

#### **23.4.5.7 Buyer-Side Market Power Mitigation Measures for Installed Capacity**

Offers to supply Unforced Capacity from a Mitigated Capacity Zone Installed Capacity Supplier, unless from Excluded Facilities as defined in Section 23.2 or from facilities found to be exempt as specified below: (i) shall equal or exceed the applicable Offer Floor; and (ii) can only be offered in the ICAP Spot Market Auctions. Except for Offer Floors applied pursuant to Section 23.4.5.7.9.5.2 (i.e., after the revocation of a Competitive Entry Exemption), or Section 23.4.5.7.14.5 (i.e., after the revocation of Self Supply Exemption), the ISP UCAP MW, or when the Installed Capacity Supplier is an RMR Generator, the Offer Floor shall apply to offers for Unforced Capacity from the Installed Capacity Supplier starting with the Capability Period for which the Installed Capacity Supplier first offers to supply UCAP. Offer Floors applied pursuant to Section 23.4.5.7.9.5.2 shall apply to offers for Unforced Capacity from an Installed Capacity Supplier starting with all ICAP auction activity subsequent to the date of the revocation. The same exemption determination or Offer Floor shall apply to the 2 MW or less that an existing Generator or UDR project with CRIS requests and receives under Section 40.5.6.6 (Attachment HH) of the ISO OATT. Offer Floors shall cease to apply:

- (A) to that portion of an Examined Facility's UCAP (rounded down to the nearest tenth of a MW) that has cleared for any twelve, not-necessarily-consecutive, months (such cleared amount, "Cleared UCAP") in which the resource's MW were not ISP UCAP MW or MW of an RMR Generator: and
- (B) for the period an Installed Capacity Supplier is an Interim Service Provider if its generating unit(s) are required to remain in-service but only in the amount of its ISP UCAP MW, or an RMR Generator in which case the Installed Capacity Supplier's offers of UCAP shall be as set forth in Section 23.4.5.7.12. Offer

Floors shall be adjusted annually using the most recent inflation rate that is the twelve month percentage change in the index for the general component of the escalation factor (“Inflation Rate”) that is the most recent of (a) the Inflation Rate identified in the index accepted by the Commission after a periodic review in an ICAP Demand Curve Reset Filing Year, as of October 1 of the ICAP Demand Curve Reset Filing Year, and (b) the Inflation Rate in the Annual Update of the relevant effective ICAP Demand Curves published under Section 5.14.1.2.2.

- (C) if the unit meets the criteria to be considered an Excluded Facility as defined in Section 23.2.