New York ISO
Independent System Operator

10 Krey Boulevard, Rensselaer, NY 12144
Ph: 518.356.6000 | **Fax:** 518.356.8899

May 19, 2026

By Electronic Delivery

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: New York Independent System Operator, Inc., *Proposed Tariff Revisions to Revise the Deliverability Test Methodology*, Docket No. ER26-____-000

Dear Secretary Reese:

In accordance with Section 205 of the Federal Power Act ("FPA") and Part 35 of the regulations of the Federal Energy Regulatory Commission ("Commission"), the New York Independent System Operator, Inc. ("NYISO") respectfully submits proposed revisions to its Open Access Transmission Tariff ("OATT") and Market Administration and Control Area Services Tariff ("Services Tariff") regarding the manner in which deliverability is evaluated in the NYISO interconnection studies to appropriately identify deliverability upgrades in the current environment of large Cluster Studies.[1]

The existing deliverability methodology has, to date, effectively worked to identify when deliverability upgrades are required for a resource to participate in the NYISO's Installed Capacity market. However, there are elements of the methodology when applied at scale that could make the analysis impossible to perform or lead to the identification of unnecessary upgrades. The NYISO's Transition Cluster Study—initially proposing over 70 GW of new generation, more than double New York's summer peak load—has illuminated these substantial challenges.[2] With such a large Cluster Study, the current methodology produces dispatch and interface conditions that are not achievable.

Additionally, in evaluating the deliverability methodology with stakeholders, the NYISO has identified needed updates to the manner in which Energy Storage Resources ("ESRs") are modeled to better reflect the capacity value of this unique technology, particularly with high levels of ESR buildout.

Without the NYISO's proposed tariff changes, proceeding under the current rules would generate deliverability outcomes that significantly overstate upgrade needs. Updating the

[1] Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in Section 40.1 of Attachment HH to the NYISO OATT and, if not defined therein, in the NYISO OATT and NYISO Services Tariff.

[2] While the number of projects in the Transition Cluster Study has lessened due to project withdrawals during the study process, there are still over 90 projects in the Transition Cluster Study.

methodology now is essential to provide Interconnection Customers with clearer, more realistic, and more equitable outcomes as they seek to move projects toward commercial operation. The proposed revisions are therefore just, reasonable, and not unduly discriminatory.

For these reasons, the NYISO requests that the Commission accept the proposed tariff without any modifications. Further, the NYISO respectfully asks that the proposed tariff revisions submitted in this filing become effective on the day following the conclusion of the standard statutory sixty-day notice period under Section 205 of the Federal Power Act, *i.e.,* that they become effective on July 21, 2026, to allow the NYISO to apply the revised methodology to projects in the pending Transition Cluster Study before they must make binding decisions in the Final Decision Period at the end of the Transition Cluster Study's Phase 2 Study.

I. Documents Submitted

The NYISO respectfully submits the following documents with this filing letter:

1. A clean version of the NYISO's proposed tariff revisions to the OATT ("Attachment I");

2. A blacklined version of the NYISO's proposed tariff revisions to the OATT ("Attachment II");

3. A clean version of NYISO's proposed revisions to the Services Tariff ("Attachment III"); and

4. A blacklined version of NYISO's proposed revisions to the Services Tariff ("Attachment IV").

II. Communications and Correspondence

All communications and service in this proceeding should be directed to:

Robert E. Fernandez, Executive Vice President, Chief Compliance Officer
& General Counsel
Karen Georgenson Gach, Deputy General Counsel
Stephanie Amann, Senior Manager, Regulatory & Government Affairs
*Sara B. Keegan, Assistant General Counsel
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-4702
skeegan@nyiso.com

*Person designated for receipt of service.

III. Background

The tariff revisions proposed in this filing modify the methodology used by the NYISO in deliverability evaluations performed as part of the interconnection study process, specifically, the NYISO's new Cluster Study Process. The following is an overview of the deliverability evaluations that are currently performed by the NYISO, along with an explanation of the issues that can arise when they are applied under the current Cluster Study Process, and that the instant proposal is seeking to resolve.

A. Current OATT Attachment HH Deliverability Studies

1. Overview

An Interconnection Customer that seeks to interconnect its Facility to the New York State Transmission System or Distribution System[3] must obtain Energy Resource Interconnection Service ("ERIS"). The NYISO's Cluster Study Process identifies and allocates the costs of any Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities required to reliably interconnect the Interconnection Customer's proposed project in accordance with the NYISO Minimum Interconnection Standard.

If an Interconnection Customer wants its Facility to qualify as an Installed Capacity Supplier and to participate in the NYISO-administered Installed Capacity market, the Interconnection Customer must also obtain Capacity Resource Interconnection Service ("CRIS"). With limited exceptions, to obtain CRIS for a Facility larger than 2 MW, the Facility must be evaluated in a deliverability study—either a Cluster Study or an Expedited Deliverability Study—to determine whether the project satisfies the NYISO Deliverability Interconnection Standard for its requested CRIS amount or requires a System Deliverability Upgrade.[4] The NYISO separately performs recurring Expedited Deliverability Studies outside of the Class Year Study process through which a Facility can obtain CRIS if the study determines the Facility is deliverable without requiring a System Deliverability Upgrade.[5]

The NYISO OATT delineates the criteria under which a project requesting CRIS is evaluated in deliverability evaluations in the Cluster Study and Expedited Deliverability Study (collectively, "Attachment HH Deliverability Studies"). The Attachment HH Deliverability Studies determine whether a project seeking CRIS can deliver its requested CRIS throughout the

[3] Distribution System is defined as Transmission Owner's facilities and equipment used to distribute electricity that are subject to the Commission's jurisdiction and are subject to the ISO's Standard Interconnection Procedures in Attachment HH under Order Nos. 2003 and/or 2006.

[4] Under three scenarios, an Interconnection Customer may obtain CRIS without being evaluated for deliverability under the NYISO Deliverability Interconnection Standard: (1) an Interconnection Customer of a generating Facility 2 MW or less may request up to 2 MW of CRIS; (2) an existing facility interconnected with CRIS may, over the life of the facility, increase its CRIS by a total of 2 MW above its originally established CRIS value; and (3) an Interconnection Customer may request a CRIS transfer at the same electrical location. *See* OATT Attach. HH §§ 40.5.6.4, 40.5.6.6, and 40.18.3.

[5] *See* NYISO OATT Attach. S §§ 25.5.9.2, 25.7.

Capacity Region where it proposes to interconnect without creating transmission bottlenecks that would limit its own or others' ability to participate in the NYISO's Installed Capacity market.

A project does not need to be deliverable to reliably interconnect to the system or to inject energy; ERIS provides that fundamental right through the primary Cluster Study Process. CRIS is an additional, optional designation that allows a resource to participate in the NYISO's Installed Capacity market. The Attachment HH Deliverability Studies help identify whether any System Deliverability Upgrades are needed. If so, the deliverability evaluation in the Cluster Study Process identifies the upgrades, develops estimated costs and time to construct, and ultimately allocates the costs to the impacted Cluster Study Projects. The deliverability evaluation in the Expedited Deliverability Study only identifies whether the requested CRIS is deliverable; it does not identify or cost allocate System Deliverability Upgrades. If a project proceeds through an Expedited Deliverability Study and is not deemed fully deliverable, it may enter a Cluster Study as a CRIS-Only Project to have the required System Deliverability Upgrades identified and costs allocated.

2. Types of Deliverability Assessments

Depending on the Capacity Region where the proposed projects are located, projects will be subject to the one or more of the following deliverability tests:[6]

a. Highway Deliverability Test

Highways include all NYCA inter-zonal facilities 115 kV and above that make up the key ROS and LHV "Highway Interfaces" (and their immediately connected in-series Bulk Power System facilities). Except for the Total East interface, Highways do not include tie-lines between Capacity Regions or external Areas.

The Highway deliverability test (*i.e.,* "regular" deliverability test) evaluates whether CRIS (existing and requested) is deliverable or results in Highway overloads (*i.e.*, bottled capacity). This is performed by comparing transfer capability across each Highway interface, looking at excess generation (generation in excess of load) versus available transfer capability. If available transfer capability is greater than excess generation, the capacity is not bottled.

[6] There are four Capacity Regions in the New York Control Area ("NYCA"): (1) Rest-of-State ("ROS"); (2) Lower Hudson Valley ("LHV"); (3) New York City ("NYC"); and (4) Long Island ("LI"). The deliverability tests applicable to each Capacity Region are noted in the below table.

Capacity Region	Highway Deliverability Test	Byways Deliverability Test	Highway "No Harm" Test	Other Interface "No Harm" Test
ROS and LHV	☑	☑	☑	☑
NYC and LI		☑		☑

b. Byway Deliverability Test

Byways are transmission facilities that are not Highways or Other Interfaces (which are described below). All transmission facilities in NYC and LI are considered Byways. The Byway deliverability test is performed the same as the Highway deliverability test but looks at only Byway transmission facilities.

c. Highway "No Harm" Test

The Highway "no harm" test evaluates two factors:

1) whether requested CRIS degrades transfer capability (*i.e.*, emergency transfer limit) of a Highway interface by more than the de minimis (lesser of 25 MW or 2% of base transfer capability identified in the Cluster Baseline Assessment ("CBA") deliverability base case) (*i.e.*, the "pre-project" base case that includes existing but not requested CRIS); and

2) whether requested CRIS results in an increase of NYCA loss-of-load-expectation ("LOLE") (as determined in the CBA) of .01 or more.[7]

In contrast to the "regular" deliverability test, the "no harm" test looks at only transfer capability with and without the requested CRIS.

d. Other Interface "No Harm" Test

Other Interfaces are interfaces into Capacity Regions and interfaces between NYCA and adjacent Control Areas (*i.e.*, PJM to NYISO, ISO-NE to NYISO, HQ to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable).[8]

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[7] The acceptable LOLE reliability level in the NYCA is set forth in the New York State Reliability Council's Resource Adequacy Reliability Rules which provide:

> The NYSRC shall annually perform and document an analysis to calculate the NYCA Installed Reserve Margin (IRM) requirement for the following Capability Year. The IRM analysis shall probabilistically establish the IRM requirement for the NYCA such that the loss of load expectation (LOLE) of disconnecting firm load due to resource deficiencies shall be, on average, no more than 0.1 loss of load Event-Days per year. LOLE evaluations shall make due allowance for demand uncertainty, scheduled outages and deratings, forced outages and deratings, assistance over interconnections with neighboring control areas, NYS Transmission System emergency transfer capability, and capacity and/or load relief from available operating procedures.

N.Y. State Reliability Council, *Policy No. 5-19: Procedure For Establishing New York Control Area Installed Capacity Requirements* (June 13, 2025); *available at:* https://www.nysrc.org/wp-content/uploads/2025/06/NYSRC-Draft-Policy-5-19-Final-6-13-2025.pdf.

[8] In addition to these tests, the deliverability of External Installed Capacity not associated with Unforced Capacity Deliverability Rights ("UDRs"), External-to-ROS Deliverability Rights ("EDRs"), or External CRIS

The Other Interface "no harm" test evaluates whether requested CRIS degrades transfer capability (*i.e.*, emergency transfer limit) of any Other Interface by more than the de minimis (lesser of 25 MW or 2% of base transfer capability identified in the CBA). Unlike the Highway "no harm" test, the Other Interface "no harm" test does not evaluate impact on LOLE.

B. Challenges with the Current Deliverability Methodology

The current deliverability test presents four main concerns: (1) base case setup; (2) the "regular" Highway deliverability test methodology; (3) the Other Interface "no-harm" test methodology; and (4) the derate factors applicable to ESRs used in the Attachment HH Deliverability Studies. Each of these concerns is described below. These issues, if left unaddressed, would collectively require more upgrades than necessary to address deliverability issues and lead to significant costs for projects seeking CRIS. Indeed, the NYISO's preliminary deliverability analysis for the Transition Cluster Study identified over $2 billion in System Deliverability Upgrades—costs that likely make many proposed projects not economically viable.[9] A significant portion of these costs are a result of the current methodology overstating deliverability needs. It is imperative, therefore, to eliminate this potential barrier to entry by revising these rules as described in detail below.

1. Deliverability Base Case Setup Issues

The existing generation dispatch methodology for building the Attachment HH Deliverability Studies base case has proven unworkable with the large volume of projects proposing to interconnect into the ROS Capacity Region in the current Transition Cluster Study. The current approach requires the NYISO to dispatch proposed generators at their maximum Unforced Capacity ("UCAP") in the Attachment HH Deliverability Studies post-project base case ("Deliverability post-project base case"). If new generation is greater than demand in the Capacity Region, existing generation must be prorated down. This is referred to as "levelizing" the Deliverability base case (*i.e.*, reducing existing generation to offset new generation while simultaneously meeting minimum locality requirements). This approach, when applied to the current Transition Cluster Study, would require the NYISO to reduce existing generation to zero and even then, be unable to dispatch the Transition Cluster Study Projects at their full output. This inherently reflects operating conditions that do not align with how the system is operated in practice and may result in the identification of costly deliverability upgrades that are unnecessary.

Rights is evaluated annually as a part of the process that sets import rights for the upcoming Capability Year, to determine the amount of External Installed Capacity that can be imported to the New York Control Area across any individual External Interface and across all of those External Interfaces, taken together.

[9] *See* N.Y. Indep. Sys. Operator, Inc., *Transition Cluster Study 2024 Preliminary Deliverability Report* (March 2026), *available at*: https://www.nyiso.com/documents/20142/57511290/C24_PreliminaryDIS_Report_TPAS_OC_clean.pdf.

2. Highway Deliverability Test

The current "regular" Highway deliverability test evaluates intra-zonal interfaces within Capacity Regions to determine if the requested CRIS is deliverable within the Capacity Region or conversely would cause or exacerbate overloads of existing facilities within the Capacity Region. This is evaluated by comparing upstream generation surplus to Highway interface transfer limits.

Existing OATT Section 40.13.8.2.1.13 requires the generation/load mix to be split into two groups of generation and load—one upstream and one downstream—for each zone or sub-zone tested within the Capacity Region. If there is excess generation upstream, then the generation excess is assumed to displace downstream generation.

The current Highway deliverability test looks solely at excess generation upstream of an interface without regard for (1) the amount of load to serve downstream or (2) the amount of available dispatched generation downstream to displace. With a large amount of generation upstream of an interface, the current Highway deliverability test may indicate severe bottling even though there is no need to deliver that power across the interface, causing the identification of costly and unnecessary System Deliverability Upgrades. This approach leads to impracticable results when faced with a large volume of projects, such as requiring massive interface upgrades not justified by actual load needs.

3. Other Interface "No Harm" Test

The "no-harm" test is intended to maintain transfer limits at necessary levels by identifying potential adverse impacts to the limits caused by the requested CRIS. The current rules provide for a two-prong "no harm" test for Highway interfaces by considering (1) impact to calculated transfer limits beyond certain thresholds (25 MW or 2% of the transfer capability identified in the pre-project base case) and (2) impact to LOLE.[10] If both threshold conditions—impact on transfer limits and LOLE—are met, System Deliverability Upgrades are required to restore the transfer limit to its pre-project level. The threshold to determine whether projects harm an Other Interface, however, looks only to the first of those prongs—whether the aggregate impact degrades the transfer capability of any Other Interface more than the lesser of 25 MW or 2% of the transfer capability of the Other Interface identified in the pre-project base case.

However, the NYISO has determined that it is appropriate to consider the impact to LOLE when evaluating Internal Other Interfaces as well as Highways under the "no-harms" test.

When evaluating LOLE impact in the Attachment HH Deliverability Studies, the NYISO determines whether the transfer limit in the post-project base case—the Cluster Project Assessment ("CPA")—incrementally increases the reference level LOLE from the resource

[10] If both tests fail, then System Delivery Upgrades are required.

adequacy analysis by more than .01 loss of load Event-days[11] per year. If not, the LOLE impact is not considered significant enough to increase the LOLE beyond the reference level[12] and restoring the limit to its pre-project value is not required.[13] For the current Transition Cluster Study, the absence of a consideration of the impact on LOLE for internal Other Interfaces (*i.e.*, interfaces that fall within the proposed definition of Internal Other Interface) results in identification of System Deliverability Upgrades to restore and offset the Transition Cluster Study CRIS projects' impact on transfer limit despite such impact not affecting reliability related to resource adequacy.

4. Deration Factor for ESRs

The OATT provides that the Attachment HH Deliverability Studies shall model CRIS using a derated generator capacity incorporating availability. It provides, in pertinent part, that:

> Facilities requesting CRIS and existing facilities with CRIS will be modeled in the deliverability analysis at MW levels described herein. A derated generator capacity incorporating availability is used. This derated generator capacity is calculated for each resource using a UCAP Deration Factor ("UCDF"). The UCDF used is an average value based on historical performance on a Capacity Region basis, as determined in accordance with ISO Procedures. The UCDF for all generators that are not Intermittent Power Resources (resources that are not Intermittent Power Resources include Energy Storage Resources) or Limited Control Run of River Hydro is the average EFORd. All generators that are not Intermittent Power Resources or Limited Control Run of River Hydro in the same Capacity Region will use the same UCDF. The UCDF for Intermittent Power Resources and Limited Control Run of River Hydro will be calculated.[14]

Historically, the UCDF for deliverability evaluations are based on the assumptions used in the most recent study performed to determine the IRM, which accounts for reliability contribution from each resource in the resource adequacy model that reflects the system conditions of the NYCA grid for the upcoming Capability Year. Under these assumptions, conventional generation (*i.e.*, non-Intermittent Power Resources) uses a historical 5-year Equivalent Demand Forced Outage Rate ("EFORd") while Intermittent Power Resources and Limited Control Run of River Hydro Resources use specific translation factors based on historical 5-year hourly production data. The individual unit UCDF are therefore aggregated, based on MW weighting, by resource types and locations for use in the Attachment HH Deliverability Studies.

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[11] "Event-Day" is defined by the New York State Reliability Council as "an event-period lasting one day during which at least one Event-Hour occurs." Footnote 8, *supra*. "Event-Hour" is defined as an event-period lasting one hour during which, at some point, system resources are insufficient to meet demand"). *Id.*

[12] *See Id.*

[13] *See* NYISO OATT Attach. HH § 40.13.8.2.1.14.

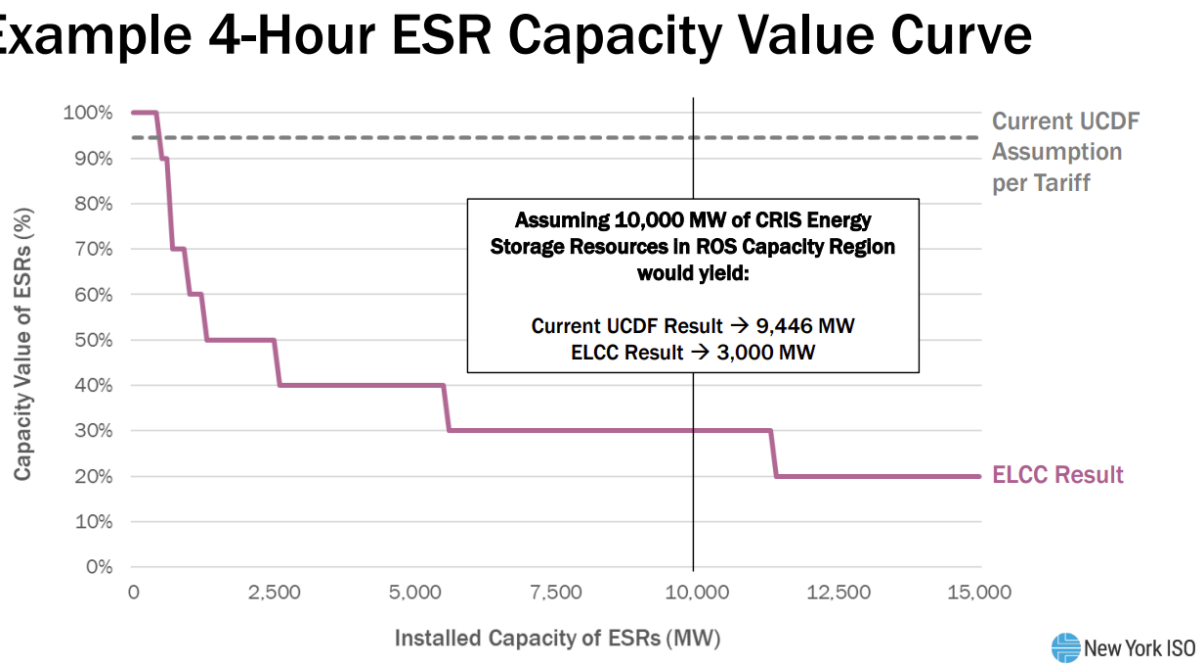
[14] *See* NYISO OATT Attach. HH § 40.13.8.2.1.3.

The current tariff requires that the NYISO use the same UCDF for ESRs that is applied to conventional generators. This approach implies that ESRs have similar reliability contribution as the conventional generators. However, ESRs are a unique technology that has different performance characteristics and reliability contribution than other non-Intermittent Power Resources. In determining a resource's reliability contribution in mitigating resource adequacy risk, recent industry practice has leveraged the calculation of Effective Load Carrying Capability ("ELCC"). These studies reveal the saturation effects of ELCC values at increasing levels of resource penetration, particularly with ESRs.[15] In particular, such studies show that the reliability contribution of ESRs declines significantly as resource penetration increases. Contrast this with conventional resources, whose reliability contribution is based on forced outage that is not affected by the resource penetration level.

Recent NYISO studies also have demonstrated that at high levels of ESR buildout, the derating factor for ESRs, reflecting the ESRs' reliability contribution, should be greater than the UCDF currently specified by the tariff. The NYISO's most recent System & Resource Outlook[16] shows that ESRs' capacity value is dynamic and depends on system load, resource mix (including intermittent resources like wind and solar), and duration of ESRs. This is demonstrated in the below ESR capacity value curve example:

[15] *See, e.g.,* Energy+Environmental Economics, *Capacity and Reliability Planning in the Era of Decarbonization: Practical Application of Effective Load Carrying Capability in Resource Adequacy* (August 2020), available at: https://www.ethree.com/wp-content/uploads/2020/08/E3-Practical-Application-of-ELCC.pdf; *see also* Indep. Electricity Sys. Operator, *IESO Resource & Plan Assessments Technical Paper: Effective Load Carrying Capacity of Energy Storage* (August 2025), *available at* https://ieso.ca/-/media/Files/IESO/Document-Library/Technical-papers/ELCC-of-Energy-Storage-in-Ontario.pdf.

[16] *See* New York Indep. Sys. Operator, *2023-2042 System & Resource Outlook* (July 23, 2024), *available at*: https://www.nyiso.com/documents/20142/46037414/2023-2042-System-Resource-Outlook.pdf/*; see also* New York Indep. Sys. Operator, *2023-2042 System & Resource Outlook Data Document* (August 5, 2024), *available at*: https://www.nyiso.com/documents/20142/45816558/2023-2042-System-Resource-Outlook-Policy-Case-Annual-ELCC.xlsx.



Given such saturation effect, the ESRs' specific reliability contribution assumptions in the IRM study would not serve as a reasonable alternative basis for UCDF for deliverability evaluations. In the most recent IRM study for the 2026-2027 Capability Year, ESRs had a significantly low level of penetration, with only three ESRs being modeled with a total of 35 MW.

Using the same deration factor for ESRs as conventional generation therefore results in unrealistically high UCAP assumptions for ESRs. If left unaddressed, this approach can lead to unnecessary System Deliverability Upgrades and associated costs to Interconnection Customers.

IV. Description of Proposed Tariff Revisions

A. Overview

The NYISO's proposed tariff revisions provide a solution to the issues described above by:

- providing a more reasonable dispatch that aligns with the treatment of generation in the resource adequacy model;
- assessing the necessary transfer capability based on actual demand rather than just interface limits, thus aligning the test methodology with resource adequacy model principles;
- aligning the no-harm test criteria for internal Other Interfaces with those used for Highway interfaces to include LOLE considerations, while leaving criteria for external Other Interfaces (*e.g.*, PJM to NY, ISO-NE to NY) unchanged; and
- better reflecting the ESR capacity value represented in resource adequacy models.

B. Proposed New and Revised Definitions

Most significantly, the NYISO proposes to replace the existing definition of "Other Interfaces" in OATT Section 40.1 with the two (2) new defined terms 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).

The following is the existing definition of "Other Interfaces" that NYISO proposes to replace:

> **Other Interfaces** shall mean the following interfaces into Capacity Regions: Lower Hudson Valley i.e., Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I); New York City i.e., Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J); and Long Island i.e., Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K), and the following Interfaces between the NYCA and adjacent Control Areas: PJM to NYISO, ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable.

The NYISO proposes to instead have the below separate definitions for external and internal interfaces:

> **External Other Interfaces** shall mean the following interfaces between the NYCA and adjacent Control Areas: PJM to NYISO,

> ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable.
>
> **Internal Other Interfaces** shall mean the following interfaces between Capacity Regions: Lower Hudson Valley, i.e., Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I); New York City, i.e., Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J); and Long Island, i.e., Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K).

Internal Other Interfaces and External Other Interfaces present different operational, modeling, and mitigation considerations, and a single combined definition creates ambiguity as to applicable "no-harm" criteria and outcomes. By having two distinct definitions for external versus internal interfaces, the NYISO can perform the evaluations separately, as proposed in Sections 40.13.9.1 and 40.13.9.2, discussed below. By separating the definitions, the tariff can explicitly articulate distinct rules for degradation of Internal Other Interfaces, External Other Interfaces, or both, improving clarity and consistency. The specific rules applicable to the two types of Other Interfaces are discussed in more detail below in Section IV.B.

The NYISO is also proposing to revise the following existing definitions to replace the term "Other Interfaces" with the new defined terms described above:

> **Byways** shall mean all transmission facilities comprising the New York State Transmission System that are ~~neither~~not Highways, External Other Interfaces nor Internal Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.
>
> **System Deliverability Upgrades** shall mean 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.

The NYISO proposes conforming changes in the following sections to replace the reference to "Other Interfaces" with "External Other Interface or Internal Other Interface:"

- Section 40.9.7.1.1 (overview of the scope and purpose of the Deliverability Interconnection Standard);

- Section 40.13.2 (summarizing the categories of transmission facilities evaluated in the Attachment HH Deliverability Studies); and

- Section 40.13.2.3 (summarizing the Other Interfaces "no harm" test).

C. Proposed Revisions to the Deliverability Methodology for OATT Attachment HH Deliverability Studies

1. Deliverability Base Case Setup

The NYISO proposes to levelize all generation dispatch across the state on a pro rata basis regardless of project location or vintage. This means, for example, if the statewide demand is 30,000 MW and total UCAP is 40,000 MW, all generation would be dispatched at roughly 75% of their UCAP. Additionally, if violations occur in the Deliverability base case setup, impacted Capacity Regions could increase generation output to mitigate these issues. This new methodology addresses the impracticality of the previous rules, provides a more reasonable dispatch, and aligns with the resource adequacy model's treatment of generation.

Specifically, the NYISO proposes to revise Section 40.13.8.2.1.1 to require that all Cluster Study CRIS Projects be evaluated on an aggregate basis in the CPA deliverability base case (*i.e.*, the Deliverability post-project base case that includes both existing and requested CRIS) using a shift from generation to generation ***within the Facility's respective Capacity Region***. The existing tariff provision provides for deliverability to be evaluated using a shift from generation to generation within ***all*** Capacity Regions in the NYCA. The NYISO also proposes to add language in Section 40.13.8.2.1.1 clarifying that the total generation dispatched within a Capacity Region in the Deliverability post-project base case will be approximately equal to that of the CBA deliverability base case (*i.e.*, the "pre-project" base case that includes existing but not requested CRIS).

The NYISO proposes to include conforming revisions in Section 40.13.8.2.2.1. Section 40.13.8.2.2.1 contains nearly identical provisions as applied to the Expedited Deliverability Study. The NYISO therefore proposes to make conforming revisions in Section 40.13.8.2.2.1 to align with the revisions in Section 40.13.8.2.1.1.

In Section 40.13.8.2.1.11, the NYISO proposes revisions to provide for levelization of the deliverability base case on a NYCA versus Capacity Region level. These revisions further provide that if doing so would cause baseline violations between Capacity Regions, all resources in the impacted Capacity Region can be increased to mitigate the baseline violations.

The NYISO proposes to include conforming revisions in Section 40.13.8.2.2.11. Section 40.13.8.2.2.11 contains nearly identical provisions as applied to the Expedited Deliverability Study. The NYISO therefore proposes to make conforming revisions in Section 40.13.8.2.2.11 to align with the revisions in Section 40.13.8.2.1.11.

2. Highway Deliverability Test

The NYISO proposes to incorporate downstream load into the "regular" Highway deliverability test, thereby assessing the necessary transfer capability based on actual demand rather than just interface limits, thus aligning the test methodology with resource adequacy model principles.

Specifically, the NYISO proposes to add to Sections 40.13.8.2.1.13 that the load considered in the generation/load mix is load plus Load Forecast Uncertainty ("LFU"). The NYISO also proposes to revise language currently providing for the assumptions used for the treatment of excess generation. As revised, if there is excess generation upstream (that is, more upstream generation than is necessary to serve the upstream load plus LFU), then the generation excess is assumed to displace downstream generation to serve the downstream load plus LFU. Additional revisions provide for deliverability overloads to be identified only if the lesser of either the dispatch of the upstream excess generation or the downstream load plus LFU causes an overload.

The NYISO proposes to include conforming revisions in Section 40.13.8.2.2.13. Section 40.13.8.2.2.13 contains nearly identical provisions as applied to the Expedited Deliverability Study. The NYISO therefore proposes to make conforming revisions in Section 40.13.8.2.2.13 to align with the revisions in Section 40.13.8.2.1.13.

The NYISO also proposes to revise Section 40.13.8.2.2.14—the Highway deliverability test methodology for the Expedited Deliverability Study—to add the LOLE factor into the Highway deliverability test for the Expedited Deliverability Study, aligning it with the Cluster Study Deliverability Study.

3. Other Interface "No Harm" Test

As discussed above, the Highway "no harm" test applicable to Highway interfaces uses criteria to determine whether a project degrades transfer capability beyond certain thresholds and impacts LOLE so as to trigger System Deliverability Upgrades. Other Interfaces, currently defined as those between Capacity Regions within the NYCA as well as those with neighboring systems, are subject to a more stringent test that does not consider the impact to LOLE.

The NYISO proposes to align the "no harm" test criteria for Internal Other Interfaces for those used for Highway interfaces, including LOLE considerations, while leaving the criteria for evaluating External Other Interfaces (*e.g.*, PJM to NY, ISO-NE to NY) unchanged. This will more appropriately represent resource adequacy model outcomes.

The proposed tariff revisions in Section 40.13.9 break out Internal Other Interfaces and External Other Interfaces into separate subsections,[17] with the former specifying a two-prong test that evaluates (1) impact to calculated transfer limits beyond certain thresholds and (2) impact to

[17] *See* NYISO OATT Attach. HH §§ 40.13.9.1 and 40.13.9.2.

LOLE. The only proposed revisions to the subsection now limited to External Other Interfaces are to use the new defined term.

For the new Subsection 40.13.9.2 on Internal Other Interfaces, the NYISO proposes to maintain the two-factor test currently applied to all Other Interfaces (*i.e.*, that a CRIS request will not be considered deliverable if its aggregate impact degrades the transfer capability of any Internal Other Interface more than the lesser of 25 MW or 2% of the transfer capability of the Internal Other Interface identified in the CBA and results in an increase to the NYCA LOLE determined for the CBA of .01 or more).

The NYISO proposes conforming revisions to Sections 40.13.9.3 and 40.13.9.4. These sections contain nearly identical provisions as applied to the Expedited Deliverability Study. The NYISO therefore proposes to make conforming revisions in Sections 40.13.9.3 and 40.13.9.4 to align with the revisions in Section 40.13.9.2.

4. Deration Factor for ESRs

The NYISO proposes to use the same methodology that is used in the NYISO System & Resource Outlook to determine storage derate factors dynamically within the Attachment HH Deliverability Studies by updating the derate factor values as the resource mix and demand change. As explained above, this method will better reflect the ESR capacity value represented in resource adequacy models.

Specifically, the NYISO proposes to revise Section 40.13.8.2.1.3 to separate out ESRs from other non-Intermittent Power Resources for purposes of calculating the UCDF. The NYISO also proposes to revise this section to add the following language:

> The UCDF for Energy Storage Resources will be calculated, and updated during the deliverability evaluation, based on the aggregated resource adequacy contribution from the total MW of Energy Storage Resources considered in the deliverability evaluation, as determined in accordance with ISO Procedures. All generators that are Energy Storage Resources in the same Capacity Region will use the same UCDF.

The NYISO proposes conforming revisions to Section 40.13.8.2.2.2. Section 40.13.8.2.2.2 contains nearly identical provisions as applied to the Expedited Deliverability Study. The NYISO therefore proposes to make conforming revisions in Section 40.13.8.2.2.2 to align with the revisions in Section 40.13.8.2.1.3.

D. Other Proposed Revisions to the OATT

The NYISO also proposes a few ministerial and clean up edits.

First, the NYISO proposes to revise the definition of Expedited Deliverability Study in Section 40.1 to add an acronym and also to conform to the definition of Cluster Study Deliverability Study as it relates to the entity performing the study. For both the Expedited Deliverability Study and the Cluster Study Deliverability Study, the NYISO conducts the studies without the use of third-party consultants.

> **Expedited Deliverability Study** **("EDS")** shall mean a study conducted by the ISO ~~or a third party consultant~~ to determine the extent to which an existing or proposed facility satisfies the NYISO Deliverability Interconnection Standard at its requested CRIS level without the need for System Deliverability Upgrades. The schedule and scope of the study is defined in Sections 40.19.1 and 40.13.1.2 of this Attachment HH.

The Commission has recognized that the use of third-party consultants is not workable in the NYISO's Cluster Study Process. As the Commission noted in its order on the NYISO's second Order No. 2023 compliance filing:

> We agree with NYISO's explanation that incorporating the requirement to use a third-party consultant into NYISO's unique single, two-phased cluster study process would create inefficiencies and cause study delays, which conflicts with the purposes of the cluster study as stated in Order No. 2023 "to increase efficiency and provide greater certainty to interconnection customers regarding the timing of studies."[100] We further find that NYISO's proposed independent entity variation accomplishes the purposes of Order No. 2003 to balance the interests of the interconnection customer to obtain the results of any necessary interconnection studies as soon as possible, and the responsibility of the transmission provider to efficiently and effectively manage its transmission system.[18]

Second, the NYISO proposes edits to Section 40.13.4 to (1) clarify that a project can be found fully or partially deliverable in an Expedited Deliverability Study and (2) delete unnecessary language. In the following sentence, the NYISO proposes to delete such reference.

> The ISO will perform the Cluster Study Deliverability Study and Expedited Deliverability Study in accordance with these rules and with input of Market Participants, to determine the deliverability of the Projects requesting CRIS in each study. The Expedited

[18] *N.Y. Indep. Sys. Operator, Inc.*, 193 FERC ¶ 61,031 (October 16, 2025) at P 52.

> Deliverability Study will only determine the extent to which the Project is deliverable at the full amount of requested CRIS. The Cluster Study Deliverability Study will determine deliverability at the full amount of requested CRIS and, if not deliverable, will identify and allocate the cost of the System Deliverability Upgrades needed to make deliverable each Cluster Study CRIS Project. In order to be eligible to become an Installed Capacity Supplier or receive Unforced Capacity Deliverability Rights or External-to-ROS Deliverability Rights, an Interconnection Customer must: (i) be found fully or partially deliverable at the requested CRIS level in an Expedited Deliverability Study or (ii) in a Cluster Study, either (1) accept its deliverable MW ~~in a Cluster Study or Expedited Deliverability Study~~; or (2) pay cash or post Security, in accordance with these rules, for the System Deliverability Upgrades needed for its Project to be deliverable at the requested level of CRIS.

Third, the NYISO proposes to revise five (5) references to the former Class Year Study in Sections 40.13.6, 40.13.6.2, 40.13.8.2.1.3, 40.13.8.2.2.1 and 40.13.11.1.4.2 that should instead reference the current Cluster Study Process.[19]

Fourth, the NYISO proposes to correct an inadvertent reference to the Cluster Study that should instead reference the Expedited Deliverability Study in Section 40.13.8.1.

Fifth, the NYISO proposes to correct a typographical error in Section 40.13.9.3 that currently references CPA where it should reference CBA.

Sixth, the NYISO proposes to correct ministerial edits—deletions of an extra space in Section 40.13.8.2.1.13 and stray punctuation marks in Section 40.9.3.2.5 and Section 40.9.3.2.7.

E. Proposed Services Tariff Revisions

The NYISO is proposing a revision to Section 5.12.2.2.2 of the Services Tariff, "Additional Provisions Addressing Internal Deliverability and Import Rights" to align the methodology used in the deliverability evaluation of External Installed Capacity[20] with the new methodology proposed for the Deliverability Studies.

The External Installed Capacity deliverability test is performed using the NYISO's forecast, for the upcoming Capability Year, of NYCA CRIS resources, transmission facilities, and load. Among the criteria evaluated in this test is the requirement that the level of External Installed Capacity not associated with UDRs, EDRs or External CRIS Rights does not degrade

[19] The new Cluster Study Process is defined as "the following processes, conducted in sequence: the Application Window; the Customer Engagement Window (including the Physical Infeasibility Screening and Scoping Meetings therein); the Phase 1 Study; the Phase 2 Study; and, if applicable, the Additional SDU Study."

[20] This tariff provision is applicable only to External Installed Capacity not associated with UDRs, EDRs, or External CRIS Rights.

the transfer capability of an Other Interface by more than a specified threshold—the same threshold applicable to Attachment HH Deliverability Studies per Section 40.13.9 of the OATT.

The NYISO proposes to revise Section 5.12 of the Services Tariff to replace the term, "Other Interface," with the new defined terms, "External Other Interface" and "Internal Other Interface," in the clause related to degradations of transfer capability.

> The import limit set for External Installed Capacity not associated with UDRs, EDRs or External CRIS Rights will be set no higher than the amount of imports deliverable into Rest of State that (i) would not increase the LOLE as determined in the upcoming Capability Year IRM consistent with Section 2.7 of the NYISO Installed Capacity Manual, "Limitations on Unforced Capacity Flow in External Control Areas," (ii) are deliverable within the Rest of State Capacity Region when evaluated with the New York Control Area CRIS resources (including EDRs and UDRs) and External CRIS Rights forecast for the upcoming Capability Year, and (iii) would not degrade the transfer capability of any External Other Interface or Internal Other Interface by more than the threshold identified in Section 40.13.9 of Attachment HH to the ISO OATT.

V. Stakeholder and Independent Market Monitoring Unit Review

The NYISO has worked with stakeholders through the Transmission Planning Advisory Subcommittee ("TPAS") and Electric System Planning Working Group ("ESPWG") since October 2025 to discuss the challenges regarding the current deliverability methodology and to develop an alternative methodology. The NYISO has also coordinated closely with Potomac Economics, the NYISO's Market Monitoring Unit ("MMU"), whose assessment in a TPAS presentation emphasized that the current deliverability construct can inhibit new entry because it applies a methodology poorly suited to intermittent and storage resources.[21] The MMU noted that the existing framework can overstate constraints and inflate upgrade requirements, reinforcing the need to refine the methodology so it more accurately reflects system conditions. The MMU has indicated that NYISO's proposed reforms are directionally correct and represent an improvement over the status quo.

Through this collaboration with stakeholders, the NYISO has been able to reach consensus on the proposed tariff revisions, which were approved unanimously by the NYISO Management Committee on March 25, 2026. They were approved by the NYISO Board of Directors on April 21, 2026.

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[21] *See* Potomac Economics, *MMU Comments on the Deliverability Process Discussion at the TPAS/ESPWG meeting on December 3, 2025* (December 10, 2025), *available at*: https://www.nyiso.com/documents/20142/56175427/06b_MMU%20Comments%20on%20Deliverability%2012-10-25.pdf/698f858a-978e-6ec4-52d9-4e5f6b4acb9e.

VI. Requested Effective Date

In accordance with Section 205 of the FPA, the NYISO requests that its proposed tariff revisions be made effective on July 21, 2026, *i.e.,* on the day following the expiration of the standard sixty-day notice period under the FPA.

VII. Service

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

VIII. Conclusion

The New York Independent System Operator, Inc. respectfully requests that the Commission accept the proposed tariff revisions in this filing in their entirety without any modifications.

Respectfully submitted,

/s/ Sara B. Keegan
Sara B. Keegan
Assistant General Counsel
New York Independent System Operator, Inc.

cc: Janel Burdick
Emily Chen
James Dawson
Jignasa Gadani
Leanne Khammal
Jaime Knepper
David Morenoff
Jason Rhee
Douglas Roe