

5.10 NYCA Minimum Installed Capacity Requirement

The NYCA Minimum Installed Capacity Requirement is derived from the NYCA Installed Reserve Margin, which is established each year by the NYSRC. The NYCA Minimum Installed Capacity Requirement for the Capability Year beginning each May 1 will be established by multiplying the NYCA peak Load forecasted by the ISO by the quantity of one plus the NYCA Installed Reserve Margin. The ISO shall translate the NYCA Installed Reserve Margin, and thus the NYCA Minimum Installed Capacity Requirement, into a NYCA Minimum Unforced Capacity Requirement. For each Capability Period, the NYCA Minimum Unforced Capacity Requirement shall equal the product of the NYCA Minimum Installed Capacity Requirement and the ratio of (1) the total amount of Unforced Capacity that the specified Resources are qualified to provide during such Capability Period, as of the time the NYCA Minimum Unforced Capacity Requirement is determined as specified in ISO Procedures, to (2) the sum of the DMNCs used to determine the Unforced Capacities of such Resources for such Capability Period. The foregoing calculation shall be determined using the Resources in the NYCA in the most recent final version of the ISO's annual Load and Capacity Data Report, with the addition of Resources commencing commercial operation since completion of that report and the deletion of Resources with scheduled or planned retirement dates before or during such Capability Period.

The NYCA Minimum Unforced Capacity Requirement represents a minimum level of Unforced Capacity that must be secured by LSEs in the NYCA for each Obligation Procurement Period. Under the provisions of this Services Tariff and the ISO Procedures, each LSE will be obligated to procure its LSE Unforced Capacity Obligation. The LSE Unforced Capacity Obligation will be determined for each Obligation Procurement Period by the ICAP Spot Market

Auction, in accordance with ISO Procedures. Qualified Resources will have the opportunity to supply amounts of Unforced Capacity to meet the LSE Unforced Capacity Obligation as established by the ICAP Spot Market Auction.

The ISO will calculate a NYCA peak Load each year by applying regional Load growth factors to the prior calendar year's Adjusted Actual Peak Load. Regional Load growth factors shall be proposed by the Transmission Owners and reviewed by the ISO pursuant to procedures agreed to by Market Participants and described in the ISO Procedures. Disputes concerning the development of regional Load growth factors shall be resolved through the Expedited Dispute Resolution Procedures set forth in Section 5.17 of this Tariff.

The ISO shall determine the amount of Unforced Capacity that must be sited within the NYCA, and within each Locality, and the amount of Unforced Capacity that may be procured from areas External to the NYCA, in a manner consistent with the Reliability Rules. New Transmission projects to which the NYISO has granted UDRs will not affect the determination by the NYISO of the amount of Unforced Capacity that must be located within the NYCA or within each Locality of the NYCA.