New York ISO
Independent System Operator

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February 18, 2026

Submitted Electronically

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: Docket No. ER26-___-000, *New York Independent System Operator, Inc.*; Winter Reliability Capacity Enhancements

Dear Secretary Reese:

In accordance with Section 205 of the Federal Power Act ("FPA")[1] and Part 35 of the regulations of the Federal Energy Regulatory Commission ("Commission"), the New York Independent System Operator, Inc. ("NYISO") submits proposed revisions to its Market Administration and Control Area Services Tariff ("Services Tariff") to enhance its Installed Capacity ("ICAP") market rules in response to ongoing changes to New York's electric grid, including the emergence and expected growth of winter risks as New York transitions to a winter peaking system.[2] The NYISO's Market Monitoring Unit has authorized the NYISO to state that it supports NYISO's proposal, which includes changes necessary for the market to provide incentives for reliability during winter conditions and is an important step towards a comprehensive winter capacity market.

The NYISO respectfully requests that the proposed revisions become effective April 20, 2026 (i.e., the day following the end of the statutory 60-day notice period). The NYISO will first utilize the proposed enhancements for the 2027-2028 Capability Year.

I. List of Documents Submitted

The NYISO submits the following with this filing letter:

1. A clean version of the proposed revisions to the Services Tariff ("Attachment I") and

2. A blacklined version of the proposed revisions to the Services Tariff ("Attachment II").

[1] 16 U.S.C. § 824d.

[2] Capitalized terms not otherwise defined herein shall have the meaning specified in Section 2 of the Services Tariff.

II. Background

The ICAP market has historically been designed around summer peak demand; however, increasing winter reliability risks driven by electrification and fuel security concerns have brought increased attention to the seasonal structure of the ICAP market. For example, Winter Storm Elliot and subsequent cold weather operating periods have highlighted the New York Control Area ("NYCA") system vulnerabilities with the dependence on non-firm gas supplies to support electric generation. Unlike summer peaks, winter reliability risks often stem from fuel supply constraints, Generator outages, and extreme cold weather events.

These proposed enhancements address the emergence of near-term winter reliability risks that are projected to increase over the long-term as the NYCA transitions to a winter peaking system.[3] Through these proposed enhancements, the NYISO aims to continue to send appropriate signals for winter preparedness through the ICAP market, particularly considering fuel supply constraints and Generator performance challenges during extreme cold weather events. By recalibrating market inputs and rules to reflect seasonal shifts in reliability risk, the NYISO seeks to maintain resource adequacy while supporting efficient investment and resource retention to support winter reliability needs.

III. Description of ICAP Market Structure

The two tenets of power system reliability are resource adequacy and transmission security. Resource adequacy is "the ability of the electric system to supply the aggregate electrical demand and energy requirements of the customers at all times, taking into account scheduled and reasonably expected unscheduled outages of system elements."[4] Transmission security is "the ability of the electric system to withstand disturbances such as electric short circuits or unanticipated loss of system elements."[5]

The ICAP market is designed to provide resource adequacy through the availability of sufficient generating capacity available to supply energy needs while providing adequate operating reserves. The product bought and sold in the ICAP market is called Unforced Capacity ("UCAP"). UCAP represents the amount of ICAP that is available at a particular time, adjusted for periods when a resource is not available due to a forced outage or other limitations on a resource's operating capability.

Resource adequacy in New York State is maintained through a series of related processes administered by the New York State Reliability Council, L.L.C. ("NYSRC") and the NYISO. Annually, the NYSRC conducts a rigorous study to inform its establishment of an installed reserve margin ("IRM") for the upcoming Capability Year. The IRM represents an additional

[3] The NYCA is expected to become a winter peaking system in the late 2030s. *See* NYISO 2025 Load & Capacity Data Report, at 17, https://www.nyiso.com/documents/20142/2226333/2025-Gold-Book-Public.pdf

[4] *See* NYSRC Reliability Rule & Compliance Manual, § 3.2.

[5] *Id.*

quantity of capacity that must be procured above the NYISO's forecasted peak load to meet the NYSRC-established resource adequacy criterion of a loss of load expectation ("LOLE") no greater than 0.1 loss of load event days per year.

The IRM and the associated study serve as foundational inputs to the NYISO's administration of its ICAP market. More specifically, the NYISO's forecasted peak load, plus the additional capacity required to meet the IRM, establish the minimum capacity procurement requirements for the NYCA. These inputs also serve as the starting point for deriving various other ICAP market parameters, including Locational Minimum Installed Capacity Requirements ("LCRs") for certain transmission-constrained areas (i.e., Localities),[6] LSE capacity procurement requirements, and the translation of the ICAP Demand Curves to UCAP terms. Even though the IRM study case captures assumptions for both the summer and winter seasons, because the NYCA forecasted peak load has historically occurred in the summer period, the minimum capacity procurement requirements have reflected summer peak conditions. In recognition of the ongoing changes to New York's electric grid and system reliability risk profile, the NYISO implemented seasonal ICAP Demand Curves, starting with the 2025-2026 Capability Year.[7]

IV. Description of Proposed Tariff Revisions

After extensive engagement with stakeholders and the NYISO's Market Monitoring Unit, the NYISO proposes enhancements to the ICAP market rules in response to the emergence of near-term winter reliability risks that are projected to increase over the long-term as the NYCA transitions to a winter peaking system.

Specifically, the NYISO proposes to revise the Services Tariff to (1) provide for seasonal NYCA minimum capacity requirements, seasonal transmission security limit ("TSL") floor values,[8] and seasonal LCRs; (2) provide for seasonal elections for Unforced Capacity Deliverability Rights ("UDRs") and External-to-Rest of State Deliverability Rights ("EDRs")

[6] LCRs require Load Serving Entities ("LSEs") serving customers within a Locality to procure a portion of their capacity purchase obligations from capacity supply resources electrically located within such Locality. *See* Services Tariff, §§ 2.12 (Definitions – L), 5.11.4. These locational requirements (1) recognize limitations on the system's ability to flow power from less constrained areas into the Localities and (2) seek to safeguard that meeting the minimum capacity procurement requirements does not result in reliance on power flows in excess of such transfer capability. There are currently three Localities located in the southeastern/downstate region of New York: (1) the G-J Locality (i.e., Load Zones G, H, I, and J); (2) New York City (i.e., Load Zone J); and (3) Long Island (i.e., Load Zone K). As described in Services Tariff Section 5.11.4, among other considerations, the NYISO is required to take into account the New York State Power System transmission Interface Transfer Capability; this requirement seeks to prevent establishing LCRs at levels that assume reliance on power transfer levels that would exceed NYISO-determined transmission security limits into the Localities.

[7] *See N.Y. Indep. Sys. Operator, Inc.*, Docket No. ER24-701-000 (Feb. 15, 2024) (delegated order) (accepting revisions to the calculation of the reference point price and maximum allowable clearing price of the ICAP Demand Curves to account for seasonal reliability risks).

[8] TSL floor values represent the minimum capacity procurement requirement for each Locality necessary to respect the Locality-specific transmission security constraints.

with an accompanying must offer requirement consistent with the submitted elections; and (3) adjust the ICAP Demand Curves to reflect the establishment of seasonal minimum capacity requirements.

A. Seasonal Minimum Capacity Requirements

To address increasing winter reliability risk and more accurately account for seasonal load and ICAP differences between the Summer and Winter Capability Periods, the NYISO proposes to expressly establish seasonal minimum capacity procurement requirements for the NYCA, each Locality, and each Transmission District.[9]

The separate summer and winter minimum capacity procurement requirements would be based on the final IRM study case for the applicable Capability Year, which reflects the NYSRC-approved IRM, so that the NYSRC-established resource adequacy criterion is met. Under this proposal, the Summer NYCA Minimum ICAP Requirement calculation would remain unchanged. It would continue to be consistent with the NYSRC-approved IRM value. The proposed Winter NYCA Minimum ICAP Requirement would be derived from the available capacity in the winter peak month, as identified from data for the final IRM study case and the winter NYCA forecasted peak load value for the applicable Capability Year as determined by the NYISO.[10] As such, the proposed Winter NYCA Minimum ICAP Requirement is designed to meet the NYSRC-established resource adequacy criterion.

[9] The NYISO proposes the following revisions to the Services Tariff: (1) in Section 2.14, add the definition of "NYCA Winter Installed Reserve Margin" and provide the definitions of "NYCA Minimum Installed Capacity Requirement" and "NYCA Peak Load Forecast" that would apply starting with the 2027-2028 Capability Year; (2) in Section 5.10.1, provide a new subsection for the existing tariff provisions that would continue to apply; (3) in Section 5.10.2, provide a new subsection for the proposed tariff provisions related to the seasonal NYCA Minimum ICAP Requirements that would apply starting with the 2027- 2028 Capability Year; (4) in Section 5.11.1, indicate the existing tariff provisions that would continue to apply prior to the 2027-2028 Capability Year and add proposed tariff provisions regarding the allocation of seasonal NYCA Minimum UCAP Requirement that would apply starting with the 2027-2028 Capability Year; (5) in Section 5.11.4, indicate the existing tariff provisions that would continue to apply prior to the 2027-2028 Capability Year, add proposed tariff provisions that would apply starting with the 2027-2028 Capability Year, and add language regarding a UDR rights holder's election decisions; (5) in Section 5.14.1.2, refer to the "applicable" minimum capacity requirement, and (6) in Section 5.16.3, add a provision that Indicative New Capacity Zone LCRs will, going forward, need to be determined for each Capability Period if a future New Capacity Zone study identifies the need to create a New Capacity Zone.

[10] At the November 20, 2025 NYISO Management Committee ("MC") meeting, the NYISO presented an illustrative example to demonstrate the calculation of the proposed seasonal NYCA minimum capacity requirements. *See* NYISO, *Winter Reliability Capacity Enhancements* (presented at the November 20, 2025 NYISO MC meeting), at 22, https://www.nyiso.com/documents/20142/55191864/2025%20Winter%20Reliability%20-%20November%2020%20MC.pdf ("November 20, 2025 MC Presentation").

To properly implement seasonal minimum capacity procurement requirements, seasonal LCRs need to be calculated. Like the proposed Winter NYCA Minimum ICAP Requirement, the proposed Winter LCRs would be derived from the available capacity in each Locality in the winter peak month, as identified from the data for the final IRM study case. The proposed Winter LCRs would be calculated based on the applicable Locality non-coincident peak load forecast as modeled in the final IRM study case.[11]

The NYISO does not propose to change the LCR determination process, including the inputs to the LCR economic optimization software (also known as the LCR optimizer)[12] such as the final IRM study case, the NYSRC-approved IRM, and the target LOLE (i.e., the LOLE associated with the NYSRC-approved IRM). The economic optimization software also indirectly accounts for transmission security requirements by including TSL floor values in the software to establish the lower bound on the allowable LCR values.

TSL floor values are inputs in the LCR determination process. As part of the proposed enhancements, the NYISO proposes to calculate seasonal TSL floor values to account for seasonal differences in assumption parameters. The seasonal TSL floor values would be based upon calculation parameters that are expanded to account for seasonal differences such as, but not limited to, load forecasts and bulk power transmission limits. The LCR optimizer would respect the more restrictive seasonal TSL floor value for each Locality when determining LCRs by not allowing an LCR to be lower than that value.

Finally, the NYISO proposes to establish seasonal Transmission District minimum capacity procurement requirements. Currently, the minimum capacity procurement requirements are allocated to Transmission Districts based on the Transmission District's share of summer peak load. With the proposed development of seasonal minimum capacity procurement requirements, the NYISO proposes that seasonal Transmission District minimum capacity requirements be determined and allocated to LSEs separately for Summer and Winter Capability Periods, consistent with the applicable share of summer or winter peak load.

B. Seasonal Elections for UDRs and EDRs with a Must Offer Requirement

In preparation for each upcoming Capability Year, annual election information is submitted to the NYISO by August 1 preceding the Capability Year. For example, the annual election deadline for the upcoming 2026-2027 Capability Year was August 1, 2025.

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[11] An illustrative example to demonstrate the proposed derivation of the seasonal LCRs for New York City was presented at the November 20, 2025 MC meeting. *See* November 20, 2025 MC Presentation at 24.

[12] Since 2019, the NYISO has utilized an economic optimization software to establish the LCRs for the G-J Locality, New York City, and Long Island. The software is designed to produce least cost LCRs while maintaining the NYSRC's final IRM and safeguarding that the resulting LCRs are set at levels at or above the applicable TSL floor values. *See N.Y. Indep. Sys. Operator, Inc.*, 165 FERC ¶ 61,011 (2018), *reh'g denied*, 170 FERC ¶ 61,051 (2020).

UDRs and EDRs are rights associated with either new incremental transmission projects that establish a new transmission interface with the NYCA or increased transfer capability over an existing transmission interface. A qualifying transmission project will be awarded UDRs or EDRs after a formal request to the NYISO. Annually, by August 1, the holders of existing UDRs and EDRs may return to the NYISO a quantity, if any, of UDRs or EDRs for the upcoming Capability Year.[13] These elections effectively represent a decision by a rights holder to forego use of all or a portion of its available rights for the upcoming Capability Year. The elections made by UDR and EDR rights holders are used to inform assumptions regarding capacity supply from UDRs and EDRs used in the annual IRM study. The election assumptions from the IRM study are also used in the LCR determination process.

The NYISO currently assumes that the UDR and EDR elections are available capacity that impacts the minimum capacity procurement requirement for the capacity region into which the UDR or EDR sinks. For example, if a UDR rights holder elects to use 400 MW of awarded UDRs into New York City, the NYISO will assume the 400 MW is available capacity when determining the New York City LCR. Conversely, if a rights holder elects to return all or a portion of its awarded UDR or EDR MW, this transfer capability is considered as available to support emergency assistance from neighboring regions in the IRM and LCR studies for the applicable Capability Year. For example, if a UDR rights holder elects to return 400 MW of awarded UDRs into New York City, such election would be expected to place downward pressure on the New York City LCR due to an increase in the level of available emergency assistance resulting from such election. Because UDR and EDR rights holders currently submit one election annually, the IRM study and LCR determination process assume that the available capacity from UDR and EDR elections is constant across the Capability Year.

Currently, unless existing ICAP market mitigation rules require otherwise, UDR and EDR rights holders may, at times, not offer capacity consistent with their annual elections. As a result, UDR and EDR rights holders that elect to participate in the ICAP market, but do not offer capacity consistent with their elections, can create a misalignment between the proposed seasonal requirements and available supply in a capacity delivery month. This misalignment can result in suboptimal market outcomes that may not accurately reflect system conditions, resource adequacy needs, and capacity values.

To better reflect the potential for seasonal availability differences of UDRs and EDRs and the corresponding impact that such differences may have on the seasonal availability of capacity supply, the NYISO proposes that, at the time of the annual election deadline (by August 1 prior to the subject Capability Year), UDR and EDR rights holders must submit two distinct seasonal elections for the upcoming Capability Year: one for the Summer Capability Period and one for the Winter Capability Period.[14] These separate election values aim to provide more accurate data on available capacity in the applicable season that can be reflected in the IRM and LCR studies and the resulting establishment of appropriate seasonal minimum capacity procurement requirements.

[13] *See* proposed Services Tariff Section 5.12.2.5.

[14] *See id.*

In addition, to address the potential misalignment between the proposed seasonal election requirements for UDR and EDR rights holders and actual supply conditions, the NYISO proposes an accompanying must offer requirement. It would require a UDR or EDR rights holder that makes an election to use all or a portion of its rights to supply capacity for a given Capability Period to offer the elected quantity in each ICAP Spot Market Auction for that Capability Period.[15] A UDR or EDR rights holder may meet the must offer requirement by offering its UCAP in the applicable ICAP Spot Market Auctions or certifying the UCAP for use in meeting an LSE's minimum capacity procurement requirements for the applicable Obligation Procurement Periods.[16]

Under this proposal, if the UDR or EDR rights holder fails to offer or certify UCAP associated with a UDR or EDR that has not been returned to the NYCA in any ICAP Spot Market Auction during the subject Capability Period, it shall pay the NYISO an amount for all months of the subject Capability Period equal to the product of (i) 1.5 times the applicable ICAP Spot Market Auction price and (ii) the quantity by which the UCAP associated with the given UDR or EDR that has not been returned to the NYCA exceeds the minimum amount of UCAP associated with the given UDR or EDR that has not been returned to the NYCA that is offered or certified during any month of the subject Capability Period.[17] Further, if the NYISO determines that the UDR or EDR rights holder is required to pay the NYISO for (1) the failure to offer or certify the UCAP associated with a UDR or EDR that has not been returned to the NYCA in any ICAP Spot Market Auction during the subject Capability Period as described in Services Tariff Section 5.12.12.4 as well as (2) the failure to offer or sell Mitigated UCAP or External Sale UCAP as described in Services Tariff Section 23.4.5.4.2, the NYISO proposes that the applicable UDR or EDR rights holder shall pay the larger of these two sanction amounts.[18]

[15] *See id.*; *see also* proposed Services Tariff Section 5.12.12.4.

[16] *See* proposed Services Tariff Section 5.12.2.5.

[17] *See* proposed Services Tariff Section 5.12.12.4.

[18] *See id.*; *see also* proposed revisions to Services Tariff Section 23.4.5.4.2. Note that the penalty that may be assessed under Services Tariff Section 23.4.5.4.2 differs in that it considers the impact of withholding on the resulting market clearing price and includes the total portfolio of MW in the Locality under the control of the Pivotal Supplier and its affiliates. For example, Section 23.4.5.4.2 provides that, "[i]f Mitigated UCAP or External Sale UCAP is not offered or sold as specified above, the Responsible Market Party for such Installed Capacity Supplier or Generator electrically located in a [Mitigated Capacity Zone] Import Constrained Locality shall pay the ISO an amount equal to the product of (A) 1.5 times the difference between the Market-Clearing Price for the Mitigated Capacity Zone in the ICAP Spot Market Auction with and without the inclusion of the Mitigated UCAP or External Sale UCAP and (B) the total of (1) the amount of Mitigated UCAP or External Sale UCAP not offered or sold as specified above, and (2) all other megawatts of [UCAP] in the Mitigated Capacity Zone under common Control with such Mitigated UCAP or External Sale UCAP."

C. Seasonal ICAP Demand Curve Enhancements

The NYISO conducts monthly ICAP Spot Market Auctions to meet the capacity procurement requirements for each delivery month. LSEs are required to purchase any capacity procurement deficiencies and excess in each ICAP Spot Market Auction. The ICAP Demand Curves are used to clear the ICAP Spot Market Auctions.[19]

Starting with the 2025-2026 Capability Year, the NYISO implemented the use of seasonal ICAP Demand Curves to more explicitly reflect seasonal reliability risk and send a clearer price signal of the value of capacity in each season. As a result, the NYISO calculates summer and winter maximum clearing and reference point prices, resulting in separate ICAP Demand Curves for each season. Seasonal availability adjustments (referred to as the winter-to-summer ratio and summer-to-winter ratio) aim to capture seasonal ICAP differences that are used in determining the maximum clearing and reference point prices of the seasonal ICAP Demand Curves.

With the proposed development of distinct seasonal minimum capacity procurement requirements, described in Section IV.A above, it will no longer be necessary to use the seasonal availability adjustments to determine the maximum clearing and reference point prices of the ICAP Demand Curves. If the NYISO were to add the proposed seasonal minimum capacity requirements without removing the seasonal availability adjustments, the seasonal ICAP Demand Curves would be adjusted twice for seasonal ICAP differences, which would lead to inaccurate market clearing prices. For these reasons, the NYISO proposes to remove the current seasonal availability adjustment components of the maximum clearing price and reference point price formulas and instead account for seasonal differences in capacity availability through the use of seasonal minimum capacity procurement requirements.[20]

The downward sloping ICAP Demand Curves represent the declining value of additional capacity beyond the minimum requirements. The zero crossing point on the ICAP Demand Curves indicates the point at which additional capacity no longer adds marginal reliability value and is therefore priced at $0.[21] The zero crossing point is one of the anchors of the ICAP

[19] The ICAP Demand Curves are designed to provide sufficient revenue to cover the estimated cost to construct and operate a hypothetical new capacity supply resource in various locations throughout New York. This cost is offset by an estimate of the potential revenues the hypothetical resource could earn from participating in the NYISO-administered Energy and Ancillary Services markets. The resulting net value determines the revenue the hypothetical resource would need to receive from the ICAP market to obtain sufficient revenues to support market entry under the system conditions postulated for determining the ICAP Demand Curves (i.e., supply conditions equal to the applicable minimum requirement plus the MW value of the hypothetical new capacity supply resource).

[20] *See* proposed revisions to Services Tariff Section 5.14.1.2.2.3.

[21] The zero-crossing point is commonly expressed in percentage terms relative to the applicable minimum capacity requirement. For example, the current zero-crossing point of the NYCA ICAP Demand Curve is set at 112% of the applicable minimum capacity requirement (i.e., 12% excess beyond the applicable minimum capacity requirement).

Demand Curves that determines their slope, which can impact, among other considerations, price stability and predictability.[22] Because the zero crossing point (in MW terms) is based on the minimum ICAP requirements, with the proposed development of distinct seasonal minimum capacity requirements, the NYISO proposes to create distinct zero crossing points for the summer and winter ICAP Demand Curves.[23]

The NYISO proposes to calculate the zero crossing points for the winter ICAP Demand Curves annually, so that the ICAP MW quantity where the summer and winter ICAP Demand Curves cross zero is equal.[24] To achieve this equalization, the NYISO proposes to use a different zero crossing point percentage for the Winter Capability Period. Specifically, the NYISO proposes to determine the winter zero crossing points using the ratio of available capacity that would be used to set the minimum ICAP requirements for the Summer Capability Period of the upcoming Capability Year to the available capacity that would be used to set the minimum ICAP requirements for the Winter Capability Period of the upcoming Capability Year based on the most recently NYSRC-approved assumptions for the IRM study.[25] Of note, during the development of the proposed enhancements with its stakeholders, the NYISO considered adjusting the zero crossing point percentages using the ratio of the expected Summer NYCA Minimum ICAP Requirements to Winter NYCA Minimum ICAP Requirements based on the IRM study case for the upcoming Capability Year. Ultimately, the NYISO determined that adjusting the percentages in this manner was not feasible because the expected seasonal minimum capacity requirements derived from the IRM study would not be available before the

[22] A flatter curve provides for a more gradual change in prices in response to changes in supply, while a steeper curve results in more rapid changes in prices with varying supply conditions.

[23] *See* proposed revisions to Services Tariff Sections 5.14.1.2.2 and 5.14.1.2.2.3.

[24] *See* proposed revisions to Services Tariff Sections 5.14.1.2.2, 5.14.1.2.2.2, and 5.14.1.2.2.3. In Section 5.14.1.2.2, the NYISO proposes, among other things, to add (1) a description of the calculation of prescribed level of excess for the 2027-2028 Capability Year, which would be used to derive winter minimum capacity requirements for the 2026-2027 Capability Year, (2) the prescribed level of excess to the list of parameters to be updated as part of the annual update process, and (3) language indicating existing tariff provisions that would continue to apply prior to the 2027-2028 Capability Year. In Section 5.14.1.2.2.2, the NYISO proposes to clarify the abbreviation and definition of the level of excess adjustment factor used to determine net Energy and Ancillary Services revenues of the peaking unit. In Section 5.14.1.2.2.3, the NYISO proposes revisions, among other things, to (1) reflect the updated process to calculate the zero crossing points for the Winter Capability Periods and (2) indicate existing tariff provisions that would continue to apply prior to the 2027-2028 Capability Year.

[25] An illustrative example demonstrating the derivation of the proposed zero-crossing points for the NYCA and New York City ICAP Demand Curves was presented at the October 28, 2025 NYISO Installed Capacity Working Group ("ICAPWG") meeting. *See* NYISO, *Winter Reliability Capacity Enhancements: Market Design Details and Review of Proposed Tariff Revisions* (presented at the October 28, 2025 NYISO ICAPWG meeting) at 17-19, https://www.nyiso.com/documents/20142/54719523/5%202025%20Winter%20Reliability%20-%20October%2028%20ICAPWG%20Final.pdf.

deadline to post updated ICAP Demand Curves for the upcoming Capability Year; therefore, this mechanism is not proposed herein.[26]

The ICAP Demand Curves are determined under specified system conditions reflecting the excess supply conditions that would arise after the addition of the hypothetical new capacity supply resource used to anchor the curves to a quantity of available supply equal to the applicable minimum capacity requirements (i.e., the applicable minimum capacity requirement, plus the MW value of the hypothetical new capacity supply resource). This requirement is designed to establish the ICAP Demand Curves at a level that should provide sufficient revenues to cover the costs of the hypothetical new capacity supply resource when market entry by such facility is required to maintain resource adequacy. The postulated supply conditions for determining the ICAP Demand Curves are commonly referred to as the "prescribed level of excess." Currently, for each quadrennial ICAP Demand Curve reset period, the NYISO utilizes the applicable minimum capacity requirements for the first year of the reset period to determine "static" prescribed level of excess percentage values for the four-year period.[27]

With the proposed development of distinct seasonal minimum capacity procurement requirements, the NYISO proposes (1) to revise the prescribed level of excess definition to reflect the applicable seasonal minimum ICAP requirements and (2) to annually update the prescribed level of excess percentages to reflect the most recent Capability Year's seasonal minimum ICAP requirements for each Capability Period. The NYISO proposes to annually update these values to reflect the applicable minimum capacity requirements of the prior Capability Year.[28] Annually updating the prescribed level of excess percentages is intended to provide for improved alignment between the ICAP Demand Curves and evolving system

[26] The NYISO is required to determine updated ICAP Demand Curves for the upcoming Capability Year by November 30 of the calendar year preceding the start of the Capability Year for which the updated curves will apply. For example, the NYISO posted the ICAP Demand Curves for the upcoming 2026-2027 Capability Year by November 30, 2025.

[27] The static prescribed level of excess values are expressed in percentage terms based on the applicable minimum capacity requirements for the first year of the reset period and the capacity supply quantity that would result from the addition of the MW value of the hypothetical new capacity supply resource to such minimum capacity requirements. For example, if the applicable minimum capacity requirement was 10,000 MW and the hypothetical new capacity supply resource used to anchor the ICAP Demand Curve was 200 MW, the prescribed level of excess would be 102% of the applicable minimum capacity requirement (i.e., 2% excess beyond the applicable minimum capacity requirement).

[28] Use of the applicable minimum capacity requirements from the prior Capability Year in determining the ICAP Demand Curves for the subsequent Capability Year is required by the obligation to provide the updated curves by November 30 of the calendar year immediately preceding the start of the Capability Year for which the curves will apply. The applicable minimum capacity requirements for the upcoming Capability Year are not available until after finalizing the peak demand load forecast, IRM value, and LCRs for such Capability Year. Such finalized values become available during the first calendar quarter of the same calendar year as the start of the applicable Capability Year. For example, the NYISO was required to post the ICAP Demand Curves for the upcoming 2026-2027 Capability Year by November 30, 2025. However, the applicable minimum capacity requirements for the 2026-2027 Capability Year are finalized during the first calendar quarter of 2026.

conditions. Because seasonal minimum ICAP requirements will not be in effect until the 2027-2028 Capability Year, the NYISO proposes to derive the seasonal minimum ICAP requirements that would have applied for the 2026-2027 Capability Year to facilitate the determination of the prescribed level of excess percentage values for the 2027-2028 ICAP Demand Curves.

D. Miscellaneous Proposed Tariff Revisions

With respect to the Services Tariff, the NYISO proposes revisions to clarify that references to "non-holiday weekday hour" means "non-NERC holiday weekday hour."[29] The NYISO proposes, as appropriate, to revise references to "Adjusted Actual Peak Load," "Adjusted Load," and "Load" to read "Adjusted Actual Load" consistent with the tariff-defined term.[30] The NYISO also proposes to clarify the language describing the existing aggregate Adjusted Actual Load data and peak Load forecasts submission requirements for Transmission Owners.[31] The NYISO further proposes ministerial, non-substantive revisions, including removal of outdated tariff language and/or revisions to improve consistency of terminology.[32] In particular, the NYISO proposes to remove outdated references to Duration Adjustment Factor and Capacity Value Study due to the transition to the Capacity Accreditation Factor methodology.[33]

V. Effective Date

The NYISO respectfully requests that the proposed revisions become effective April 20, 2026 (i.e., the day following the end of the statutory 60-day notice period). The NYISO will first utilize the revisions proposed for the 2027-2028 Capability Year.

VI. Stakeholder Approval

On November 20, 2025, the proposed tariff revisions were approved by the Management Committee. On January 13, 2026, the NYISO Board of Directors approved the proposed revisions.

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[29] *See* proposed revisions to Services Tariff Sections 2.14 and 5.10.1.

[30] *See* proposed revisions to Services Tariff Sections 5.10.1 and 5.11.1.

[31] See proposed revisions to Services Tariff Section 5.11.1.

[32] *See* proposed revisions in Service Tariff Sections 2.1, 2.14, 5.10.1, 5.11.4, 5.11.5, 5.12.6.1.2, 5.14.1.2, 5.14.1.2.2, 5.14.1.2.2.3, 5.14.1.2.2.4.

[33] *See* proposed revisions to Services Tariff Sections 2.1, 2.4, 5.12.1.14, 5.12.14, 30.4.6.3.3.

VII. Correspondence

Please direct all communications and service in this proceeding to:

Robert E. Fernandez, Executive Vice President, General Counsel & Chief Compliance Officer
Karen G. Gach, Deputy General Counsel
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VIII. Service

A complete copy of this filing will be posted on the NYISO's website at www.nyiso.com. The NYISO will send an electronic link to this filing to the official representative of each of its customers, and each participant on its stakeholder committees. The NYISO will also send an electronic copy of this filing to the New York State Public Service Commission and the New Jersey Board of Public Utilities.

IX. Conclusion

The NYISO respectfully requests that the Commission accept the proposed revisions to the Services Tariff attached hereto with an effective date of April 20, 2026.

Respectfully submitted,

/s/ Heidi S. Nielsen
Heidi S. Nielsen, Senior Attorney
New York Independent System Operator, Inc.

cc: Janel Burdick
Emily Chen
James Dawson
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