

196 FERC ¶ 61,051
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

July 20, 2026

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket No. ER26-2577-000

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: Sara B. Keegan, Assistant General Counsel

Dear Ms. Keegan:

1. On May 19, 2026, pursuant to section 205 of the Federal Power Act (FPA)¹ and part 35 of the Commission's regulations,² New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to: (1) the Standard Interconnection Procedures in Attachment HH to its Open Access Transmission Tariff (OATT); and (2) its Market Administration and Control Area Services Tariff (Services Tariff, and together with the OATT, the Tariff) regarding the manner in which deliverability is evaluated in NYISO interconnection studies to appropriately identify System Deliverability Upgrades.³ As

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2025).

³ System Deliverability Upgrades are defined in the OATT as "the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to Byways and Highways, External Other Interfaces and Internal Other Interfaces on the existing New York State Transmission System that are required for the proposed Project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard for Capacity Resource Interconnection Service. NYISO, NYISO Tariffs, NYISO OATT, § 40.1 (OATT Attachment HH Definitions) (3.0.0).

discussed below, we accept the proposed Tariff revisions, effective July 21, 2026, as requested.

2. NYISO states that its current deliverability study methodology contains several elements that, when applied at scale, could make the analysis impossible to perform or lead to the identification of unnecessary upgrades for projects seeking Capacity Resource Interconnection Service (CRIS).⁴ NYISO states that there are over 90 projects in the current Cluster Study.⁵ NYISO identifies four main concerns with the existing deliverability test methodology and proposes Tariff revisions to remedy each concern.

3. First, NYISO states that the existing generation dispatch methodology for building the deliverability study base case cannot accommodate the large volume of new generation in the current Cluster because it requires NYISO to dispatch proposed generators at their maximum Unforced Capacity (UCAP) dispatch.⁶ NYISO states that this approach inherently reflects operating conditions that do not align with how the system is operated in practice and may result in the identification of costly and unnecessary System Deliverability Upgrades. To correct the issue, NYISO proposes to levelize all generation dispatch across the state on a pro rata basis and to adjust output within Capacity Regions only when needed to mitigate violations.⁷

4. Second, NYISO states that the existing deliverability test methodology that evaluates certain intra-zonal interfaces within Capacity Regions determines if there is excess generation upstream, in which case, the generation excess is assumed to displace downstream generation.⁸ NYISO explains that this deliverability test does not consider downstream load or available downstream generation to displace, and thus may indicate severe bottling even though there is no need to deliver that power across the interface, causing the identification of unnecessary System Deliverability Upgrades. To correct this issue, NYISO proposes to incorporate downstream load into the deliverability test to allow it to assess the necessary transfer capability based on actual demand, rather than

⁴ Filing, Transmittal Letter at 1.

⁵ *Id.* at 1 n.2. Unless otherwise noted, capitalized terms in this order have the same meaning ascribed to them in the Tariff.

⁶ *Id.* at 6.

⁷ *Id.* at 13.

⁸ *Id.* at 7.

only on interface limits, aligning the test methodology with resource adequacy model principles.⁹

5. Third, NYISO states that the current “no-harm” test methodology applied to interfaces between Capacity Regions and interfaces between the New York Control Area (NYCA) and adjacent Control Areas evaluates whether requested CRIS degrades transfer capability between these regions by more than a *de minimis* amount (defined as the lesser of 25 MW or two percent of base transfer capability).¹⁰ NYISO explains that, because this test methodology does not consider impacts to the loss-of-load-expectation (LOLE), this method can trigger System Deliverability Upgrades based solely on small transfer-limit impacts, even when those impacts do not affect reliability related to resource adequacy.¹¹ To correct this issue, NYISO proposes to incorporate the LOLE impact into this “no harm” test methodology.¹²

6. Fourth, NYISO states that the current Tariff requires it to use the same deration factor for conventional generators and Energy Storage Resources (ESR), which results in unrealistically high UCAP assumptions for ESRs that can lead to unnecessary System Deliverability Upgrades and associated costs to interconnection customers.¹³ NYISO states that its most recent System & Resource Outlook shows that an ESR’s capacity value is dynamic and depends on system load, resource mix, and duration of the ESR.¹⁴ NYISO proposes to use the same method as in the recent System & Resource Outlook by updating the derate factor values as the resource mix and demand change.¹⁵

⁹ *Id.* at 14.

¹⁰ *Id.* at 5-6.

¹¹ *Id.* at 7-8. In contrast, NYISO explains that the “no harm” test methodology applied to intra-zonal interfaces considers both the impact on transfer capability and LOLE and requires System Deliverability Upgrades only when both threshold conditions are met. *Id.* at 7

¹² *Id.* at 14-15.

¹³ *Id.* at 8-9.

¹⁴ *Id.* at 9 (citing New York Indep. Sys. Operator, Inc., *2023-2042 System & Resource Outlook* (July 23, 2024), <https://www.nyiso.com/documents/20142/46037414/2023-2042-System-Resource-Outlook.pdf>).

¹⁵ *Id.* at 15.

7. NYISO also proposes corresponding Tariff revisions to distinguish between internal interfaces (i.e., interfaces between Capacity Regions within the NYCA) and external interfaces (i.e., interfaces between the NYCA and adjacent Control Areas) because they present different operational, modeling, and mitigation considerations.¹⁶ Finally, NYISO proposes several ministerial and clean-up revisions to the OATT.¹⁷

8. NYISO argues that proceeding under the current rules would generate deliverability outcomes that significantly overstate upgrade needs, and that updating the deliverability methodology is essential to provide interconnection customers with clearer, more realistic, and more equitable outcomes as they seek to move projects toward commercial operation.¹⁸

9. NYISO avers that the proposed Tariff revisions have been reviewed through collaborations with stakeholders, and by NYISO's Market Monitoring Unit (MMU).¹⁹ NYISO states that the proposed Tariff revisions were approved unanimously by the NYISO Management Committee, and by the NYISO Board of Directors. NYISO states that the MMU has indicated that "the proposed reforms are directionally correct and are an improvement over the status quo."²⁰

10. Notice of NYISO's filing was published in the *Federal Register*, 91 Fed. Reg. 30298 (May 22, 2026), with interventions and protests due on or before June 9, 2026. Timely motions to intervene were filed by: Independent Power Producers of New York, Inc.; EDF Power Solutions, Inc.; and New York Transmission Owners.²¹

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214, the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

¹⁶ *Id.* at 11-12, 18.

¹⁷ *Id.* at 16-17.

¹⁸ *Id.* at 1-2.

¹⁹ *Id.* at 18.

²⁰ *Id.*

²¹ New York Transmission Owners consists of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

12. We find the proposed Tariff revisions to be just and reasonable and not unduly discriminatory or preferential, and accept them effective July 21, 2026, as requested. NYISO's filing primarily addresses certain limitations of NYISO's current deliverability test methodology in interconnection studies that, when applied at scale, could make the analysis impossible to perform or lead to the identification of unnecessary upgrades for projects seeking CRIS. We find that NYISO's proposed revisions are just and reasonable because they adapt NYISO's deliverability test methodology for large cluster studies and provide more realistic and just and reasonable outcomes to interconnection customers as they seek to move projects toward commercial operation.

13. We agree with NYISO that the revisions to the generation dispatch methodology would address the impracticality of the previous rules, provide more reasonable dispatch assumptions, and align with the resource adequacy model's treatment of generation. We find that revisions that will incorporate downstream load into the deliverability test methodology are just and reasonable because they will allow NYISO to assess the necessary transfer capability based on actual demand, rather than on interface limits alone and will align the test methodology with resource adequacy model principles.

14. We agree with NYISO that the incorporation of the LOLE impact in the "no harm" test methodology applied to interfaces between Capacity Regions is just and reasonable because it will reduce the need for System Deliverability Upgrades without impacting reliability.

15. Lastly, we find that updating the derate factor values as the resource mix and demand change is just and reasonable because this method will better reflect the ESR capacity value represented in resource adequacy models.

By direction of the Commission. Commissioner Rosner is concurring with a separate statement attached.

Carlos D. Clay,
Deputy Secretary.

Appendix – Tariff Record

New York Independent System Operator, Inc.

NYISO Tariffs

- [NYISO OATT, 40.1 OATT Att HH Definitions \(3.0.0\)](#)
- [NYISO OATT, 40.9 OATT Att HH Cluster Study Overview/ NYISO Minimum Inter \(2.0.0\)](#)
- [NYISO OATT, 40.13 OATT Att HH Deliverability Studies and Cost Allocation \(5.0.0\)](#)
- [NYISO MST, 5.12 MST Requirements Applicable to Installed Capacity Suppl \(60.0.0\)](#)

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

New York Independent System Operator, Inc.

Docket No. ER26-2577-000

(Issued July 20, 2026))

ROSNER, Commissioner, *concurring*:

1. Today's order accepts NYISO's revised interconnection study rules. I write separately to commend NYISO for reforming its generator interconnection process to more accurately reflect actual grid conditions, avoid unneeded transmission upgrades, and get new electrons on the grid faster. While NYISO's process has unique regional attributes, I call on other grid operators to consider similar solutions.
2. Currently, NYISO's interconnection studies do not fully consider demand for electricity within zones (i.e., geographic regions within the ISO) when assessing a generator's ability to deliver electricity. With today's reforms, NYISO will now study generation *and* demand within a zone *before* assessing whether transmission upgrades are needed to make supply deliverable across zones.
3. NYISO's initial cluster analysis conducted under its old rules identified 24 system deliverability upgrades, including new and rebuilt transmission lines, terminal upgrades, and series reactors, but as a result of this package of reforms, only 3 of these upgrades will ultimately be required, which will save over \$1 billion in upgrade costs.¹ It is well documented that high upgrade costs are a significant barrier to building new generation,² so I continue to encourage other regions to consider whether similar changes would increase the efficiency and speed with which new generation can connect to the grid.

For these reasons, I respectfully concur.

David Rosner
Commissioner

¹ *New York Indep. Sys. Operator, Inc.*, Transition Cluster Study 2024 Preliminary Deliverability Study, at 48-49 (Mar. 26, 2026), https://www.nyiso.com/documents/20142/57510547/03a_C24_PreliminaryDIS_Presentation_TPAS_clean.pdf/b1b31558-21ce-ced6-7da5-a28daf0c7c65.

² See, e.g., *RWE Clean Energy, LLC v. PJM Interconnection, L.L.C.*, 194 FERC ¶ 61,212 (2026) (Rosner, Comm'r, Chang, Comm'r, concurring).