

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF ENERGY MARKET REGULATION

In Reply Refer To:
New York Independent System Operator,
Inc.
Docket No. ER26-1431-000

Issued: April 10, 2026

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

Dear Heidi S. Nielsen:

On February 18, 2026, New York Independent System Operator, Inc. (NYISO) submitted proposed revisions to its Market Administration and Control Area Services Tariff (Services Tariff) to enhance its Installed Capacity (ICAP) market rules to better reflect seasonal reliability risk and to account for seasonal availability of supply from transmission lines serving as ICAP Suppliers.¹

Please be advised that the filing is deficient and that additional information is required to process the filing. Please provide complete responses to the following questions.

1. NYISO proposes to establish seasonal minimum ICAP requirements for the New York Control Area (NYCA). In its transmittal letter, NYISO states that:

[t]he proposed Winter NYCA Minimum ICAP Requirement would be derived from the available capacity in the winter peak month, as identified from data for the final [Installed Reserve Margin (IRM)] study case and the winter NYCA forecasted peak load value for the applicable Capability Year as determined by the NYISO

¹ Capitalized terms used but not otherwise defined in this order have the meanings ascribed to them in NYISO's Services Tariff.

NYISO asserts that “[a]s such, the proposed Winter NYCA Minimum ICAP requirement is designed to meet the [New York State Reliability Council, L.L.C. (NYSRC)]-established resource adequacy criterion.”²

However, in Services Tariff section 2.14, NYISO’s proposed definition of the NYCA Minimum Installed Capacity Requirement provides in part that the requirement is calculated as follows: “for the Winter Capability Period, multiplying the NYCA Peak Load Forecast for the Winter Capability Period by the quantity of one plus the NYCA Winter Installed Reserve Margin.”³ NYISO’s proposed definition of the NYCA Winter Installed Reserve Margin is: “[t]he ratio of *the amount of additional Installed Capacity required by the NYISO* to the NYCA Peak Load Forecast for the upcoming Winter Capability Period, expressed as a decimal” (emphasis added).⁴

Please confirm whether the proposed definition of NYCA Winter Installed Reserve Margin, specifically “the amount of additional Installed Capacity required by the NYISO” is based on the final IRM study case. Please explain how NYISO’s proposed definition of NYCA Winter Installed Reserve Margin would ensure that the Winter NYCA Minimum ICAP Requirement will be consistent with the NYSRC-established resource adequacy criterion.

2. NYISO proposes new Services Tariff section 5.10.2 to describe the methodology for calculating NYCA Minimum Installed Capacity Requirements starting with the 2027-2028 Capability Year. The last sentence of the proposed Services Tariff section 5.10.2 states:

New transmission projects to which the NYISO has granted [Unforced Deliverability Rights (UDRs)] will not affect the determination by the ISO of the amount of Unforced Capacity that must be located within the NYCA or within each Locality of the NYCA.⁵

Please explain in more detail the meaning of the phrase “new transmission projects to which the NYISO has granted UDRs.”. Specifically, how NYISO would

² Filing, Transmittal Letter at 4.

³ NYISO, NYISO Tariff, NYISO MST, 2.14 MST Definitions – N (30.0.0).

⁴ *Id.*

⁵ NYISO, NYISO Tariff, NYISO MST, 5.10 MST NYCA Minimum Installed Capacity Requirement (7.0.0).

identify “new” transmission projects, including in situations where the described new transmission projects are online before or after the August 1 election deadline prior to the Capability Year. If before, please explain whether, under NYISO’s proposal, the described “new transmission projects” would be able to submit seasonal elections for UDRs for the subject Capability Year.

3. NYISO proposes to establish a penalty if a holder of UDRs or External-to-Rest of State Deliverability Rights (EDR) fails to offer or certify UCAP associated with a UDR or EDR that has not been returned to the NYCA in any ICAP Spot Market Auction during the subject Capability Period. Further, NYISO proposes that, if NYISO determines that the UDR or EDR rights holder is required to pay for (1) the failure to offer or certify the UCAP associated with a UDR or EDR that has not been returned to the NYCA in any ICAP Spot Market Auction during the subject Capability Period as described in Services Tariff section 5.12.12.4 as well as (2) the failure to offer or sell Mitigated UCAP or External Sale UCAP as described in Services Tariff section 23.4.5.4.2, then the UDR or EDR rights holder shall pay the larger of these two sanction amounts.

In proposed Services Tariff section 5.12.12.4, the penalty for failure to offer or certify UCAP associated with UDR or EDR is applied for the duration of a Capability Period (i.e. 6 months). In Services Tariff section 23.4.5.4.2, the penalty for the failure to offer or sell Mitigated UCAP or External Sale UCAP appears to be calculated by “Comparison Period,” which may be one or more months of the Capability Period.

Please clarify over which time period NYISO proposes to compare the two penalties to determine which is larger.

This letter is issued pursuant to 18 C.F.R. § 375.307 and is interlocutory. This letter is not subject to rehearing under 18 C.F.R. § 385.713. A response to this letter must be filed with the Secretary of the Commission within 30 days of the date of this letter by making a deficiency filing in accordance with the Commission’s electronic tariff requirements. For your response, use Type of Filing Code 170 if your company is registered under program code “M” (Electric Market Based Rate Public Utilities) or Type of Filing Code 180 if your company is registered under program code “E” (Electric Traditional Cost of Service and Market Based Rates Public Utilities).⁶ In addition,

⁶ The filing must include at least one tariff record to restart the statutory timeframe for Commission action even though a tariff revision might not otherwise be needed. *See generally Elec. Tariff Filings*, 130 FERC ¶ 61,047, at PP 3-8 (2010) (explaining that the Commission uses the data elements resulting from the tariff filing process to establish statutory filing and other procedural dates).

submit an electronic version of your response to Emily Chen at emily.chen@ferc.gov. The information requested in this letter order will constitute an amendment to your filing and a new filing date will be established.⁷ A notice will be issued upon receipt of your filing.

Pending receipt of the above information, a filing date will not be assigned to your filing. Failure to respond to this letter order within the time period specified may result in a further order rejecting your filing.

Issued by: Leanne Khammal, Acting Director, Division of Electric Power Regulation – East

⁷ See *Duke Power Co.*, 57 FERC ¶ 61,215, at 61,713 (1991) (“The Commission will consider any amendment or supplemental filing filed after a utility’s initial filing . . . to establish a new filing date for the filing in question.”).