

Section 5: Establishment of the Final IRM

5.1 Consideration of IRM Study Results

The process utilized by the NYSRC Executive Committee for establishing the Final IRM of the following capability year includes consideration of the Final IRM base case study results and the sensitivity studies, based on the procedures and models described in Section 3, as well as other relevant factors. Following a full discussion of the base case study results, the sensitivity studies, and other factors considered by Executive Committee members to be relevant, the Executive Committee proceeds to vote on the Final IRM value. The sensitivity studies serve to inform the Executive Committee of how the base case IRM might be affected, in either direction, by deviations from selected assumptions. The IRM Study represents the Executive Committee's best judgment with respect to the base case assumptions that should be used in developing the base case IRM. The weight, if any, accorded one or more sensitivity studies in establishing a Final IRM will be determined by Executive Committee members based on the relevant circumstances. The Final IRM adopted by the Executive Committee will comply with the NYSRC resource adequacy criterion.

5.2 Executive Committee IRM Voting Procedure

Step 1: Executive Committee Discussion

Before any vote is taken the Executive Committee will conduct a full discussion of the IRM Study, the base case IRM, and the sensitivity studies, in which the Executive Committee members will have an opportunity to express their views.

Step 2: Straw Poll

Following the discussion in Step 1, a secret straw poll will be taken in which each Executive Committee member will indicate the IRM the member supports as the final IRM. The IRMs to be voted on will include the base case IRM and any IRM plus or minus 0.2%, in multiples thereof, above or below the base case IRM. The Executive Secretary will announce the three IRMs that received the most votes.

Step 3: IRM Voting

Executive Committee will take successive votes on the IRM choices as determined in Step 2. If the base case IRM is one of the three IRM choices that received the most in the straw poll, then the base case IRM and the other two IRM choices with the most votes in the straw poll will be voted on. However, the base case IRM will always be included among the IRM choices to be voted on. The Executive Secretary will distribute printed ballots for each vote which will indicate the subject of the vote, the identity of the Executive Committee member voting, and the member's vote. The Executive Secretary will tabulate the votes which will be confirmed by the NYSRC Counsel. The Executive Secretary will announce the results but not how individual Executive Committee members voted. The Executive Secretary and the Counsel will treat the votes by individual Executive Committee members as confidential and not to be disclosed to any other Executive Committee member or any

other party except on the express direction of the Executive Committee. The Executive Secretary will retain the voting records for a period of three years. If one of the IRM options voted on receives the necessary nine affirmative votes, the voting will be concluded.

Step 4: Executive Committee Caucus

If none of the choices voted on in Step 3 receives the necessary nine affirmative votes, the Executive Committee will caucus to discuss options for achieving the necessary nine affirmative votes.

Step 5: Subsequent IRM Voting

Following the Executive Committee caucus, the Executive Committee will vote again on the IRM choices that were voted on in Step 3.

Step 6: Final Resolution

If none of the IRM options voted on in Step 5 receives the necessary nine affirmative votes, Steps 4 and 5 will be repeated until an IRM receives the necessary nine affirmative votes.

5.2 Treatment of Changes in Base Case IRM Assumptions After the IRM Study Has Been Completed

The following procedure describes the process that shall be implemented by the NYSRC Executive Committee for considering changing the Final IRM in the event material changes in base case assumptions are identified after the Final IRM has been approved:

1. Material changes in IRM base case assumptions that will be included in the NYISO’s Locational Minimum Installed Capacity Requirements Determination Process that occur after the IRM study has been completed or after the Final IRM has been approved by the Executive Committee, shall be promptly reported by the NYISO to the Executive Committee. The NYISO will inform the Executive Committee of any material changes in its Generator Status Report Update on December 1¹. However, changes in generator availability of 200 MW or less will not be considered material.
2. The NYISO shall promptly conduct a preliminary analysis of any material changes in the IRM base case assumptions to determine their potential impact on the IRM base case results. NYISO will report the results of its preliminary analysis to the Executive Committee.
3. The Executive Committee shall review the NYISO’s preliminary analysis and consider the impact of any changes to the IRM base case results or on the Final IRM if a Final IRM has been approved by the Executive Committee. A potential change in the base case IRM of 0.2% or less as a result of a material change in the IRM base case assumptions will not warrant further consideration by the Executive Committee.
4. If, after the Executive Committee reviews the preliminary IRM base case assumption changes and concludes that the Final IRM should be reconsidered, the NYISO shall be requested to

¹ All dates refer to the December in the year in which the IRM for the succeeding Capability Year is being determined.

conduct a Tan 45 study using the new information. The Executive Committee will not, except in extraordinary circumstances, request the NYISO to conduct a new Tan 45 study after December 15.

5. The NYISO shall promptly report the results of a new Tan 45 study to the Executive Committee but by no later than December 22.
6. The Executive Committee shall consider the results of the Tan 45 study and determine, by no later than December 31, whether to revise the IRM base case or on the Final IRM results, if a Final IRM has been approved by the Executive Committee.
7. The Chairman of the Executive Committee is authorized to schedule special meetings and/or conference calls deemed necessary to expedite this process

APPENDIX A: Unified Methodology Description

1.0 ***Introduction***

Appendix A describes a procedure to develop the statewide Installed Reserve Margin (IRM) versus Minimum Locational Capacity Requirements (LCRs) curves.

Within the New York Control Area (NYCA) there are currently two zones identified as localities to which this procedure would apply. They are the New York City and Long Island zones.

2.0 ***Initial Conditions***

- 2.1. A Multi-Area Reliability Simulation (MARS) base case database exists for the upcoming capability year.
- 2.2. Localities in the NYCA that require minimum LCR have been identified (in Section 1).
- 2.3. Any capacities that have been shifted, removed, or added to arrive at the base case for the IRM study should be reset to the “as found” case before initiating this procedure. This procedure should start with the forecast capacities and forecast loads.

3.0 ***Setting up the base case model for a desired study reserve margin (SRM)***

Installed capacity (ICAP) is either added to or removed from zones west of the Total East Interface that have excess capacity reserves (capacity rich zones) so that the statewide capacity to peak load ratio equals the desired study reserve margin (SRM) point.

- 3.1. A portion of this installed capacity (ICAP) is added to or removed from each capacity rich zone. The amount to be added to or removed from each capacity rich zone is based on the ratio of its excess unforced capacity (UCAP) to the total excess unforced capacity (UCAP) of all capacity rich zones.
- 3.2. Capacity removal or addition is achieved by adjusting the respective entry for each capacity rich zone in the MOD-MDMW table of the MARS program. The amount entered in the table is the equivalent UCAP amount for the amount of ICAP to be removed or added. UCAP for a zone is equal to the ICAP for that zone times one minus the weighted equivalent forced outage rate (1-EFOR) for the zone.
- 3.3. The correct amount of ICAP added to or removed from NYCA should be verified by performing a single iteration MARS run using the capacity adjusted model, checking the total capacity from the MARS 07 output file, and calculating the achieved reserve margin.