DRAFT: 6/21/2016

** Preliminary Draft of Suggested Generator Outage State Provisions
to include in Appendix C of Policy 5-10**

APPENDIX C: Generator Inclusion Guidelines

In developing the IRM study base case, all generation resources included in the previous year's IRM study base case will be used as an initial reference. The IRM study base case will be updated for resource additions and removals consistent with the NYSRC Policy 5-10 and the criteria set forth below.

1. Generating units in an outage state (other than a retirement or mothball) that are eligible to participate in the NYISO's Installed Capacity (ICAP) Market, at the time of the base case assumption lock-down date,[1] will be modeled as in service in the IRM study base case.

2. The IRM study base case will be updated to remove a generating unit if, by the time of the base case assumption lock-down date, the NYISO informs ICS that a unit is in an outage state (other than retirement or mothball) in which it is ineligible to participate in the NYISO's ICAP Market, and that the NYISO has not received positive indications[2] that the unit will be returning to service by June 1st of the capability year.[3]

3. For generating units that have provided notice of intent to retire or mothball, the IRM study base case will be updated to remove such unit as of the unit's deactivation date within the capability year if:

   3.1. By the base case assumption lock-down date, all of the following criteria are met:

      3.1.1. the NYISO conducted a generator deactivation assessment and informed ICS that the intended deactivation of the generating unit will not give rise to a NYS Bulk Power System or a local reliability need; and

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[1] The base case assumption lock-down date is the date by which ICS presents the final IRM base case assumptions matrix to the Executive Committee for approval (see Table 2-1).

[2] For purposes of applying Appendix C, "positive indications" that a generating unit will be returning to service include, but are not limited to, the following:

a. Commenced repair or indications of repair evidenced by items such as, but not limited to: (i) a repair plan including schedule, (ii) a list of permits required with indications of active status, (iii) invoices for material, or (iv) contracts for construction; or

b. Indications of restart are evidenced by items such as, but not limited to: (i) visible site activity, (ii) labor arrangements, (iii) fuel supply arrangements, or (iv) unit testing; or

c. Outage state otherwise ends as defined by the applicable regulation, tariff, or order.

[3] For the purposes of Appendix C, all references to "capability year" are to the capability year that is the subject of the IRM study.

3.1.2. the generating unit has not rescinded its generator deactivation notice and, in the case of a unit intending to enter into a mothball outage, the NYISO has not informed ICS of positive indications that the unit will be returning to service by June 1st of the capability year.

3.2. By the base case assumption lock-down date, all of the following criteria are met:

3.2.1. the NYISO conducted a generator deactivation assessment and informed ICS that the intended deactivation will give rise to a NYS Bulk Power System or a local reliability need; and

3.2.2. the NYISO's planning process(es) identified a solution to the reliability need, other than the deactivating unit remaining in service, that will be in service by the date that the reliability need arises, and the solution will be included in the model; and

3.2.3. in the case of a generating unit that has provided notice of intent to enter into a mothball outage, the NYISO has not informed ICS of positive indications that the unit will be returning to service by June 1st of the capability year.

4. The IRM study base case will be updated to include a generating unit if: (i) based upon the most recent Load and Capacity Data Report ("Gold Book") prepared by the NYISO, the unit was mothballed or identified as being in an outage state (other than retirement) in which it was ineligible to participate in the NYISO's ICAP Market, and (ii) the NYISO, prior to the base case assumption lock-down date, has informed ICS that there are positive indications that the unit will be returning to service by June 1st of the capability year.