

194 FERC ¶ 61,151
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

February 27, 2026

In Reply Refer To:
New York Independent System Operator, Inc.
Docket No. ER26-713-000

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

Attention: Heidi S. Nielsen
Senior Attorney

Dear Heidi Nielsen:

1. On December 10, 2025, New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff), pursuant to section 205 of the Federal Power Act (FPA)¹ and Part 35 of the Commission's regulations,² to revise the rules related to the participation of Control Area System Resources (CASR)³ in NYISO's Installed Capacity (ICAP) market.⁴ In this order, we accept the proposed revisions to the Services Tariff, to be effective March 1, 2026, as requested.

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2025).

³ A CASR is a set of Resources owned or controlled by an entity within a Control Area that also is the operator of such Control Area. Entities supplying Unforced Capacity using Control Area System Resources will not designate particular Resources as the Supplier of Unforced Capacity (UCAP). NYISO, NYISO Tariffs, NYISO MST, 2.3 MST Definitions – C (36.0.0). Capitalized terms not otherwise defined herein shall have the meaning specified in section 2 of the Services Tariff.

⁴ See Appendix for tariff records accepted in this Order.

2. NYISO states that its ICAP market includes participation rules for CASRs, a type of External ICAP Supplier.⁵ According to NYISO, unlike other ICAP Suppliers, which must identify the specific Resources that supply the UCAP being sold, an entity supplying UCAP using CASRs do not designate particular Resources as the suppliers of UCAP.⁶ Rather, NYISO states that a CASR is treated as a single pool of Resources, without visibility into the individual Resources supplying the UCAP.⁷

3. NYISO states that the CASR ICAP market participation model has been part of NYISO's ICAP market design since its inception, and CASRs have historically been subject to distinct rules compared to all other External ICAP Suppliers.⁸ NYISO contends that this differentiation can present operational and reliability concerns and that these concerns have become more acute with the evolving nature of New York's electric system, including tightening supply margins, changes in load and generation patterns, and increasing reliance on weather-dependent generation.

4. NYISO states that it seeks to enhance the CASR ICAP market participation model to provide improved parity with the requirements for other External ICAP Suppliers, which NYISO states are Generators and External Generators associated with UCAP sales using Unforced Capacity Deliverability Rights (UDR) or External-to-Rest-of-State Deliverability Rights (EDR).⁹ NYISO asserts that these proposed changes will facilitate the ability of CASRs to continue supporting the bulk power system and ensure that UCAP supplied by a CASR remains valued consistent with its contribution to resource adequacy.

5. NYISO proposes revisions to the Services Tariff section 5.12.1.10 related to Supplemental Resource Evaluation (SRE)¹⁰ request requirements for CASRs.¹¹ NYISO

⁵ Filing, Transmittal Letter at 1.

⁶ *Id.* at 1-2.

⁷ *Id.* at 2.

⁸ *Id.*

⁹ *Id.* at 3.

¹⁰ An SRE is “[a] determination of (i) the least cost selection of additional Generators or Aggregations, which are to be committed to meet changed or local system conditions for the Dispatch Day that may cause the Day-Ahead schedules for the Dispatch Day to be inadequate to meet the reliability requirements of the Transmission Owner's local system or to meet Load or reliability requirements of the ISO; or (ii) the least cost selection of additional Generators, which are committed to meet forecast Load and reserve requirements over the six-day period that follows the Dispatch Day.”

states that this section sets forth the requirements that apply when NYISO issues an SRE request, including, among other things: (1) the steps that External ICAP Suppliers, including CASRs, must take for each hour of an SRE request; and (2) exemptions from the obligations to take such required action. NYISO states that, if an External ICAP Supplier is a Generator or an External Generator is associated with a UCAP sale using UDRs or EDRs, it is exempt to the extent that such Generator is unable to bid in response to the SRE request due to an outage, physical operating limitations, or other operational issues that are outside the ICAP Supplier's control, as determined by NYISO.¹²

6. NYISO states that CASRs are similarly exempt from taking required action when an SRE is called when the CASR is unable to bid due to an outage as defined in the NYISO procedures or due to operational issues that are outside the CASR's control.¹³ In contrast to the exemption for other ICAP Suppliers, NYISO states that the exemption for CASRs due to operational issues outside the CASRs' control does not describe NYISO's role in evaluating whether operational issues are outside the control of a CASR.¹⁴ NYISO therefore proposes to change the tariff provision so that a CASR can only be exempt from the requirements during an SRE when it experiences an outage due to operational issues outside the control of the CASR "as determined by the ISO." NYISO contends that this revision will provide the same level of accountability for a CASR as for all other External ICAP Suppliers.

7. NYISO also proposes to revise Services Tariff section 5.12.1.10 to clarify that a CASR's failure to import the quantity of Energy equal to the ICAP equivalent of the UCAP sold due to a transmission outage will not be considered a reason that is outside the control of a CASR.¹⁵ Instead, such failure shall be deemed a Forced Outage,¹⁶ which

NYISO, NYISO Tariffs, NYISO MST, 2.19 MST Definitions – S (36.0.0).

¹¹ Filing, Transmittal Letter at 3.

¹² See NYISO, NYISO Tariffs, NYISO MST, 5.12 MST Requirements Applicable to Installed Capacity Suppl (55.0.0), § 5.12.1.10 (Service Tariff 5.12).

¹³ Filing, Transmittal Letter at 4. See also Service Tariff 5.12, § 5.12.1.10.

¹⁴ Filing, Transmittal Letter at 4.

¹⁵ *Id.*

¹⁶ A Forced Outage is an unscheduled inability of a Market Participant's Generator to produce Energy that does not meet the notification criteria to be classified as a scheduled outage or derate as established in ISO Procedures. See NYISO, NYISO Tariffs, NYISO MST, 2.6 MST Definitions - F (11.0.0).

is used in determining the amount of UCAP that may be supplied by CASRs. NYISO asserts that, because a CASR's energy supply is considered as coming from a pool of Resources, NYISO's revisions to account for transmission outages within a CASR's control area will more accurately value a CASR's availability and resource adequacy contribution.

8. NYISO also proposes revisions to the Services Tariff related to deliverability and curtailment priority rules for UCAP supplied by CASRs.¹⁷ NYISO states that the Services Tariff section 5.12.2.1 provides that External Generators, External System Resources, and CASRs qualify as ICAP Suppliers if they demonstrate to the satisfaction of NYISO that the ICAP equivalent of their UCAP is deliverable to the New York Control Area (NYCA) with curtailment priority rules specific to the type of External ICAP Supplier. However, in contrast to other external suppliers, CASRs currently must only demonstrate that the External Control Area will afford NYCA Load the same curtailment priority that it affords its own load. NYISO proposes to revise Services Tariff section 5.12.2.1 to require that the capacity supplied by CASRs will not be recalled or curtailed by an External Control Area to satisfy its own load. NYISO contends that this change will improve comparability between CASRs and other External ICAP Suppliers. NYISO also proposes to revise Services Tariff sections 5.12.1, 5.12.12.1, and 5.12.12.2 to prohibit a CASR from recalling or curtailing Energy exports equal to the ICAP equivalent of the UCAP sold by the CASR from an External Control Area to the NYCA for the purposes of satisfying its own resource adequacy needs.

9. NYISO also proposes to remove a provision of Service Tariff section 5.12.2.1 that explains how a CASR's proportionate curtailment to satisfy its own load would be reflected in the calculation of a CASR's UCAP.¹⁸ NYISO asserts that such accounting is no longer necessary because it proposes to require that the ICAP equivalent of CASR's UCAP sold will not be recalled or curtailed by the External Control Area to satisfy its own load.

10. NYISO requests that the proposed revisions become effective on March 1, 2026.¹⁹ NYISO explains that allowing the proposed revisions to become effective on March 1, 2026 will facilitate market certainty ahead of the upcoming 2026-2027 Capability Year.

11. Notice of NYISO's filing was published in the *Federal Register*, 90 Fed. Reg. 57997 (Dec. 15, 2025), with interventions and protests due on or before

¹⁷ Filing, Transmittal Letter at 5.

¹⁸ *Id.* See also NYISO, NYISO Tariffs, NYISO MST, 5.12 MST Requirements Applicable to Installed Capacity Suppl (56.0.0), §5.12.2.1.

¹⁹ *Id.* at 1, 5.

December 31, 2025. Timely motions to intervene were filed by: Calpine Corporation, H.Q. Energy Services (U.S.) Inc. (HQUS), and New York Transmission Owners.²⁰ New York State Public Service Commission filed a notice of intervention. HQUS submitted comments in support of the filing.

12. 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 timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

13. HQUS in its supporting comments urges the Commission to accept NYISO's proposed tariff revisions.²¹ HQUS notes that it is the only CASR participating in NYISO's ICAP Market and explains that it played an active role with NYISO in developing the proposed tariff provisions. HQUS contends that the proposed tariff revisions will enhance participation of CASRs in the ICAP Market while facilitating NYISO's ability to maintain the reliability of the bulk power system during changing conditions on the NYISO system.

14. We accept NYISO's proposal to revise the rules related to the participation of CASRs in NYISO's ICAP market, to be effective March 1, 2026, as requested. We find that the proposed revisions to the Services Tariff are just and reasonable because they help to ensure that UCAP supplied by a CASR remains valued consistent with its contribution to resource adequacy. We agree with NYISO that its proposed revisions enhance the CASR ICAP market participation model by providing improved parity with the requirements for other External ICAP Suppliers.

By direction of the Commission.

Carlos D. Clay,
Deputy Secretary.

²⁰ New York Transmission Owners include Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

²¹ HQUS Supporting Comments at 2.

Appendix – Tariff Records

New York Independent System Operator, Inc.
NYISO Tariffs

- [NYISO MST, 5.12 MST Requirements Applicable to Installed Capacity Suppl \(56.0.0\).](#)