

July 20, 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., *Informational Report
Regarding Resource Adequacy Measures and Proposals*, Docket No. EL26-69-
000**

Dear Secretary Reese:

In compliance with the directive in the “Order Instituting Proceeding under Section 206 of the Federal Power Act” (“June 2026 Order”) issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) on June 18, 2026,¹ the New York Independent System Operator, Inc. (“NYISO”) submits this informational report. This report explains the findings from the NYISO’s recent planning studies; the existing markets and processes to plan for and maintain resource adequacy, including new large loads; and proposals that the NYISO is considering through its stakeholder process to support resource adequacy in the New York region. While the changing nature of the New York system, including the projected pace of new large load entry, presents challenges, the NYISO’s markets and existing planning processes remain available to address resource adequacy. As detailed in this filing, the NYISO, as a single-state independent system operator (“ISO”), is coordinating closely with the New York State Public Service Commission (“NYPSC”), the New York State Reliability Council, L.L.C. (“NYSRC”), and stakeholders to consider enhancements to meeting the rapidly evolving grid for the New York region.

I. Background

On June 18, 2026, the Commission issued the June 2026 Order that, among other things, found that the NYISO’s existing Open Access Transmission Tariff (“OATT”) appears to be unjust, unreasonable, and unduly discriminatory or preferential as it relates to providing transmission and interconnection service needed to serve the ongoing influx of large loads while maintaining reliability and affordability. Accordingly, the Commission instituted a proceeding pursuant to Section 206 of the Federal Power Act (“FPA”) that directed the NYISO to show cause as to why the NYISO’s OATT remains just and reasonable and not unduly discriminatory or preferential or explain changes to the OATT that would remedy the concerns identified by the Commission.²

¹ *New York Indep. Sys. Operator, Inc., et al.*, Order Instituting Proceeding under Section 206 of the Federal Power Act, 195 FERC ¶ 61,216 (2026).

² *Id.* at P 3.

In the June 2026 Order, the Commission noted that it has resource adequacy concerns due to “[t]he rapid addition and proliferation of large loads without commensurate additions of supply or demand-side resources”³ and “NYISO and load serving entities [being] unable to plan adequate generation to serve all load at the pace such load seeks to connect.”⁴ Therefore, the Commission directed the NYISO to submit an informational report within 30 days of the date of issuance of the June 2026 Order on how the NYISO intends to ensure that adequate generation will be available to serve existing and new large loads.⁵ Specifically, the Commission directed that the informational report contain any proposals under consideration in the NYISO’s stakeholder process to address the issue of resource adequacy to serve new large loads, as well as any ongoing stakeholder processes that aim to increase the pace of adding generating capacity in the NYISO region. The Commission required that the informational report include a detailed schedule of such initiatives, including timing of the stakeholder process and dates of any anticipated filings with the Commission.⁶

II. Resource Adequacy of the NYISO System, Measures to Address Resource Deficiencies, and Potential Reforms under Consideration

A. NYISO’s Current Planning for Resource Adequacy

Through the NYISO’s Comprehensive System Planning Process,⁷ as well as its compliance with applicable reliability standards and rules, the NYISO conducts recurring long-term and near-term reliability analyses to assess and plan for the New York Control Area (“NYCA”), including the identification of solutions to needs on the bulk power system.⁸ Specifically, in its Reliability Planning Process, the NYISO, in coordination with the NYPSC, Transmission Owners, and stakeholders, plans for the adequacy and reliability of the system based on established reliability criteria.⁹ The biennial evaluation is complemented by quarterly short-term assessments of reliability over a five-year horizon in accordance with the Short-Term Reliability Process, which is the principal mechanism to evaluate generators seeking to deactivate and to provide for interim service and reliability-must-run arrangements.¹⁰ The Reliability Planning Process contains the following essential steps: the identification of reliability needs, the solicitation of proposals for both market-based and regulated solutions, the

³ *Id.* at P 128.

⁴ *Id.* at PP 4, 128.

⁵ *Id.* at P 129.

⁶ *Id.*

⁷ Capitalized terms that are not otherwise defined in this filing shall have the meaning specified in Attachments Y or FF of the NYISO’s OATT, and if not defined therein, in the OATT and the NYISO’s Market Administration and Control Area Services Tariff (“Services Tariff”).

⁸ Attachment Y of the OATT contains the components of the Comprehensive System Planning Process, including the Reliability Planning Process, and Attachment FF contains the Short-Term Reliability Process.

⁹ The applicable reliability criteria include “[t]he electric power system planning and operating policies, standards, criteria, guidelines, procedures, and rules promulgated by the North American Electric Reliability Corporation (“NERC”), Northeast Power Coordinating Council (“NPCC”), and the [NYSRC], as they may be amended from time to time.” OATT § 31.1.

¹⁰ OATT § 38.

NYISO's evaluation of these proposed solutions, and the implementation of regulated solutions when market-based projects do not timely resolve anticipated reliability deficiencies.¹¹

Over the last several reliability planning cycles, the NYISO's studies have identified increasing risks in the long-term planning horizon that indicate potential shortfalls in available generation across the New York region. Recent reliability studies have highlighted trends leading to increasing risks, such as (1) the deactivation of existing resources and the aging generation fleet continue to outpace the entry of new resources able to provide the necessary attributes for maintaining the reliability of the system; (2) the impact of growing electricity demand from new large loads and electrification; and (3) New York's reliance on imports from external control areas.

In the most-recently completed Reliability Needs Assessment ("RNA"), the NYISO identified a reliability need in New York City beginning in summer 2033 related to transmission security that would continue to reduce margins through 2034 causing a potential statewide resource deficiency without further resource additions.¹² Following the conclusion of that study, the NYISO received updates to the system conditions (*i.e.*, a reduction in the demand forecast for the affected zone) that resulted in the 2025-2044 Comprehensive Reliability Plan ("CRP") determining that the baseline actionable reliability need was no longer observed.¹³ However, the CRP pointed out that there are potential long-term system resource adequacy needs on the horizon and that the "grid is at an inflection point" due to the aging of the existing generation fleet, the rapid growth of large loads, and the increasing difficulty of developing new dispatchable resources.¹⁴ The CRP noted that there are clear pathways to maintaining system reliability, including (1) accelerating the entry of resources in the development pipeline, (2) preserving or replacing critical dispatchable capability, and (3) adding new firm capacity. While the NYISO's role is to evaluate future system conditions, including identification of potential violations of applicable reliability criteria, and send price signals through its wholesale markets, the CRP emphasized there is an imminent need to move the grid to a more proactive framework that involves anticipating risks and enabling timely investment.¹⁵

The NYISO is currently preparing the 2026 RNA and targeting completion in November 2026. The 2026 RNA evaluates the reliability of the New York bulk electric grid over the ten-year planning horizon with a focus on 2030 through 2036, considering updated forecasts of grid

¹¹ OATT §§ 31.2.4, 31.2.5, 31.2.8

¹² New York Indep. Sys. Operator, Inc., *2024 Reliability Needs Assessment (RNA)* (November 19, 2024), at p 6, available at <https://www.nyiso.com/documents/20142/2248793/2024-RNA-Report.pdf/>. While the 2024 RNA did not find a violation of the resource adequacy criterion, the nature of the transmission security violation was indicative of localized resource deficiencies that continued growth in demand or retirement of resources retire could result in a violation of the resource adequacy criterion.

¹³ New York Indep. Sys. Operator, Inc., *2025-2044 Comprehensive Reliability Plan* (November 21, 2025), at p 5, available at <https://www.nyiso.com/documents/20142/2248481/2025-2034-Comprehensive-Reliability-Plan.pdf/>.

¹⁴ *Id.* Findings from the 2025-2044 CRP continue to be supported in the findings from the recent Short-Term Assessments of Reliability. In the 2026 Quarter 2 Short-Term Assessment of Reliability, the NYISO confirmed that there are continuing to be supply deficiencies in New York City that necessitate retaining existing generation in that zone. See New York Indep. Sys. Operator, Inc., *2026 Quarter 2 Short-Term Assessment of Reliability* (July 14, 2026), available at <https://www.nyiso.com/documents/20142/16004172/2026-Q2-STAR-Report-vFinal.pdf/>.

¹⁵ *2025-2044 Comprehensive Reliability Plan* at p 12.

demand according to the 2026 Load and Capacity Report (“Gold Book”), planned transmission upgrades, and projected changes to the generation fleet. The NYISO recently posted the preliminary results for review and discussion in its governance process. Based on the preliminary results, the NYISO could identify a statewide resource adequacy criterion violation that would first occur in 2033 and increase through 2036 with a deficiency greater than 1,800 MW when accounting for forecasted large load growth. More localized reliability needs are also likely to be identified in New York City beginning in 2031.¹⁶

Identification of a reliability need is a potential outcome of NYISO’s planning process by design and does not mean the process is inadequate. Furthermore, the NYISO believes that prudently planning for the New York bulk power system should include assessing risks and evaluating whether existing processes should be further strengthened to be able to respond in today’s and the future’s planning environments. As a result, the NYISO is continuing to engage the NYPSC, the NYSRC, Transmission Owners, and stakeholders on pursuing targeted reforms as more fully detailed in Part II.C, below.

B. NYISO’s Existing Processes to Attract and Retain Resources

Supported by the findings in its reliability studies, the NYISO recognizes the need to consider opportunities to enhance processes to address emerging reliability challenges, including statewide resource adequacy concerns, increasing uncertainty, and changing resource development timelines. The NYISO’s existing processes, however, continue to provide a strong foundation to attract and retain resources, including in response to the NYISO’s identification of resource deficiencies or reliability needs due to changing system conditions or additions of large loads.

1. NYISO’s Wholesale Capacity Market Supports Resource Adequacy through Efficient Market Signals

Competitive wholesale electricity markets, adopted in New York pursuant to the NYPSC’s “Competitive Opportunities” proceeding,¹⁷ and operating under this Commission’s jurisdiction, are an efficient and necessary element in planning for and obtaining sufficient resources to address new large loads. The NYISO’s wholesale markets are designed, and continue to evolve and adapt, to send efficient price signals to guide and attract new market entry and retention of resources that support reliability. The NYISO’s wholesale capacity market is designed to provide sufficient resources required to meet resource adequacy needs and are an important aspect to maintaining reliability of the grid.

The NYISO’s capacity market is structured to incentivize the availability of sufficient resources to meet New York’s resource adequacy requirements. Resource adequacy in New York State is maintained through a series of related processes administered by the NYSRC and the NYISO. Through these processes and requirements, New York has some of the most stringent

¹⁶ New York Indep. Sys. Operator, Inc., *2026 RNA: Preliminary Base Case Draft Results* (July 23, 2026), available at https://www.nyiso.com/documents/20142/58620525/03_2026RNA_PreliminaryDraftResults-July23ESPWG-TPAS.pdf.

¹⁷ NYPSC Case No. 93-M-0229, *Order Instituting Proceeding* (March 19, 1993).

reliability standards across the country. The NYSRC conducts an annual probabilistic, engineering-based study to inform its establishment of an installed reserve margin (“IRM”) for the upcoming Capability Year. The IRM represents an additional quantity of capacity that must be procured above the NYISO’s forecasted peak load to meet a resource adequacy criterion of not exceeding a loss of load expectation (“LOLE”) greater than 0.1 loss of load event days per year. Each year’s IRM is filed by the NYSRC with both the Commission and the NYPSC.¹⁸

In addition to procuring enough capacity to meet the IRM, the NYISO’s capacity market provides fixed cost recovery for investments and essentially acts as a call option on future energy. Revenues available from capacity market participation also help mitigate extreme price and revenue volatility that energy-only markets can be susceptible to. Taken together, the NYISO’s wholesale markets are designed to send efficient price signals to attract and retain resources with the necessary reliability characteristics to serve the need presented by the evolving grid.

2. Robust Participation in the NYISO’s Interconnection Procedures Shows that the NYISO’s Wholesale Markets are Sending Efficient Price Signals

The Cluster Study Process that the NYISO instituted in response to Order No. 2023 has already shortened and improved the process for interconnecting resources to the New York system. While the pace of new entry achieving commercial operation has been, and is forecasted to continue to be, a concern, a significant number of proposed resources have already completed the interconnection process or are currently participating in the nearly completed inaugural Transitional Cluster Study.

Prior to the implementation of the Cluster Study Process, a number of projects had completed their interconnection studies through a Class Year Study or the NYISO’s Small Generator Interconnection Procedures. As of this filing, the New York region has 89 projects, representing over 11 GW of generation, that have completed the interconnection study process but have yet to enter commercial operation.

The current Transition Cluster Study, which commenced on August 1, 2024, is nearing completion and currently has 91 projects, representing over 15 GW of generation. The Transition Cluster is scheduled to be completed later this year. Interconnection Customers will be required to enter into an interconnection agreement and can then move forward with bringing its resource into commercial operation. The next Cluster Study Application Window is scheduled to begin on July 31, 2026. The NYISO anticipates continued, significant interest by Interconnection Customers seeking to interconnect resources to the New York system.

Even with the efficiency of its Transitional Cluster Study, the NYISO builds on its established track record of continuous process improvement efforts by pursuing further enhancements to its procedures. In May 2026, the NYISO filed two portfolios of enhancements

¹⁸ See, e.g., New York State Reliability Council, L.L.C., Docket No. ER26-885-000 (December 23, 2026); NYPSC Case No. 05-E-1180, *Installed Reserve Margin for the New York Control Area*, Comments of the New York State Reliability Council of the Installed Reserve Margin for the 2026-2027 Capability Year (January 23, 2026).

and improvements pursuant to Section 205 of the FPA aimed at creating further efficiencies in the Cluster Study Process, as well as updating its methodology to appropriately identify deliverability upgrades.¹⁹ With these further enhancements, the NYISO's interconnection procedures will be able to provide further efficiencies and reduce barriers for new entry.

The number of resources being proposed in New York is a positive indication that interconnection customers are responding to price signals from the markets and/or findings from the NYISO's planning studies. To the extent that these resources become operational, they will help address the NYISO's resource adequacy and reliability needs into the future. However, factors outside the NYISO's interconnection process significantly impact whether a project is constructed, including, but not limited to, permitting, siting, supply chain issues, and financing. The NYISO is working with New York State to address issues impacting the barriers to bringing new resources and repowering of existing resources with the necessary reliability attributes to maintain reliability in the future.

3. NYISO's Reliability Planning Process Provides an "All Resource Type" Approach to Maintain Resource Adequacy Over a Ten-Year Horizon

The NYISO's system and resource planning processes further support its wholesale markets by providing robust studies of the New York bulk power system to provide information and prepare plans for, among other things, future system conditions and maintaining reliability over a ten-year horizon. Specifically, the planning processes complement the markets by forecasting future system conditions and resource needs beyond the market horizon. Such forward-looking information serves to guide investment decisions so that resources can be developed in time to meet future market procurements. New York has seen success in its use of the planning processes to expand the transmission system, including the selection of four significant transmission projects to address Public Policy Transmission Needs identified by the NYPSC through the NYISO's process. Continuing to build on such success, the NYISO, together with its stakeholders, has worked over the past several years to further align its planning studies and market price signals to better reflect operational reliability. As a result, the NYISO's planning studies and wholesale markets already provide mechanisms to address resource shortfalls due to increased demand from large loads or other system changes.

The Reliability Planning Process provides a meaningful avenue for the NYISO, in coordination with the NYPSC, Transmission Owners, and stakeholders, to maintain resource adequacy as the grid changes and evolves, including large loads entering operation. The NYISO's reliability studies currently incorporate large loads through demand forecasts.²⁰ Large

¹⁹ *New York Indep. Sys. Operator, Inc.*, Proposed Tariff Revisions Regarding Interconnection Process Improvements, Docket No. ER26-2698-000 (May 29, 2026) (proposing revisions to incorporate additional improvements and efficiencies in the Cluster Study Process); *New York Indep. Sys. Operator, Inc.*, Proposed Tariff Revisions to Revise the Deliverability Test Methodology, Docket No. ER26-2577-000 (May 19, 2026) (proposing revisions to the existing deliverability methodology to provide Interconnection Customers with clearer, more realistic and more equitable outcomes related to the identified upgrades for a project).

²⁰ See generally, NYISO Response to Chairman David Rosner's September 19, 2025 Letter, re: Large Load Forecasting for America's Significant Electricity Demand Growth (October 31, 2025), *available at*

loads are included when they demonstrate that a project is sufficiently advanced in its development to be included in system planning.²¹ Using those demand forecasts, the NYISO evaluates the 10-year horizon to identify whether there are violations of the resource adequacy criterion or other reliability criteria. If the analysis results in the identification of a reliability need due to, for instance, a shortfall in supply, the process is structured as an “all resource type” approach that enables the NYISO to consider market-based solutions and regulated solutions to develop a plan that addresses a reliability need. Specifically, a Responsible Transmission Owner must submit a proposal for a regulated backstop solution, while other developers may submit market-based solutions or regulated proposals. Both market-based and regulated solutions can consist of generation, demand response, and transmission.²²

Consistent with the purpose and structure of the NYISO’s wholesale markets, the Reliability Planning Process first looks to whether proposed market-based solutions are sufficient to address a reliability need. This process is aimed at limiting the potential costs to ratepayers by not triggering regulated solutions unless it is essential in order to timely address a need. Developers with market-based solutions that they believe can address the identified reliability need are encouraged to submit their project information for the NYISO to consider whether they are viable and sufficient.²³ If there are viable and sufficient market-based solutions to address the reliability need, then the NYISO would not trigger a viable and sufficient regulated solution to begin permitting and construction.²⁴

The Reliability Planning Process was designed to coordinate the roles of the NYISO and the NYPSC in addressing reliability needs. Specifically, the NYISO is responsible for developing its regional plan, including evaluating the viability and sufficiency of submitted proposals and evaluating and selecting transmission solutions that address needs more efficiently or cost effectively and are eligible for cost allocation under the OATT. The NYPSC is responsible for planning for resources and the generation mix, including the permitting of projects and approving cost allocation for generation and demand response solutions under state law. Consistent with the NYPSC’s description of its responsibilities in its July 11, 2026 filing in this docket,²⁵ the NYISO’s Reliability Planning Process enables the NYPSC to take the

<https://www.ferc.gov/media/nyiso-response-chairman-david-rosners-09192025-letter-re-large-load-forecasting-americas> (detailing how large loads are incorporated into the NYISO’s system and resource planning).

²¹ See generally, NYISO Reliability Planning Process Manual at Section 3.2.1.

²² OATT §§ 31.2.4.3.1, 31.2.4.5, 31.2.4.8.1. A regulated generation or demand response solution is one “for which the Developer is seeking to obtain regional cost allocation through the appropriate state agency.” *New York Sys. Operator, Inc., et al.*, Compliance Filing, Docket No. ER13-102-000 (October 13, 2013), at n 8; see generally OATT § 31.5.6.1 (providing that “[c]osts related to regulated non-transmission projects will be recovered by Responsible Transmission Owners, Transmission Owners and Other Developers in accordance with the provisions of New York Public Service Law, New York Public Authorities Law, or other applicable state law”).

²³ OATT §§ 31.2.4.5, 31.2.5.

²⁴ OATT § 31.2.8.1.1 (providing that “[t]he ISO will not trigger a regulated solutions if, based on [its] review, it determines prior to or at the Trigger Date for a regulated solution: (i) that sufficient market-based solutions are timely progressing to meet the Reliability Need by the need date or (ii) that, based upon the circumstances at the time of review, there is no longer a Reliability need”).

²⁵ *New York Indep. Sys. Operator, Inc., et al.*, Notice of Intervention and Preliminary Comments of the New York State Public Service Commission, Docket No. EL26-69-000 (July 9, 2026), at p 3 (“New York . . . is well positioned to address any resource adequacy issues that may arise”).

necessary and timely action to ensure that adequate generation timely materializes when there is a reliability need that requires the addition of more generating capacity and there are insufficient responses from the marketplace.

Therefore, when there are insufficient market-based solutions to address a Reliability Need and the need cannot be solved through transmission solutions received by the NYISO, the Reliability Planning Process provides that the NYISO can indicate to a Responsible Transmission Owner or other developer that submits a regulated non-transmission solution (*i.e.*, a solution for which cost allocation and recovery is sought or intended to be sought under state law) to submit its solution to the NYPSC for consideration.²⁶ The NYPSC then has the responsibility to consider submitted regulated generation or demand response solutions that should move forward and obtain cost recovery under state law.²⁷ The allocation of the costs for the development of the regulated generation or demand response solution would be determined by the NYPSC, including for resource adequacy issues caused by, for instance, a large load.²⁸ The NYISO monitors the progress of such solutions to determine whether they are adequately moving forward or whether the NYISO needs to amend its plan to maintain reliability.²⁹ For instance, the NYISO can work with the NYPSC under the NYISO's gap solution process if solutions do not materialize and there is an imminent need, which could include the NYPSC acting on generation solutions through its jurisdiction over their permitting, siting, or cost recovery.³⁰

²⁶ See OATT §§ 31.2.8.1.2, 31.2.8.1.4, 31.2.8.1.8.

²⁷ In response to the reforms to the NYISO's Reliability Planning Process to comply with the requirements of Order No. 890, the NYPSC adopted policy statements that provided procedures to allocate and recover costs for regulated non-transmission solutions under state law to enable parties to voluntarily propose such solutions through the NYISO's process. See NYPSC Case No. 07-E-1507, *Proceeding to Establish a Long-Range Electric Resource Plan and Infrastructure Planning Process*, Revised Policy Statement and Backstop Project Cost Recovery and Allocation (June 26, 2009), available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={D5E49062-1410-400F-A419-A4307019DF92}>; NYPSC Case No. 07-E-1507, *Proceeding to Establish a Long-Range Electric Resource Plan and Infrastructure Planning Process*, Policy Statement on Backstop Project Cost Recovery and Allocation (February 18, 2009), available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={71B60BC7-D5EE-41C3-BB4B-5E1F13B5BD74}&DocTitle=Proceeding%20to%20Establish%20a%20Long-Range%20Electric%20Resource%20Plan%20and%20Infrastructure%20Planning%20Process.%20Policy%20Statement%20on%20Backstop%20Project%20Approval%20Process>; NYSPC Case No. 07-E-1507, *Proceeding to Establish a Long-Range Electric Resource Plan and Infrastructure Planning Process*, Policy Statement on Backstop Project Cost Recovery and Allocation (April 24, 2008), available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={8E7255F6-DBB9-46DC-9DE3-FA35581125F2}&DocTitle=Long-Range%20Electric%20Resource%20Plan%20and%20Infrastructure%20Planning%20Process.%20Policy%20Statement%20on%20Backstop%20Project%20Cost%20Recovery%20and%20Allocation>.

²⁸ See generally, June 2026 Order at PP 53–54 (recognizing that “the FPA expressly reserves to states the authority over any other sale of electric energy, including retail sales and wholesale sales not in interstate commerce . . . , as well as facilities used for the generation and distribution of electricity”).

²⁹ OATT §§ 31.2.8.1, 31.2.8.3.1.

³⁰ OATT § 31.2.11.

C. Potential Reforms under Consideration that Would Support Resource Adequacy and Increase the Pace of Generation Additions

In its June 2026 Order, the Commission directed the NYISO to submit any proposals under consideration in its stakeholder process to address the issue of resource adequacy to serve new large loads.³¹ The Commission also directed the NYISO to identify any stakeholder processes that aim to increase the pace of adding generating capacity in the NYCA.³² In response to the Commissions directives, the NYISO identifies below the potential reforms that are under consideration that could further enable supply-side solutions through its Reliability Planning Process and enhancements to its markets to further enable maintaining resource adequacy in the New York region. While the identified reforms encompass potential concepts that the NYISO is considering through its shared governance process, the NYPSC has and is undertaking other efforts to similarly address ensure resource adequacy for the New York region in light of the increasing energy demand challenges.³³

As discussed above, the NYISO's wholesale markets, approach to planning for the reliability of the New York bulk power system, and coordination with New York State provide a strong foundation to incentivize new entry and retention of existing supply.³⁴ The NYISO, however, has acknowledged that the pace of change on the system and difficulties in bringing new resources onto the system following completion of the interconnection studies warrant pursuing proactive planning approaches to further reduce the risks of shortfalls in supply.³⁵ Accordingly, the NYISO identifies the following planning and market initiatives to further support resource adequacy in the New York region and help to increase the pace of generation additions.

³¹ June 2026 Order at P 128.

³² *Id.* at P 129.

³³ See, e.g., NYPSC Case No. 26-E-0335, *Proceeding on Motion of the Commission to Implement a Nuclear Reliability Backbone*, Order Establishing a Nuclear Reliability Backbone Process (June 11, 2026), available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={1059B79E-0000-CE15-AF3E-A1872B97EDC3}&DocTitle=Order%20Establishing%20a%20Nuclear%20Reliability%20Backbone%20Process> (initiating, in support of New York Governor's 2026 executive order and State of the State address, a proceeding to evaluate the development of five gigawatts of nuclear generation assets and necessary transmission facilities, including the potential mechanisms for integrating new nuclear timely, cost-effectively, and with maximum benefits to New York's electric grid and ratepayers); NYPSC Case No. 26-E-0045, *Interconnection Reforms for Large Loads*, Order Instituting Proceeding and Soliciting Comments (February 12, 2026), available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={B040539C-0000-CB26-AEB3-8C865EF3724D}&DocTitle=Order%20Instituting%20Proceeding%20and%20Soliciting%20Comments> (examining the impact of large loads and actions that New York State should take to reform the interconnection of large loads to the New York region); New York State Energy Planning Board, *2025 New York State Energy Plan (SEP)* (July 23, 2025), available at <https://energyplan.ny.gov/Plans/2025-Energy-Plan> (providing an outlook through 2040 that sets New York's long-range energy planning objectives, including "[i]mproving the reliability of the New York State's energy systems"); NYPSC Case No. 20-E-0197, *Transmission Planning Pursuant to the Accelerated Renewable Energy Growth and Community Benefit Act*, Order Approving a Coordinate Grid Planning Process (August 17, 2023) available at <https://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={101C058A-0000-C45D-9CD3-A87E49DF7A99}&DocTitle=Order%20Approving%20a%20Coordinated%20Grid%20Planning%20Process>.

³⁴ *New York Indep. Sys. Operator, Inc., et al.*, Notice of Intervention and Preliminary Comments of the New York State Public Service Commission, Docket No. EL26-69-000 (July 9, 2026), at p 3.

³⁵ See Part II.A, *supra*.

1. Potential Planning Reforms under Consideration

As a result and following the publication of the 2025-2044 CRP, the NYISO has been considering whether any reforms are necessary to further incentivize increasing the pace of new resource additions when a reliability need is identified. Specifically, the NYISO prioritized a project for 2026 aimed at enhancing the Reliability Planning Process to, among other things, implement scenario planning and incentivize supply-side solutions to address resource adequacy and reliability violations caused by insufficient supply. At the beginning of 2026, the NYISO started the project first with discussions over the implementation of scenario planning in reliability studies in an attempt to have a concrete proposal in time for the 2026 RNA. However, based on stakeholder feedback and the need for additional consideration, the NYISO revised its schedule and targeted reforms for the end of 2026 / beginning of 2027, including further enabling supply-side solutions. On March 26, 2026, the NYISO solicited high-level feedback on the reforms to incentivize supply-side solutions. The NYISO investigated potential options with stakeholders, such as further enabling the consideration of supply-side solutions for system-wide reliability needs; differentiating interconnection treatment or processes for supply-side solutions that are needed to address resource shortfalls; and identifying any market impediments to supply-side solutions that can be addressed through the NYISO's process.³⁶

The NYISO returned to its discussions on potential reforms with its Electric System Planning Working Group and Transmission Planning Advisory Subcommittee on July 16, 2026.³⁷ The NYISO focused on considering reforms to the Reliability Planning Process to enhance its ability to identify solutions to further enable an “all resource type” approach to addressing Reliability Needs, including the proposed concepts and timeline discussed below.

a. *Establish an Accelerated Interconnection Study Path for Certain Resources*

The NYISO is discussing with stakeholders a proposal to establish an accelerated interconnection study path for resources that are needed to address a reliability need identified in the Reliability Planning Process or Short-Term Reliability Process.³⁸ This proposal is intended to provide a framework for a separate accelerated interconnection study for generators that have been identified as viable and sufficient to timely address a reliability need in the Reliability Planning Process. While the Cluster Study Process has resulted in improved processing times for projects, this separate study path could accommodate a new resource that is on a shorter timeframe than the Cluster Study Process. The NYISO is considering eligibility for facilities to use this path, including those that are proposed to address an urgent reliability or resource adequacy need identified by the NYISO.

³⁶ New York Indep. Sys. Operator, Inc., *Reliability Planning Process Reforms: Updated Schedule* (March 26, 2026), available at https://www.nyiso.com/documents/20142/57510547/02_RPP_Reform_ESPWG_032626.pdf/.

³⁷ New York Indep. Sys. Operator, Inc., *Reliability Planning Process Reforms: Enabling Supply-Side Solutions* (July 16, 2026), available at https://www.nyiso.com/documents/20142/58534496/RPP_Reform_ESPWG_071626.pdf/.

³⁸ See *id.*

Having already introduced stakeholders to this concept, the NYISO will continue to discuss and develop this proposal to establish the framework and parameters of a separate accelerated interconnection study path for generators needed to address reliability needs. For instance, the NYISO will work to develop criteria that will apply to an interconnection request submitted in the accelerated interconnection study, as well as other parameters, to limit the number of interconnection requests to those that are necessary to address a reliability need and limit disruptions to the Cluster Study Process. In developing the criteria, the NYISO will consider similar approaches that the Commission has accepted in other regions.³⁹

While the NYISO acknowledges that this targeted reform will not remove all barriers affecting the addition of resources in the New York region, it will reduce the potential that the interconnection process will impede the ability of a generation solution to address a need.

b. *Enhancements to the Criteria Used to Consider Modifications to Existing Resources*

The NYISO is also discussing enhancements to its existing interconnection process to better align the parameters for modifications to an existing generator to allow changes, such as repowering, with the ability to address emerging needs related to reliability, including resource adequacy. This proposed reform would further enable existing facilities to be modified without the need for restudy through a full Cluster Study, provided that there are no impacts to reliability of the system based on the NYISO's assessment. The proposed revisions would not seek to change the material modification provisions in the Cluster Study Process for interconnection requests undergoing a study. Rather, it will consider whether certain changes to technology, fuel, equipment, and level of interconnection service of existing facilities that do not affect reliability should be permitted without the need for a new interconnection request, particularly for repowering and other projects that can support reliability, including resource adequacy.

c. *Enhancements to the Processing and Identification of Needs and Solutions in the Reliability Planning Process*

The NYISO also is considering whether enhancements to the Reliability Planning Process could further incentivize developers' involvement in proposing viable and sufficient solutions to timely meet a future reliability need.

First, the NYISO is considering the treatment of a large load's contribution to a resource deficiency identified in the Reliability Planning Process. The NYISO's Reliability Planning Process includes large loads in the RNA's system representation when they have reached a specified level of development. If the NYISO identifies a resource deficiency and the large load(s) directly contributes to such deficiency, then the NYISO is considering assigning the

³⁹ See, e.g., *Midcontinent Indep. Sys. Operator, Inc.*, Revisions to the Open Access, Energy and Operating Reserve Tariff Expedited Resource Addition Study Filing, ER25-2454-000 (June 6, 2025), accepted, subject to condition *Midcontinent Indep. Sys. Operator, Inc.*, 192 FERC ¶ 61,064 (2025); *PJM Interconnection, L.L.C.*, Tariff Revisions for Reliability Resource Initiative, Docket ER25-712-000 (December 13, 2024), accepted by *PJM Interconnection, L.L.C.*, 190 FERC ¶ 61,084 (2025).

responsibility for addressing that resource deficiency, including the addition of resources, to the large load(s).

Second, the NYISO is considering targeted enhancements to the current Reliability Planning Process to, among other things, clarify the types of solutions that can be submitted; clarify how the NYISO performs the viability and sufficiency assessment when separately proposed solutions when combined can address a need; and encourage solutions that can address multiple, identified reliability needs. For instance, the NYISO's Reliability Planning Process looks at all solution types in addressing a reliability need, which the tariff specifically references generation, demand response, and transmission. However, there are other proposals that developers or facility owners could offer that change the manner in which existing facilities perform on the system resulting in a positive impact on an identified reliability need. For instance, firm fuel contracts, flexibility of a load, and repairs or other adjustments to a generator or transmission facility that improve its performance or lifespan could potentially address or reduce a violation on the system. Having rules that detail how interested parties can make such proposals—and how the NYISO will consider them—will facilitate potentially cost-efficient solutions.⁴⁰

These reforms, when paired with the NYISO's ongoing reform proposal to establish scenario planning in the Reliability Planning Process, are intended to provide a more comprehensive, proactive approach to addressing resource adequacy issues where transmission solutions would be unable to by themselves due to the unavailability of supply within the NYCA.⁴¹ The NYISO, however, notes that these are contemplated reforms within its responsibilities, and it plans on continuing to work with the NYPSC and other entities to reduce other barriers to resources entering service beyond the NYISO's processes.

The NYISO plans to continue discussions with its stakeholders in the preparation of above-referenced potential reforms to address maintaining resource adequacy and increasing the pace of generation additions. The NYISO seeks to implement any reforms to support the identification of solutions in the 2027-2036 CRP to any identified reliability needs. As a result, the NYISO will continue to discuss concepts with stakeholders to fully develop through October 2026 and finalize any proposals by the end of 2026. The NYISO targets review and approval from the NYISO's Operating Committee, Management Committee, and Board of Directors

⁴⁰ Similar to the Commission's requirements in Order No. 1920 to consider and evaluate the benefits of incorporating certain alternative transmission technologies into a transmission provider's consideration of the more efficient or cost-effective transmission solution, certain modifications or changes to existing facilities that could address the need without the need for more significant investments should be considered on a comparable basis in the NYISO's evaluation. See *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation*, Final Rule, Order No. 1920, 187 FERC ¶ 61,068 (2024), at PP 1163–66, 1239–41.

⁴¹ New York Indep. Sys. Operator, Inc., *Reliability Planning Process Reforms: Enabling Supply-Side Solutions* (July 17, 2026); New York Indep. Sys. Operator, Inc., *Reliability Planning Process Reforms: Updated Schedule* (March 26, 2026), available at https://www.nyiso.com/documents/20142/57510547/02_RPP_Reform_ESPWG_032626.pdf; see also New York Indep. Sys. Operator, Inc., *Reliability Planning Process Reform: STRP Process Proposal, RPP Tariff Revisions* (February 26, 2026), available at https://www.nyiso.com/documents/20142/57254820/02a_RPP_Reform_ESPWG_022626_final.pdf.

between January and March 2027 with a filing submitted to the Commission under Section 205 of the FPA in or around March 2027, subject to necessary approvals.

2. Potential Market Reforms under Consideration

The NYISO endeavors to continually align market price signals with its evolving reliability needs, creating incentives for investments to ensure resource adequacy. Expected reforms to the NYISO's ancillary services market include: (1) an initiative for balancing intermittency with the introduction of Uncertainty Reserve Requirements in the Day-Ahead and Real-Time Markets to procure reserves for forecast uncertainty in net load and intermittent generation and (2) an initiative to enhance Dynamic Reserves through the introduction of reserve requirements that dynamically reflect actual grid and market conditions by including the largest contingencies and transmission constraints. The Balancing Intermittency enhancements are scheduled to be effective this year, and the Dynamic Reserves initiative is expected to be implemented in 2028.

Likewise, reforms are underway in the NYISO's capacity market to help incentivize investment for resource adequacy. These include, implementing improvements this year to the capacity accreditation framework under the "Installed Capacity Accreditation Rules for Fuel Supply Constraints" to value resources with firm access to natural gas or fuel oil in response to increasing winter resource adequacy challenges to further incentivize winter fuel supply availability. Next year, the NYISO will be moving from an annual Capacity Market that is based solely on reliability needs in the summer to a seasonal market incorporating winter reliability needs.⁴² This enhancement will help send price signals for investment during the periods of increased resource adequacy risk. Additionally, the NYISO is pursuing several reforms to support resource adequacy through the capacity market demand curve determination process, which is a part of the stakeholder project referred to as "Demand Curve Reset Process and Methodology Improvements."⁴³ The objectives of these reforms are to strengthen investor confidence by creating more durable and predictable Installed Capacity ("ICAP") demand curves and enhancing long-term investment planning decisions. The NYISO has been actively engaged with its stakeholders in this effort and expects to finalize the reforms in 2026 so that they may be included in the next Demand Curve reset process starting in 2027.

Also, in collaboration with the NYSRC, the NYISO annually assesses desired improvements to the resource adequacy modeling assumptions to reflect emerging reliability needs. A multi-year strategy⁴⁴ is being developed to prioritize modeling improvements that are aligned with key NYSRC and NYISO initiatives. The current focus in the 2026-2030 strategic plan is on improving the representation of winter reliability risks; developing improvements to

⁴² *New York Indep. Sys. Operator, Inc.*, 195 FERC ¶ 61,250 (2026).

⁴³ See *New York Indep. Sys. Operator, Inc., Demand Curve Reset Process and Methodology Improvements* (January 12, 2026), available at <https://www.nyiso.com/documents/20142/56339181/DCR%20Process%20Improvements%20-%2001122026%20ICAPWG%20Final.pdf>.

⁴⁴ See *New York Indep. Sys. Operator, Inc., NYISO Resource Modeling Improvements: Strategic Plan (2026-2030)* (October 1, 2025), available at <https://www.nysrc.org/wp-content/uploads/2025/10/4.1.3-RA-Modeling-Improvement-2026-Strategic-Plan-10012025-ICS-Attachment-4.1.3.pdf>.

load modeling to capture evolving winter load shapes, the impacts from new large loads, and offsets from behind the meter solar resources; and ensuring that energy limited resources are represented consistent with operational experiences. The plan is refreshed annually to ensure improvements are focused on the most up-to-date strategic priorities.

III. Communications

All communications and service with regard to this filing should be directed to:

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IV. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept this informational report in response to the requirements of the directive in the Commission's Order Instituting Proceeding Under Section 206 of the Federal Power Act issued in the above-captioned docket.

Respectfully submitted,

/s/ Brian R. Hodgdon

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Rules of Practice and Procedure, 18 C.F.R. §385.2010.

Dated at Rensselaer, NY this 20th day of July 2026.

/s/ Alexander Morse

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