

**Request to Develop or Modify Reliability Rules and Requirements (NYSRC Policy No. 1)**

Submit request to [herb@poweradvisorsllc.com](mailto:herb@poweradvisorsllc.com) via the NYSRC site [www.nysrc.org](http://www.nysrc.org)

Item	Information
<b>1. PRR No. &amp; Title of Reliability Rule or Requirement change</b>	PRR 141 Revision of A.2, Establishing Load Serving Entity Installed Capacity Requirements
<b>2. Rule Change Requester Information</b>	
Name	RRS
Organization	
<b>3. New rule or revision to existing rule?</b>	Revision
<b>4. Need for rule change, including advantages and disadvantages</b>	To clarify NYISO locational capacity requirement (LCR) analysis requirements, and eliminate deliverable external area installed capacity requirements which should more appropriately be covered in Policy 5.
<b>5. Related NYSRC rules</b>	A.1
<b>6. Section A – Reliability Rule Elements</b>	
1. Reliability Rule	<del>Load Serving Entity installed capacity requirements, including Locational Capacity Requirements, and deliverable external area installed capacity</del> for each Capability Year shall be established.
2. Associated NERC & NPCC Standards and Criteria	
3. Applicability	
<b>7. Section B – Requirements</b>	
Requirements	<p><del>R1. The NYISO shall annually establish Load Serving Entity (LSE) installed capacity (ICAP) requirements, including Locational Capacity Requirements (LCRs), in accordance with NYSRC rules and NYISO tariffs. NYISO analyses for setting LCRs shall include the following requirements:</del></p> <p><del><b>R1.1</b> The NYISO LCR analysis shall use the IRM established by the NYSRC as determined in accordance with Reliability Rule A.1.</del></p> <p><del><b>R1.2</b> The NYISO LCR analysis shall maintain a LOLE of 0.1 days/year, as specified by Requirement A.1: R1.1.</del></p> <p><del><b>R1.3</b> The NYISO LCR analysis shall use the software, load and capacity data, and models consistent with that utilized by the NYSRC for its determination of the IRM, as described in Sections 3.2 and 3.5 of NYSRC Policy 5, “Procedure for Establishing NYCA Installed Capacity Requirements.”</del></p> <p><del><b>R1.4</b> The NYISO shall document the procedures used to calculate the LCRs.</del></p> <p><del><b>R1.5</b> The NYISO shall prepare a report for the next Capability Year Period describing the analyses for establishing showing (1) LSE IRM and ICAP requirements so as to meet the statewide IRM requirement, and (2) LSE</del></p>

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	<p><del>LCRs locational ICAP requirements for applicable NYCA zones, such as New York City and Long Island, prepared in accordance with R1.1 through R1.3, 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 and LCR requirements. The NYISO Installed Capacity Manual shall include procedures to establish LSE ICAP requirements.</del></p> <p><del>R2.4. LSEs shall be required to procure sufficient resource capacity for the entire NYISO defined obligation procurement period so as to meet the ICAP requirements and LCRs as established by the NYISO in accordance with R1 requirements and NYISO tariffs 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.</del></p> <p><b>R2.14.</b> Each LSE shall certify and maintain its ICAP obligation for the next <i>Capability Period</i>, including any <del>LCRs locational and external ICAP</del>, in accordance with LSE ICAP requirements established by the NYISO tariff and the NYISO <del>procedures, Installed Capacity Manuals</del></p> <p><b>R3.</b> The NYISO shall notify those LSEs that are determined to be deficient in meeting their ICAP requirements, including <del>LCRs locational ICAP requirements</del>, for the next <i>Capability Year-Period</i>. This notification shall specify appropriate deficiency charges. The NYSRC shall be immediately notified of such <i>capacity</i> deficiencies, including any measures that may be planned to minimize <i>reliability</i> impacts.</p>
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**8. Section C – Compliance Elements**

1. Measures

<p><b>M1.</b> The NYISO conducted an annual analysis to establish LSE and Locational Capacity Requirements for the next <i>Capability Year</i> in accordance with R1. The analysis <del>was conducted in accordance with R1.1, R1.2, and R1.3 requirements, 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. The procedures used to calculate LCRs were documented in accordance with R1.4 and a report was prepared in accordance with R1.5, 3, 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.</del></p> <p><b>M2.</b> Each LSE demonstrated that it procured sufficient <i>capacity</i> from Installed Capacity Suppliers to meet its ICAP requirement, in accordance with R2.4.</p> <p><b>M3.</b> The NYISO immediately notified the NYSRC that a LSE failed to demonstrate that it meets its ICAP requirement for the next <i>Capability Year-Period</i>, in addition to other requirements specified in R3.5.</p>
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<p>2. Levels of Non-Compliance</p>	<p><b>For Measure 1</b></p> <p>Level 1: Not applicable.</p> <p>Level 2: The <i>NYISO</i> report <u>required by R1.5</u>, <del>or analyses of LSE and locational ICAP requirements, was incomplete in one or more areas. was incomplete in that it did not meet all requirements specified in this Requirement; or procedures for calculating LCRs were not documented as specified in R1.4.</del></p> <p>Level 3: Analyses of LSE and locational ICAP requirements <u>violated one or more requirements specified in R1.1 through R1.3</u>, <del>did not meet NYSRC Reliability Rules, or did not meet NYCA ICAP requirements established by the NYSRC.</del></p> <p>Level 4: <u>The report required by R1.5 describing the</u> Analyses of LSE and locational ICAP requirements <u>for the next Capability Year</u> <del>was</del> were not provided.</p> <p><b>For Measure 2</b></p> <p>Level 1: Not applicable.</p> <p>Level 2: Not applicable.</p> <p>Level 3: Not applicable.</p> <p>Level 4: <u>One or more LSEs failed</u><del>The LSE fails</del> to comply with <i>NYISO</i> requirements to demonstrate that it procured sufficient <i>capacity</i> to meet its ICAP obligation, <u>as required by R2.</u></p> <p><b>For Measure 3</b></p> <p>Level 1: Not applicable.</p> <p>Level 2: Not applicable.</p> <p>Level 3: Not applicable.</p> <p>Level 4: The <i>NYISO</i> did not notify the <i>NYSRC</i> when an LSE failed to demonstrate that it meets its ICAP requirement for the next <i>Capability Year</i> <u>Period, as required by R3.</u></p>
<p>3. Compliance Monitoring Process (See Policy 4):</p>	<p>No changes.</p>
<p>3.1 Compliance Monitoring Responsibility</p>	
<p>3.2 Reporting Frequency</p>	
<p>3.3 Compliance Reporting Requirements</p>	
<p><b>9. Implementation Plan</b></p>	<p><i>NYISO</i> LCR analyzes for the 2019-20 Capability Year shall apply the PRR 141 Reliability Rule A.2 revisions.</p>
<p><b>10. Comments</b></p>	<p>ICS shall modify Policy 5 to include the procedure for determining the allowable amount of ICAP requirements that may be located externally to the NYCA.</p>
<p><b>11. Date Rule Adopted</b></p>	
<p><b>12. PRR Revision Dates</b></p>	<p>12/19/17, 1/4/18, 2/8/18</p>

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