

NYISO Self Certification
Economic Optimization Methodology for Establishing
Minimum Locational Capacity Requirements

NYSRC Requirements for which compliance is being certified

Reliability Rule A.2: Establishing Load Serving Entity Installed Capacity Requirements and Deliverable External Area Installed Capacity

R1.

LSEs shall be required to procure sufficient resource capacity for the entire NYISO defined obligation procurement period so as to meet the statewide IRM requirement determined from A.1. Further, this LSE capacity obligation shall be distributed so as to meet locational ICAP requirements, considering the availability and capability of the NYS Transmission System to maintain A(R1) reliability requirements.

R3.

The NYISO shall prepare a report for the next Capability Period showing (1) LSE IRM and ICAP requirements so as to meet the statewide IRM requirement, (2) LSE locational ICAP requirements for applicable NYCA zones, such as New York City and Long Island, and (3) the allowable amount of LSE ICAP requirements that may be located externally to the NYCA. The report shall include the procedures, factors, and assumptions utilized by the NYISO to determine these LSE ICAP requirements. The NYISO Installed Capacity Manual shall include procedures to establish LSE ICAP requirements.

Measure 1.

The NYISO conducted an annual analysis to establish LSE and locational installed capacity (ICAP) requirements for the next Capability Year. The analysis was based on NYCA ICAP requirements established by the NYSRC and utilizes models and assumptions consistent with those used by the NYSRC for its ICAP requirement study. A report was prepared in accordance with R3, which addresses the results of the study, models utilized, study procedures and assumptions, and other study considerations. The report demonstrates that the LSE and locational ICAP requirements established by the NYISO and the allowable amount of LSE ICAP that may be located externally to the NYCA meets NYSRC Reliability Rules, in accordance with R1 and R2, respectively.

The NYISO certifies that the proposed NYISO economic optimization methodology for establishing minimum Locational Capacity Requirements (LCRs) is fully compliant with applicable NYSRC A.2: R1 and R3 requirements by maintaining the following criteria in the application of the proposed methodology:

- A LOLE of 0.1 days/year, as specified by Requirement A.1: R1, shall be maintained.

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- The NYISO shall use the software, load and capacity data, and models consistent with that utilized by the NYSRC for its preparation of the IRM, as described in Sections 3.2 and 3.5 of NYSRC Policy 5-12.
- The NYISO shall use the Final IRM established by the NYSRC.
- The NYISO shall document the procedures used to calculate LCRs.

Certified by:

Title:

Date: