

193 FERC ¶ 61,233  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

December 23, 2025

In Reply Refer To:  
New York Independent System Operator, Inc.  
Docket No. ER26-235-000

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

Attention: Garrett E. Bissell

Dear Mr. Bissell:

1. On October 24, 2025, pursuant to section 205 of the Federal Power Act (FPA)<sup>1</sup> and part 35 of the Commission's regulations,<sup>2</sup> New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff) to enhance the determination of Installed Capacity (ICAP) market parameters for certain new entry conditions.<sup>3</sup> As discussed below, we accept NYISO's proposed revisions, effective December 24, 2025, as requested.<sup>4</sup>

2. NYISO explains that resource adequacy in New York state is maintained through a series of related processes administered by the New York State Reliability Council, L.L.C. (NYSRC) and NYISO, and that the NYSRC conducts an annual study to inform its establishment of an installed reserve margin (IRM) for the upcoming Capability Year, which represents an additional quantity of capacity that must be procured above NYISO's forecasted peak load to meet a resource adequacy criterion of not exceeding a loss of load

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. pt. 35 (2025).

<sup>3</sup> Capitalized terms used but not otherwise defined in this order have the meanings ascribed to them in the Services Tariff and in the NYISO Open Access Transmission Tariff (OATT).

<sup>4</sup> See Appendix for tariff records accepted in this order.

expectation greater than 0.1 loss of load event days per year.<sup>5</sup> NYISO adds that its forecasted peak load, plus the additional capacity required to meet the IRM, establishes the minimum capacity procurement requirements for the New York Control Area.<sup>6</sup> NYISO further explains that it is required to establish Locational Minimum Installed Capacity Requirements (LCR) for certain transmission-constrained areas (Localities), which require Load Serving Entities (LSE) serving customers within a Locality to procure a portion of their capacity purchase obligations from capacity supply resources electrically located within the Locality.<sup>7</sup>

3. NYISO explains that the IRM and associated study serve as foundational inputs to NYISO's administration of its ICAP market, which is designed to ensure that there is sufficient generating capacity available to supply energy needs while providing adequate operating reserves.<sup>8</sup> NYISO states that these inputs serve as the starting point for deriving various ICAP market parameters, including LCRs, LSE capacity procurement requirements, Capacity Accreditation Factor values, and Unforced Capacity (UCAP) available ratings for capacity supply resources.<sup>9</sup>

4. NYISO states that the IRM study includes an assumed operating status for potential new capacity supply resources, and that while these assumptions apply for the entirety of the upcoming Capability Year, the actual timing of new resource entry may not align with such static assumptions.<sup>10</sup> For example, if the IRM study does not include a potential new capacity supply resource, the study presumes that such resource will not commence ICAP market participation at any point during the upcoming Capability Year, even though such a resource may commence market participation during the Capability Year. NYISO notes that new entry by a capacity supply resource that causes a change in the contingencies evaluated for assessing the system's capability to flow power into a Locality, a "triggering resource," may significantly impact ICAP market parameters. NYISO states that misalignment between the actual timing of market entry by a

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<sup>5</sup> Filing, Transmittal Letter at 1-2.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.* There are currently three Localities located in the southeastern/downstate region of New York: (1) the G-J Locality (Load Zones G, H, I, and J); (2) New York City (Load Zone J); and (3) Long Island (Load Zone K). *Id.* at 2 n.3.

<sup>8</sup> *Id.* at 2 n.5.

<sup>9</sup> Unforced Capacity is the product that is bought and sold in the capacity market, and it represents the amount of ICAP that is available at a particular time. *Id.*

<sup>10</sup> *Id.* at 3.

triggering resource and the assumptions for such timing used in the development of ICAP market parameters can result in suboptimal market outcomes that may not accurately reflect actual market conditions.

5. NYISO explains that the proposed revisions to its current rules for determining ICAP market parameters are necessary to improve the alignment of ICAP market parameters with the timing of new entry by a triggering resource. Specifically, NYISO proposes to add new section 5.11.7 to the Services Tariff to address the procedures applicable for a Capability Year that includes a triggering resource.<sup>11</sup> NYISO explains that the new section addresses: (1) the process and timing to identify whether a triggering resource exists for the upcoming Capability Year; (2) the requirements to develop two sets of ICAP market parameters that reflect different operating status conditions for a triggering resource; (3) the applicable parameters used in the administration of the ICAP market; (4) the requirements for potentially changing the applicable ICAP market parameters during a Capability Year; and (5) the requirements for a triggering resource to provide notice of its intent to commence ICAP market participation. NYISO asserts that these enhancements seek to facilitate the use of ICAP market parameters that more accurately reflect the status of triggering resources.

6. NYISO states that, prior to determining the LCRs for the upcoming Capability Year, it will conduct an assessment of potential new capacity supply resources that may commence ICAP market participation during the upcoming Capability Year to determine whether a triggering resource exists.<sup>12</sup> NYISO states that, if a qualifying potential new capacity supply resource would result in a change to the contingencies evaluated for assessing system transfer capability into a Locality, which provides a reasonable indicator of a resource that has the potential to materially impact the resulting ICAP market parameters for the upcoming Capability Year, such a resource will constitute a triggering resource.<sup>13</sup>

7. NYISO states that, if a triggering resource exists for the upcoming Capability Year, it proposes to develop two sets of ICAP market parameters for potential use during that Capability Year.<sup>14</sup> NYISO adds that each set will include LCRs, Capacity

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<sup>11</sup> *Id.* at 4.

<sup>12</sup> *Id.* at 5.

<sup>13</sup> *Id.* NYISO notes that, if more than one potential new capacity supply resource qualifies as a triggering resource for a particular Capability Year, only one such resource will be designated as the triggering resource for purposes of the procedures described in section 5.11.7 of the Services Tariff. *Id.* at 5 n.12.

<sup>14</sup> *Id.* at 6.

Accreditation Factor values, minimum capacity requirements, LSE capacity requirements, UCAP ratings for capacity supply resources, and UCAP demand curves. NYISO explains that the two sets of ICAP market parameters will be derived from starting point databases that reflect different operating status conditions for the triggering resource. NYISO further explains that one set will represent the operating status assumption for the triggering resource as reflected in the case resulting from the final IRM approved by the NYSRC, and that the second set will reflect the opposite operating status assumption for the triggering resource.

8. NYISO states that the parameters used to administer the ICAP market will depend on the status of the triggering resource.<sup>15</sup> NYISO explains that, if the triggering resource timely provides a valid notice of its intent to commence ICAP market participation starting with the May delivery month (the first delivery month of the Capability Year), then NYISO will, within five business days after receipt of the triggering resource's notice, provide notice to the marketplace that ICAP market parameters reflecting that the triggering resource is participating in the ICAP market will be implemented starting with the May delivery month and remain in effect for the entire Capability Year.

9. NYISO explains that, if the triggering resource does not timely provide a valid notice of its intent to commence ICAP market participation starting with the May delivery month, then NYISO will, prior to the start of the Summer Capability Period strip auction, provide notice to the marketplace that ICAP market parameters reflecting that the triggering resource is not participating in the ICAP market will be implemented starting with the May delivery month.<sup>16</sup> NYISO adds that such ICAP market parameters will remain in effect for the entire Capability Year unless the triggering resource subsequently provides a valid notice of its intent to commence ICAP market participation for any delivery month during the Summer Capability Period (any delivery month prior to the November delivery month).

10. NYISO also explains that, if the triggering resource does not timely provide a valid notice of its intent to commence ICAP market participation for any delivery month during the Summer Capability Period, then NYISO will provide notice to the marketplace prior to the start of the Winter Capability Period strip auction to confirm that ICAP market parameters reflecting that the triggering resource is not participating in the ICAP market will be retained for the balance of the Capability Year. NYISO proposes to require that triggering resources satisfy a development milestone before they can submit such notice of intent to commence ICAP market participation; specifically, NYISO proposes that a triggering resource must first successfully complete Trial Operation.<sup>17</sup>

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<sup>15</sup> *Id.* at 7.

<sup>16</sup> *Id.*

NYISO explains that successful completion of Trial Operation is intended to ensure that the triggering resource has completed all necessary commissioning and testing to enter Commercial Operation, and that achievement of this milestone provides reasonable certainty that the triggering resource is capable of commencing ICAP market participation consistent with the timing indicated in the resource's notice.

11. NYISO states that it will apply the proposed rules for triggering resources beginning with the upcoming 2026-2027 Capability Year, and that it has identified that the Unforced Capacity Deliverability Rights awarded to the Champlain Hudson Power Express project would constitute a triggering resource for the 2026-2027 Capability Year because: (1) the project has been awarded Capacity Resource Interconnection Service; and (2) accounting for the project's Unforced Capacity Deliverability Rights would result in a change to the contingencies evaluated in assessing the transfer capability into Load Zone J.<sup>18</sup> NYISO explains that the Champlain Hudson Power Express project is currently anticipated to commence operation and begin use of the associated Unforced Capacity Deliverability Rights to participate in the ICAP market during the upcoming 2026 Summer Capability Period. Accordingly, NYISO states that it intends to proceed with the development of two sets of ICAP market parameters for the 2026-2027 Capability Year, consistent with its proposal.

12. NYISO requests that the proposed tariff revisions become effective on December 24, 2025.<sup>19</sup> NYISO explains that the proposed effective date seeks to ensure that the proposed enhancements are effective prior to development of final LCR values for the upcoming 2026-2027 Capability Year.

13. Notice of NYISO's filing was issued on October 24, 2025, with interventions and protests due on or before November 14, 2025. New York State Public Service Commission filed a notice of intervention. Independent Power Producers of New York, Inc., Calpine Corporation, H.Q. Energy Services (U.S.) Inc, and New York Transmission Owners<sup>20</sup> filed timely motions to intervene.

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<sup>17</sup> *Id.* at 9-10. NYISO notes that if it determines that the triggering resource has not successfully completed Trial Operation, the notice would be deemed invalid, and the triggering resource would need to submit a subsequent notice following successful completion of Trial Operation.

<sup>18</sup> *Id.* at 5-6. NYISO explains that the Champlain Hudson Power Express project is a 1,250 MW high-voltage direct current transmission project connecting Hydro Quebec to Load Zone J.

<sup>19</sup> *Id.* at 10.

<sup>20</sup> New York Transmission Owners are: Central Hudson Gas & Electric

14. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2025), the notice of intervention and the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

15. We find NYISO's proposal to develop two sets of ICAP market parameters to address contingencies regarding the operational status of a triggering resource, and to require a triggering resource to achieve Trial Operation to be eligible to submit a notice of intent to commence participation in the ICAP market, to be just and reasonable. We agree with NYISO that its proposal will help improve the alignment of ICAP market parameters with the timing of new entry by a triggering resource and facilitate the use of ICAP market parameters that more accurately reflect the status of triggering resources, thus reducing potential adverse impacts that can arise from the entry of new capacity supply resources.<sup>21</sup> We also find that NYISO has supported its proposal to require a triggering resource to satisfy a development milestone prior to submitting its notice of intent to commence participation in the ICAP market. As NYISO explains, successful completion of Trial Operation will help ensure that the triggering resource has completed all necessary commissioning and testing to enter Commercial Operation.<sup>22</sup> Accordingly, we accept NYISO's proposed revisions to its Services Tariff, effective December 24, 2025, as requested.

By direction of the Commission.

Debbie-Anne A. Reese,  
Secretary.

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Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

<sup>21</sup> Filing, Transmittal Letter at 3-4.

<sup>22</sup> *Id.* at 9.

**Appendix – Tariff Records**  
New York Independent System Operator, Inc.  
NYISO Tariffs

- [NYISO MST, 2.3 MST Definitions - C \(36.0.0\)](#)
- [NYISO MST, 2.20 MST Definitions - T \(16.0.0\)](#)
- [NYISO MST, 5.10 MST NYCA Minimum Installed Capacity Requirement \(6.0.0\)](#)
- [NYISO MST, 5.11 MST Requirements Applicable to LSEs \(21.0.0\)](#)
- [NYISO MST, 5.12 MST Requirements Applicable to Installed Capacity Suppliers \(55.0.0\)](#)