net Short Thresholds are calculated to ensure self-supply LSE does not have incentive and ability to artificially suppress ICAP market prices by developing a unit

Questions?

We are here to help. Let us know if we can add anything.

Buyer Side Mitigation: Examples

Lorenzo Seirup

Supervisor, ICAP Market Mitigation & Analysis

Buyer Side Mitigation Information Session

July 26, 2019

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED



Preliminaries

Revenues associated with other energy products

- **Considered on a case by case basis**
 - Must be substantiated by appropriate documentation
- **These may include, but are not limited to:**
 - Sale of byproduct (e.g., heat, condensed water)
 - Sale of environmental attributes (e.g. RECs)
 - Services to another entity

Contracts

- **Contracts for the sale of NYISO market products are not reflected in BSM determinations. The NYISO estimates market-based Net E&AS revenues and forecasts ICAP prices as part of its BSM evaluation process.**
- **Notwithstanding the above, cost advantages (*e.g.* advantageous financing arrangements) resulting from such a contract, and contracts for other energy byproducts may be included if the contract was received under all the of following conditions:**
 - Nondiscriminatory (resource type agnostic, existing and new resources)
 - Arm's length (fair market value)
 - Competitive manner (open)

Unit Net CONE *(Review)*

- The NYISO identifies an Examined Facility's Unit Net CONE (Cost of New Entry)
- CONE includes the following costs, from which certain revenues are netted
 - Embedded costs
 - Capital costs
 - Construction costs
 - Interconnection costs
 - Estimated Annual Energy and Ancillary Services revenues
 - Certain revenues associated with other energy products (e.g., energy services, RECs)
- This value is compared to the ICAP Forecast to determine if an Examined Facility passes either the Part A or Part B test

Examples

Example 1

- **NYISO may consider additional value of attributes not compensated through the NYISO Administered Markets**
 - NYISO may reflect value provided in a contract or substitute an estimated fair market value if appropriate
 - The implementation of proposed dual participation rules may alter how the NYISO estimates the value of additional services

Examined Facility 1-A

- The project produces a sellable byproduct through its energy production (e.g., steam)
- The project is able to sell this byproduct to a market
- NYISO may include a fair market estimate of the value of the byproduct

Examined Facility 1-A

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	14%	14% NYISO validated
Unit Gross CONE	\$140 /kW-yr	\$140 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
Byproduct sales	Some value	\$50 /kW-yr NYISO estimated value
Unit Net CONE		\$40 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Examined Facility 1-B

- The project entered into a contract with a Utility to receive payment as a non-wires alternative for T&D deferral
 - The contract was received through an RFP that was only open to bulk energy storage projects
 - The contract reduced the project's risk allowed it to receive favorable financing
- NYISO would not use the contracted price for the attribute since the RFP process was not open to all resource types
 - This does not meet the non-discriminatory criteria
 - NYISO would instead substitute a fair market value
- NYISO would not use the favorable financing resulting from the contract, and would substitute its own estimate

Examined Facility 1-B

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	12%	15% NYISO substituted value
Unit Gross CONE	\$120 /kW-yr	\$150 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
T&D Contract	\$30 /kW-yr	\$25 /kW-yr NYISO estimated value
Unit Net CONE		\$75 /kW-yr

Examined Facility 1-C

- **The project entered into a contract with a Utility to receive payment as an NWA for T&D deferral**
 - The contract was received through an RFP that was open to any type of supply resource, both new and existing
- **NYISO may use the contractual revenue since the RFP process was non-discriminatory**
 - If the project secured favorable financing as a result of the contract, the NYISO may use that as well

Examined Facility 1-C

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	12%	12% NYISO validated
Unit Gross CONE	\$120 /kW-yr	\$120 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
T&D Contract	\$30 /kW-yr	\$30 /kW-yr NYISO validated
Unit Net CONE		\$40 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Example 2

- **NYISO would only consider possible revenue streams that are sufficiently supported by documented evidence**
 - Support may include executed agreements, evidence of similar transactions, etc.
 - Evidence of on-going and productive contract negotiations may be sufficient documentation, but it will be determined on a case-by-case basis

Examined Facility 2-A

- The project claimed it has the potential to provide services to another entity in addition to participating in the NYISO Administered Markets
- The project also claimed to have advantageous financing parameters
- The project has not provided any documentation to substantiate either claim
- NYISO would not include any claimed value for unsupported benefits

Examined Facility 2-A

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	5%	15% NYISO proxy value
Unit Gross CONE	\$50 /kW-yr	\$150 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
Additional Value	\$30 /kW-yr *	--
Unit Net CONE		\$100 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Examined Facility 2-B

- The project has provided documentation that supports its claim that it has the capability to provide services to another entity in addition to participating in the NYISO Administered Markets
 - The NYISO has been able to validate the attribute
 - Contractual revenues meet the open & competitive standard as outlined in Example 1
- The project secured and provided evidence of advantageous financing parameters
- NYISO may include the contracted value for substantiated benefits achieved in a competitive manner

Examined Facility 2-B

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	10% NYISO validated	10% NYISO validated
Unit Gross CONE	\$100 /kW-yr	\$100 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
Additional Value	\$30 /kW-yr	\$30 /kW-yr NYISO validated
Unit Net CONE		\$20 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY



Example 3

- Attributes not presently compensated in the NYISO Wholesale Market, but that have a discernable market value may be considered on a case-by-case basis
- NYISO would not value multiple revenue streams for the same attribute

Examined Facility 3-A

- The project has contracted with a third party to receive an incentive payment, which is contingent upon the project providing installed capacity sales into the wholesale market
- The fixed incentive payment is in addition to revenues the project may receive in compensation for wholesale energy, ancillary services, and installed capacity sales
 - The NYISO would not reflect incentive payments, nor contractual payments received for services already compensated in the wholesale markets.

Examined Facility 3-A

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW
 Incentive Payment	\$200 /kW	--
 Levelized Carrying Charge	10%	15% NYISO proxy value
Unit Gross CONE	\$80 /kW-yr	\$150 /kW-yr
Net E&AS	\$55 /kW-yr	\$50 /kW-yr NYISO estimated value
Unit Net CONE		\$100 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Examined Facility 3-B

- The project receives a one-time incentive payment and expects to sell its energy products directly in the NYISO administered markets
- The one-time incentive payment was awarded to any project that meets certain carbon emission standards
 - This was open to any resource type as well as existing or new projects
- The project entered into a competitive contract with advantageous financing based on lower perceived risk due to the fixed incentive

DRAFT – FOR DISCUSSION PURPOSES ONLY

Examined Facility 3-B

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Non-Emitting Resource Value	\$200 /kW	\$200 /kW NYISO validated
Levelized Carrying Charge	10%	10% NYISO validated
Unit Gross CONE	\$80 /kW-yr	\$80 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
Unit Net CONE		\$30 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Examined Facility 3-C

- **The project has secured an arms length, open and competitive contract to provide energy to an entity at a specified price instead of receiving market revenues**
 - The contract also provides the project with beneficial financial parameters due perceived decreased risk
- **NYISO would consider including the identified financing provided all requested data and relative support has been validated**

Examined Facility 3-C

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	10%	10% NYISO validated
Unit Gross CONE	\$100 /kW-yr	\$100 /kW-yr
Net E&AS	\$60 /kW-yr	\$50 /kW-yr NYISO estimated value
Unit Net CONE	\$40 /kW-yr	\$50 /kW-yr

DRAFT – FOR DISCUSSION PURPOSES ONLY

Example 4

- **NYISO may reflect value a project receives from Federal Programs such as:**
 - Production Tax Credit
 - Investment Tax Credit

Examined Facility 4

- The project qualified and provided sufficient evidence of qualification for Federal Production Tax Credits
- The NYISO would reflect the revenue received from the tax credits based on the project's estimated energy production

Examined Facility 4

	As Submitted Data	NYISO BSM
Project Cost	\$1,000 /kW	\$1,000 /kW NYISO validated
Levelized Carrying Charge	13%	13% NYISO validated
Unit Gross CONE	\$130 /kW-yr	\$130 /kW-yr
Net E&AS		\$50 /kW-yr NYISO estimated value
PTC	Some value	\$0.02/kWh or \$20 /kW-yr NYISO estimated value
Unit Net CONE		\$60 /kW-yr



DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Key Takeaways

- **The value of attributes and revenues from other energy products (not compensated for in the NYISO wholesale markets) will be considered on a case by case basis and may be valued**
 - Sufficient supporting documentation must be provided by the developer
- **Cost advantages (e.g. advantageous financing) resulting from contracts may be considered if the contracts are procured through a nondiscriminatory, arms length, and competitive process**

DRAFT – FOR DISCUSSION PURPOSES ONLY

Questions?

We are here to help. Let us know if we can add anything.

Appendix: ICAP Reference System

BSM Template Instructions

- Red fields in template must be completed
- Do not add or delete rows/columns
- Data should be rounded & truncated to two decimal places
- Include Documentation References on template input tab
- Verify entries against Template check list upon completion, before submitting
 - If data incorrect or incomplete, IRS will generate error message
 - Must fix to re-submit
 - **Template should be completed according to Template Instructions found on NYISO Website**

DRAFT – FOR DISCUSSION PURPOSES ONLY

Intro to ICAP Reference System

- **Provides automation of ICAP market mitigation processes relating to...**
 - Going Forward Costs
 - Physical Withholding
 - Buyer-Side Mitigation
 - Reliability Must Run (Deactivation Notices)
- **Market Parties upload forms, submit data, and receive and send communications**
 - Designed to enhance communications & facilitate mitigation processes

DRAFT – FOR DISCUSSION PURPOSES ONLY

Requirement for ICAP Reference System

- A Valid NAESB or NYISO Digital Certificate is required
- Market Party contacts NYISO Stakeholder Services to obtain ICAP Reference System access

Accessing ICAP Reference System

- Accessible from NYISO Website
 - [Login](#) > [Market Access](#) > ICAP Reference System (IRS) > [*User Login](#)
 - [Support](#) > [Market Monitoring](#) > [ICAP Reference System Login](#)
- <https://irs.nyiso.com/irs/>

Process Initiation

Process Initiation: Set-up

- A proposed project identified as an Examined Facility is subject to a buyer-side mitigation evaluation
- MMA creates a buyer side mitigation interaction in the ICAP Reference System
- An interaction will have a status of open once it has been created by NYISO and is awaiting initial data submittal from the market party

DRAFT – FOR DISCUSSION PURPOSES ONLY

©COPYRIGHT NYISO 2019. ALL RIGHTS RESERVED

Process Initiation: Notification

- **ICAP Reference System will auto-generate email to Market Party**
 - Notifying Market Party that an interaction has been opened and is available for data submittals to be uploaded through ICAP Reference System
 - The email will also specify a deadline for the data submission

Submitting Cost Data to ICAP Reference System

Uploading Cost Data: Accessing Interaction

- Market Party logs into IRS
- The default view on the home screen will be the full list of interactions created for your organization.
 - There may be one interaction or many
 - Each interaction will have an ID number for tracking purposes
 - Interactions will also be categorized by type
 - Buyer-side mitigation will be denoted by “BSM”

Uploading Cost Data: Submission

- Once a Market Party locates the interaction, hover over and click the interaction row to select it
- Market Party downloads and completes the required BSM template
 - Example Template & Template instructions available on NYISO web site
- Market Party uploads the completed BSM template and any supporting attachments to IRS

Interaction Status

There are three different status types; they are open, review, and closed.

Review Status

- **An interaction will have a status of review once the market party's data has been submitted to the NYISO**
 - Market party will be unable to make changes to their submittal data, unless NYISO unlocks the necessary fields upon market participant request
- **If a market party needs to re-submit cost data for significant changes, then the interaction would change from a status of review to open to begin the cycle over again**

Review Status and Closed Status

- **During the review state, NYISO will be reviewing the uploaded data and working to make its determination**
 - Market party will be unable to make changes to their submittal data in the review status
- **Finally, an interaction will have a status of closed once NYISO has made and issued its determination to the market party through the ICAP Reference System**