
**BUYER SIDE MITIGATION
ICAP FORECAST – CLASS YEAR 2019
ASSUMPTIONS & REFERENCES**

NEW YORK INDEPENDENT SYSTEM OPERATOR

**MARKET MITIGATION
AND ANALYSIS**

ISSUED: January 14, 2021

1. Introduction

This document describes assumptions and identifies the sources of the inputs into the BSM ICAP Forecast¹ for the buyer-side market power mitigation (“BSM”) rule² determinations for Examined Facilities and Additional CRIS MW requested in Class Year 2019 that are located in Mitigated Capacity Zones — New York City (“NYC” or “Zone J”) and the G-J Localities.³ This updates the document posted for the Initial Decision Period in November 2020.⁴ It is accompanied by an Excel workbook containing specific values and selected calculations;⁵ the Class Year 2019 Renewable Exemption Limit Assumptions and Calculations⁶, and the “BSM Narrative and Numerical Example,” which provides general information regarding the methodology for the BSM exemption tests, the ICAP forecast, and Offer Floor shaping.⁷

2. Demand Curve Parameters

The ICAP Demand Curves used in the BSM ICAP Forecast are calculated using the parameters outlined in this section. For each parameter, the source is identified and in certain instances, discussed.

2.1. Load Forecast

The Load forecast for the three years comprising the Mitigation Study Period (“MSP”) is taken from the most recently-published NYISO Load & Capacity Data Report (“Gold Book”).⁸ The Load forecast values are taken from Table I-3a “Baseline Summer Coincident Peak Demand, Historical & Forecast,” Table I-4a “Baseline Summer Non-Coincident Peak Demand, Historical & Forecast,” and Table I-5 “Baseline Peak Demand in G-to-J Locality, Historical & Forecast.”

¹ Terms with initial capitalization not defined herein have the meaning set forth in the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”), and if not defined in the Services Tariff, have the meaning set forth in the NYISO’s Open Access Transmission Tariff.

² References herein in to BSM and BSM Rules means the rules set forth Services Tariff Section 23.4.5.7, *et seq.*

³ See Services Tariff §23.4.5.15, “Forecasts Under the Buyer Side Market Power Mitigation Measures”.

⁴ See assumptions used for Initial Decision Period here: <https://www.nyiso.com/documents/20142/8363446/ICAP-Buyer-side-Mitigation-Test-Data-Assumptions-Document-Class-Year-2019-December-15-2020.pdf/942791a3-30d6-0b39-062f-16bd8ea81434>

⁵ The Excel Workbook for Class Year 2019 is available at: <https://www.nyiso.com/market-monitoring> → Buyer Side Mitigation → Class Year 2019 → ICAP Buyer-side Mitigation Test Data for Class Year 2019 January 14 2021. This is an update to the document posted on December 22, 2020.

⁶ The Renewable Exemption Limit Assumptions and Calculations for Class Year 2019 is available at: <https://www.nyiso.com/documents/20142/8363446/Renewable-Exemption-Limit-Assumptions-and-Calculations-Class-Year-2019-November-11,-2020.pdf>

⁷ The BSM Narrative and Numerical Example is available at: <https://www.nyiso.com/documents/20142/3026079/BSM-Narrative-and-Numerical-Example-Updated-November-09-2020.pdf>

⁸ The Gold Book 2020 is available at: <https://www.nyiso.com/documents/20142/2226333/2020-Gold-Book-Final-Public.pdf/>

2.2. New York Control Area Minimum and Locational Minimum Installed Capacity Requirements

Consistent with the prior Class Year BSM Rule determinations,⁹ it is appropriate to use a different value than the current Locational Minimum Installed Capacity Requirements (“LCRs”). The NYISO developed a forecast of LCR values for the MSP as part of the Class Year 2019 BSM ICAP Forecast. Similarly, the New York Control Area (“NYCA”) Minimum Installed Capacity Requirement (“IRM”) is forecasted for the MSP.

The forecast of the LCRs to be used in the BSM ICAP Forecast is motivated and made possible in large part by the LCR-setting methodology contained in the filed tariff revisions.¹⁰ These tariff provisions, which are commonly referred to as the “Alternative LCR Methodology” provide a detailed framework and process to establish the LCRs. Using provisions contained therein, and hypothetical conditions including those contemplated by the BSM Forecasts, the NYISO projected LCRs for the Class Year 2019 MSP.

The projected IRM and LCR values used in the BSM ICAP Forecast, shown in Table 1, were developed using the Alternative LCR Methodology and reflect projected system conditions and topology that are based on the assumptions and inputs developed for the BSM Forecasts (i.e. Forecasted Peak Load, CY 2019 Facilities – excluding those requiring Addition SDU studies, system topology changes such as in Western NY).

This forecast was run on the approved LCR case for the 2020-2021 Capability Year. This case was updated to include the forecast assumptions as noted above. The sizeable amounts of renewables proposed in the current Class Year put significant upward pressure on the requirements.¹¹

For the initial determinations, the NYISO assumed that the Public Policy AC transmission upgrades would not be in-service during the Mitigation Study Period. However, these upgrades are expected to be in-service in time to meet the IRM inclusion rules for the last year of the Mitigation Study Period. As a result, capacity requirements were higher in the initial round of the ICAP forecast. Limited information is available as to the impacts of these upgrades on the LCRs under a TAN 45 approach. Only two studies have looked at the potential impact of these upgrades on LCRs. The first study¹² was performed with a TAN 45 approach, but does not contain the exact changes associated with the upgrades. The second study¹³ does contain the changes associated with these upgrades, but these were done while optimizing the IRM. Neither study is

⁹ See most recent Class Year 2017-2 BSM Assumptions and References (May 14, 2019), available at: <https://www.nyiso.com/documents/20142/3025517/ICAP%20Buyer%20Side%20Mitigation%20Test%20Data%20for%20Class%20Year%202017-2%20Initial%20Decision%20Round%20May%2014%202019.pdf>

¹⁰ See *New York Independent Sys. Operator*, Docket No. ER18-1743-000, <https://nyisoviewer.etariff.biz/viewerdoclibrary/Filing/Filing1416/Attachments/Att%20I%20NYISO%20Rspns%20to%20Alt%20LCR%20Dfency%20Ltr.pdf>.

¹¹ Further details about the IRM and LCR assumptions can be found at: <https://www.nyiso.com/documents/20142/8363446/Class-Year-2019-Buyer-side-Mitigation-IRM-and-Optimized-LCR.pdf/dda41292-acf2-809a-1f14-02dbf781f5bb>.

¹² https://www.nyiso.com/documents/20142/1394791/ICAPWG_6-1-17_AlternativeMethodsforLCRs_Final.pdf/680f3adf-91cc-d363-25cd-925137ede9d7

¹³ <https://www.nyiso.com/documents/20142/4934999/AC%20Transmission%2020211ESPWG.pdf/8e3160c5-b0a4-05d8-097c-8dabaab0aceb>

likely to match what will exactly happen during the 2024/25 Capability Year, however, taken together they do provide evidence that a downward adjustment is necessary for the capacity requirement of the G-J locality. Consequently, to account for these upgrades in the 2024/25 capability year, the NYISO imposed 6% reduction to capacity requirements in zones G-J.

Table 1: Forecasted LCRs and IRMs¹⁴

Capability Year	Zone J	G-J Locality	NYCA
2022/23	85.5%	91.4%	128.5%
2023/24	83.4%	89.5%	126.7%
2024/25	83.4%	83.5%	126.7%

2.3. ICAP Demand Curve Zero Crossing Points

The ICAP Demand Curve zero crossing point for each Locality is set forth in Services Tariff Section 5.14.1.2.¹⁵ For Class Year 2019, the zero crossing points are 112% for the NYCA, 115% for the G-J Locality, and 118% for New York City.

2.4. ICAP Demand Curve Reference Points

The ICAP Demand Curve reference points for the NYCA and the Localities are set forth in the Services Tariff.¹⁶ A summary of the currently effective Demand Curve parameters for 2020-2021 can be found on the NYISO website.¹⁷ While the NYISO tariff requires that it prepare and file a Demand Curve Reset in November 2020, the ICAP Demand Curve reference points used in the Class Year 2019 are projected for each year of the MSP in a manner consistent with the Demand Curve annual update rules.¹⁸

2.4.1. Escalating the Peaking Plant Gross Cost

The NYISO escalated the effective ICAP Demand Curve peaking plant gross cost using the “Escalation Factor”, also known as the “inflation index”, consistent with the average of the most recently published median Headline Consumer Price Index (CPI) and Headline Personal Consumption Expenditures (PCE) long-term annual averages for inflation over the ten years that includes the last year of the Mitigation Study Period, as reported by the Survey of Professional Forecasters. For Class Year 2019, the Escalation Factor value is 2.01%.¹⁹

¹⁴ Values updated for this second Decision Period.

¹⁵ See Services Tariff Section 5.14.1.2 table.

¹⁶ *Id.*

¹⁷ 2020-2021 Demand Curve Parameters and Demand Curves, <https://www.nyiso.com/documents/20142/8478044/DCR-Results-2020-2021.pdf>

¹⁸ The annual update rules for the ICAP Demand Curves are set forth in Section 5.14.1.2.2 of the Services Tariff.

¹⁹ This value has been updated for this second Decision Period.

2.4.2. Estimating the Peaking Plant Net Energy & Ancillary Services Revenues

For each year of the MSP, the NYISO estimated the net Energy and Ancillary Services (“EAS”) revenues using a rolling, “period-correct,” three-year sample of inputs. For example, Capability Year 2022/2023 (*i.e.*, year 1 of MSP) used inputs for the period from September 2018 through August 2021 to estimate peaking plant net EAS revenues. Capability Year 2023/2024 would roll off September 2018 through August 2019 and add in September 2021 through August 2022. For future dates where historic data were not available, the NYISO used (1) fuel prices, which were developed based on forward curves, and (2) forecasted LBMPs, developed using the econometric model, to estimate net EAS revenues for Examined Facilities. This is discussed further in the BSM Narrative and Numerical Example. The rolling three-year samples of inputs were used in the same dispatch model to estimate the net EAS of the peaking plant of the currently effective ICAP Demand Curves.

Table 2: Projected peaking plant net Energy and Ancillary Services revenues used to identify the ICAP Demand Curves for the BSM ICAP Forecast, represented in \$/kW-Year

Capability Year	Zone J	G-J Locality	NYCA
2022/2023	26.74	23.18	23.68
2023/2024	29.77	24.21	23.75
2024/2025	35.14	26.86	26.44

2.4.3. Estimating Winter-to-Summer Ratio

The NYISO updated the winter-to-summer ratio (“WSR”) for each year of the MSP based on the Summer and Winter Capability Period ICAP during each year of the MSP. The available ICAP used to calculate the WSR is a function of the capacity resources identified with inclusion and exclusions rules described in section 3 below.

Table 3: Forecasted Winter-to-Summer Ratios used to identify the ICAP Demand Curves for the BSM ICAP Forecast²⁰

Capability Year	Zone J	G-J Locality	NYCA
2022/2023	1.075	1.059	1.021
2023/2024	1.073	1.060	1.019
2024/2025	1.076	1.063	1.023

2.5. Installed Capacity/Unforced Capacity Translation Factor

The Installed Capacity/Unforced Capacity (“ICAP/UCAP”) translation factor for each Capability Period is calculated based on values that correspond most closely with the seasonal Dependable Maximum Net

²⁰ These values have been updated to align with the summer ozone period consistent with the compliance plans filed in response to the DEC Peaker Rule. This adjustment accounts for generation capacity in the month of October in applicable capability years for units which indicated operation during this month per their compliance plans submitted in response to the DEC Peaker Rule.

Capability values in the most recently published Gold Book. The 2020 Gold Book is the most recently published Gold Book. ICAP/UCAP translation factors projected for each year of the MSP are provided in Table 4.

Table 4: Forecasted ICAP/UCAP Translation Factors used to identify the ICAP Demand Curves for the BSM ICAP Forecast

	Summer 2022	Summer 2023	Summer 2024	Winter 2022/23	Winter 2023/24	Winter 2024/25
Zone J	3.58%	2.94%	2.94%	2.70%	2.09%	2.09%
G-J Locality	4.42%	4.02%	4.02%	3.05%	2.68%	2.68%
NYCA	13.14%	13.18%	13.18%	11.99%	12.75%	12.75%

2.6. Demand Curve Calculated Values

The calculations utilized to determine the UCAP reference point, UCAP requirement, UCAP at \$0, and Demand Curve slope are described in the BSM Narrative and Numerical Example.

3. Supply Curve

3.1. “Price taking” UCAP (*i.e.*, UCAP that offers at \$0.00/kW-mo)

3.1.1. Generation Capacity – “Existing Units”

Generators and Unforced Capacity Delivery Rights (“UDR”) projects identified in the ISO’s most-recently published Gold Book that have Capacity Resource Interconnection Service (“CRIS”) and are operating at the time that the ISO determines the BSM ICAP Forecast; including but not limited to Generators in Forced Outage or Inactive Reserve status, are identified as “Existing Units” and are included in the forecast.²¹

3.1.2. UCAP Associated with Special Case Resources

The capacity associated with Special Case Resources (“SCRs”) is based on SCR enrollment in each ICAP Spot Market Auction during the three Capability Years preceding the 2020 Gold Book (*i.e.*, Capability Years 2017/2018, 2018/2019, and 2019/2020). SCR UCAP from the “Monthly SCR Reports” posted on the ICAP section of the NYISO public website were averaged by Capability Period and by each Locality and the NYCA.²²

3.1.3. Unoffered and Unsold Capacity

“Unoffered” and “Unsold” UCAP is based on the “Unoffered” and “Unsold” UCAP megawatts in each ICAP Spot Market Auction during the three Capability Years preceding the 2020 Gold Book (*i.e.*, Capability Years 2017/2018, 2018/2019, and 2019/2020). “Unoffered” and “Unsold” UCAP from the

²¹ See Services Tariff Section 23.4.5.7.15.4, “Existing Units.”

²² See <https://www.nyiso.com/installed-capacity-market>, under the “Monthly Reports → Monthly SCR Reports.

“Monthly UCAP Reports” posted on the ICAP section of the NYISO public website were averaged by Capability Period and by each Locality and the NYCA.²³ “Unoffered” and “Unsold” UCAP is removed from the supply stack of each Locality and the NYCA.

3.1.4. Cleared UCAP

Cleared UCAP is offered into the ICAP Spot Market Auctions as a price-taker. Cleared UCAP is the MW of UCAP that had been subject to an Offer Floor and that have cleared in any 12, not necessarily consecutive, ICAP Spot Market Auctions.²⁴

3.1.5. Examined Facilities from Prior Class Years

The UCAP MW of Examined Facilities that remained in prior Class Years at the time of the completion of that Class Year (“Prior Class Year Facilities”) and that do not meet the Generation Capacity criteria in section 3.1.1 above are assumed to be price-takers in the supply stack if the Prior Class Year Facility (a) was on the “Active” tab of the most recently published version of the NYISO Interconnection Queue, (b) was determined to be exempt from Offer Floor mitigation, and (c) approximately, has incurred or expended, in the aggregate, more than 5 percent of its cost of new entry for the following: engineering, procurement, and construction costs; financing costs; or interconnection costs invoiced by the interconnecting Transmission Owner(s), *e.g.*, Transmission Owner attachment facilities, System Deliverability Upgrades, and System Upgrade Facilities; net of any amounts that would likely be recouped if the project was not completed (*e.g.*, a deposit that would be returned) (“5 percent threshold”). For determinations for Class Year 2019 Examined Facilities, no Prior Class Year Examined Facilities met these criteria. Prior Class Year Examined Facilities that did not meet these criteria are considered in the price responsive category, as described in section 3.2.5 below.

3.2. Price responsive UCAP

3.2.1. Additional Units & Excluded Units

In some circumstances, and subject to certain exceptions, a Generator or UDR project that is not already included in the ICAP Forecast as an Existing Unit may be included as an Additional Unit.^{25, 26} Broadly put, this occurs if either: (a) there are positive indicators that the unit will repair and return to service, or (b) the Net Present Value of returning the unit to service is positive. Given that Confidential Information was utilized in the development of the BSM ICAP Forecast, or could be derived from data information

²³ *Id.*

²⁴ Existing UCAP that is subject to an Offer Floor is excluded from this category, and is described in section 3.2.3 below.

²⁵ *See* Services Tariff Section 23.45.7.15.5, “Additional Units.”

²⁶ *See* Services Tariff Section 23.4.5.7.15.7, “Exceptions.”

associated with the Net Present Value analysis, the units studied are identified, but not the determinations for inclusion in the BSM ICAP Forecast.^{27, 28}

3.2.1.1. Net Present Value Analysis

Table 5: Facilities Evaluated under MST Sections 23.4.5.7.15.8

	Summer CRIS	Summer Capability	Winter Capability
Monroe Livingston	2.4	2.4	2.4
Auburn - State St	5.8	4.1	7.3
Binghamton	43.8	43.8	47.1
Steuben County LF	3.2	3.2	3.2
Lyonsdale	20.2	20.2	19.7
Albany LFGE	4.5	5.6	5.6
West Babylon 4	49	50.2	65.4

3.2.1.2. Publicly Available Information

Generators and UDR projects for which there is publically available information demonstrating with reasonable certainty that they will indefinitely cease operation shall be identified as excluded capacity.²⁹

For Class Year 2019, the NYISO excluded a number of resources, as listed in the 2020 Gold Book, based on public information about each unit’s proposed compliance plans in response to the DEC peaker rule.³⁰ A subset of these units that will permanently cease operation have been identified as Incremental Regulatory Retirements in Table 4 of the Class Year 2019 Renewable Exemption Limit Assumptions and Calculations.

3.2.2. Unforced Capacity Delivery Rights that have already entered the market

UCAP sales associated with UDRs of existing UDR facilities were forecasted using a two-step process. First, historical monthly UCAP sales from UDR facilities during the three Capability Years preceding the 2018 Gold Book (*i.e.*, Capability Years 2017/2018, 2018/2019, and 2019/2020) were determined and then Capability Period and Locality averages were calculated. Second, UDR facilities were assumed to only import UCAP if the relevant market price spread would compensate the UDR rights holder(s) for the cost of obtaining capacity in the neighboring Control Area.

²⁷ Services Tariff Section 23.4.5.7.15.1 provides that a “positive indicator” that a Generator or UDR project will repair and return to service includes indications that a return to service is, in the ISO’s judgment, likely and imminent, such as visible site activity, executed labor or fuel supply arrangements, or unit testing.”

²⁸ See Services Tariff Section 23.4.5.7.15.8, “Net Present Value Analysis.”

²⁹ See Services Tariff Section 23.4.5.7.15.7.2, “Exceptions”.

³⁰ The Gold Book 2020 is available at: <https://www.nyiso.com/documents/20142/2226333/2020-Gold-Book-Final-Public.pdf/>

For the Class Year 2019 forecast, UDR UCAP sales into New York City were reduced until capacity prices at the UDR source and sink points converged or UDR sales reached zero. UDR UCAP sales into Long Island were not adjusted.³¹

3.2.3. Net of Imports into and Exports from the NYCA

First-come, first-served imports and exports over AC transmission were forecasted using a two-step process. First, historical import and export UCAP sales over AC transmission during the three Capability Years preceding the 2020 Gold Book (*i.e.*, Capability Years 2017/2018, 2018/2019, and 2019/2020) were determined. Second, the price-responsiveness of these imports and exports was reviewed, where applicable. That is, did import and export UCAP vary as a function of the difference in capacity market prices between the NYISO and the neighboring Control Area? For Class Year 2019, the NYISO found that imports from Hydro Quebec and PJM were not price-responsive and that imports from ISO New England were price responsive. However, given the significant difference in forecasted prices between PJM and NYCA during the MSP, it was assumed that the Grandfathered import rights from PJM would likely respond to the forecasted price delta. UCAP imports and exports from ISO New England were adjusted based on the difference between ISO New England Forward Capacity Auction capacity prices and the BSM ICAP Forecast prices. The NYISO determined that Hydro Quebec is likely to have sufficient capacity margins to simultaneously continue its historical export patterns. Therefore, historic capacity imports from Hydro Quebec to the NYCA were not adjusted. Lastly, the NYISO applied the import rights limits³² for each Control Area.

3.2.4. Existing UCAP That is Subject to an Offer Floor

Existing UCAP that is subject to an Offer Floor is added to the price-responsive category of the supply stack.

This UCAP is included in the BSM ICAP Forecast price at its applicable Offer Floor, inflated to the MSP. The NYISO adjusted the Offer Floor of Mitigated UCAP to account for inflation as described in Section 4 of the BSM Narrative and Numerical Example.

3.2.5. Prior Class Year Examined Facilities not under the Section 3.1.5 Criteria

The UCAP of Prior Class Year Examined Facilities that have not yet entered the market are included in the price-responsive category of the supply stack if it (a) is on the “Active” tab of the most recently published version of the NYISO Interconnection Queue, (b) received an Offer Floor in its Class Year, and (c) the NYISO determined it is has satisfied at least one of the following: (i) satisfied the 5 percent threshold or (ii) would earn sufficient capacity revenue to recoup its Unit Net CONE, considering its Offer Floor, in a capacity price forecast for a three-year period starting one year before the Class Year 2019 MSP, and which

³¹ This methodology was also used for the preceding Class Year BSM determinations. *See* Potomac Economics’ “Assessment of the Buyer-Side Mitigation Exemption Tests for the Class Year 2017 Projects” (July, 2019) p 39-40 of the report. <https://www.nyiso.com/documents/20142/3025517/MMU-Report-CY17--BSM-Evaluation-July-2019.pdf>

³² External ICAP Rights for the 2020/2021 Capability Year presentation: https://www.nyiso.com/documents/20142/10754502/4%20BIC_2020_02_12%20import-rights.pdf

does not include the current Class Year Examined Facilities and has made progress meeting its regulatory milestones indicating it could enter service.³³

Facilities that met all three criteria are included in the Class Year 2019 ICAP Forecast supply stack at the applicable Offer Floor, inflated to the Class Year 2019 MSP.

3.2.6. Examined Facilities in Class Year 2019

Examined Facilities are assumed to offer into the appropriate Locality(ies) and the NYCA from lowest to highest, ordering each Examined Facility by the lower of the first year value of its Unit Net CONE or the numerical value equal to 75% of the Mitigation net CONE. Class Year 2019 also introduces the Renewable Exemption. Any resources receiving a Renewable Exemption (in part or full) was modeled into the appropriate Locality(ies) and the NYCA as a price taker (\$0.00/kW-mo) for the portion of their facility receiving a Renewable Exemption.

For the Class Year 2019 determination, the NYISO included the Examined Facilities listed in Table 6 below in the price-responsive category of the supply stack. However, at the conclusion of the Initial Decision Period, Examined Facilities confirmed to the NYISO whether they accepted the NYISO’s Project Cost Allocations or were dropping out of the Class Year Study.³⁴ Projects that have dropped out of the Class Year Study are not included in WSR calculations and this subsequent round of the ICAP forecast.

Table 6: CY2019 Examined Facilities

QUEUE POS.	PROJECT	ZONE	Initial Determination Results
637	Flint Mine Solar	G	Accepted
683	KCE NY 2	G	Not Accepted*
778	Gowanus Gas Turbine Facility Repowering	J	Not Accepted
791	Danskammer Energy Center	G	Accepted
572	Greene County I	G	Accepted
573	Greene County II	G	Accepted
575	Little Pond Solar	G	Accepted
597	Greene County 3	G	Accepted
756	Rising Solar II	G	Not Accepted
770	KCE NY 8a	G	Not Accepted
N/A	King’s Plaza	J	Accepted
N/A	Spring Creek Tower	J	Accepted
N/A	Eagle Energy Storage	I	Accepted
N/A	Blue Stone Solar	G	Not Accepted
N/A	Groundvault Energy Storage (LDG-01304)	J	Accepted

³³ Updated since original posting on November 11, 2020 to more clearly illustrate the threshold for the potential market entry of a facility.

³⁴ See “Notice of Initial Decision Period to Class Year 2019 Project Developers - Initiation of Second Round” for results of Initial Decision Period: <https://www.nyiso.com/documents/20142/1396587/CY2019-Notice-of-Initial-Decision-Period-Results.pdf/0a74e4a4-a04f-754b-c131-a32412ff338c>

N/A	Stillwell Energy Storage (LDG-01326)	J	Accepted
N/A	Cleancar Energy Storage (LDG-01330)	J	Accepted
N/A	KCE NY 14	G	Not Accepted
N/A	Hannacroix Solar (CH-08360)	G	Accepted
N/A	Monsey 44-6 (LDG-0171)	G	Accepted
N/A	Monsey 44-2 (LDG-0180)	G	Accepted
N/A	Monsey 44-3 (LDG-0179)	G	Accepted
N/A	KCE NY 18	G	Not Accepted
N/A	Yonkers Grid (MC434295/LDG-01344)	I	Accepted
N/A	Cuddebackville Battery (LDG-0182-83-84)	G	Accepted

* KCE NY 2 has not accepted its CRIS, but has accepted it's Project Cost Allocations for System Upgrade Facilities (SUFs). It therefore remains in the energy market but is not included in the ICAP forecast.

Examined Facilities are required to submit expected net degraded summer and winter capacity values as part of the BSM evaluation. The NYISO sought to validate the submission and, if not validated, the NYISO substituted alternate appropriate net degraded summer and winter capacity values. Such values were utilized in the BSM evaluation, including in the BSM ICAP Forecast.

3.2.7. Class Year Projects and Prior Class Year Projects Located Outside the Mitigated Capacity Zones

For the UCAP of Class Year Projects and Prior Class Year Projects located outside the Mitigated Capacity Zones (MCZs), all projects are included. This includes the Class Year 2019 Projects that are seeking Additional CRIS (*e.g.*, an uprate), or that have Energy Resource Interconnection Service (“ERIS”) and are only seeking CRIS. These projects are all assumed to be price-takers (\$0.00/kW-mo). Projects that have withdrawn from the Class Year have been excluded.

4. Auction Resolution for a Locality Contained Within Another Locality

ICAP Spot Market Auction clearing prices for the Part B test were forecasted by sequentially offering Class Year 2019 Examined Facilities from lowest to highest, ordered by the lower of the first year value of each Examined Facility’s Unit Net CONE or the numerical value equal to 75% of the Mitigation Net CONE. For each iteration, the resulting three year average ICAP Spot Market Auction price was compared with the three-year average Unit Net CONE (“UNC”) of the Examined Facility. If the three year average ICAP Spot Market Auction clearing price exceeded the UNC of the Examined Facility, then:

- the Examined Facility received a Part B exemption, and
- the Examined Facility offered into all subsequent iterations of the ICAP Spot Market Auction forecast (*i.e.*, for all Examined Facilities with higher values of the lower of the first year value of their Unit Net CONE or the numerical value equal to 75% of the Mitigation Net CONE) at \$0/kW-mo.

If the forecasted three year average ICAP Spot Market Auction clearing price is less than or equal to the UNC of the Examined Facility, then:

- the Examined Facility did not receive a Part B exemption, and
- is excluded from all subsequent iterations of the ICAP Spot Market Auction Forecast.

This iterative process continued until all Examined Facilities were tested. ICAP Spot Market Auction clearing prices for the Part A test are determined using the same iterative method. The BSM Narrative and Numerical Example provide an illustrative example of both processes. For all ICAP Spot Market Auction forecasts, a minimum market clearing price of \$1.00/kW-mo in each Locality and the NYCA is assumed. When UCAP does not clear in the smallest Mitigated Capacity Zone that contains the Load Zone in which the Examined Facility is electrically located (*i.e.*, NYC), the UCAP is “reoffered” into the auction of the other Locality in which it is located (*i.e.*, the G-J Locality), and the NYCA.

Finally, the ICAP Spot Market Auction clearing price for a Locality is the maximum of that Locality’s ICAP Spot Market Auction clearing price and the ICAP Spot Market Auction clearing prices of all Localities in which it is located, and the NYCA.