

NOTICE

SHORT-TERM RELIABILITY PROCESS SOLUTION SOLICITATION REGARDING GENERATOR DEACTIVATION RELIABILITY NEED *Responses due October 19, 2026*

August 20, 2026

The New York Independent System Operator, Inc. (“NYISO”) requests the submission of proposed Short-Term Reliability Process Solutions to address the Generator Deactivation Reliability Need¹ first identified in the 2026 Quarter 1 Short-Term Assessment of Reliability (“STAR”)² that the NYISO issued on April 15, 2026 in consideration of the impacts from updates to system conditions, as evaluated in the 2026 Quarter 2 STAR.³ As further described in this notice, proposed solutions must be submitted on or before October 19, 2026. Questions regarding this solicitation should be addressed to DeveloperSolution@nyiso.com.

Determination of the Generator Deactivation Reliability Need

The NYISO performed the 2026 Quarter 1 STAR under its Short-Term Reliability Process that evaluated a five-year study period of January 15, 2026 through January 15, 2031, considering forecasts of peak power demand, planned upgrades to the transmission system, and changes to the generation mix over the next five years.⁴ Consistent with the findings of the 2026 Quarter 1 STAR, following the withdrawal of the Generator Deactivation Notices for the Gowanus 2 & 3 and Narrows 1 & 2 barges, the 2026 Quarter 2 STAR found that the Lower Hudson Valley locality would continue to be deficient following the Danskammer 1-4 deactivation until planned projects demonstrate their planned power capabilities. This Near-Term Reliability Need on the Bulk Power Transmission Facilities (“BPTF”), first occurring in 2029, is a Generator Deactivation Reliability Need.⁵ Danskammer 1-4 was not allowed to deactivate on August 1, 2026 and is required to remain in-service until at least January 15, 2027, if permanent solutions are not available sooner.

Following the start of the 2026 Quarter 2 STAR, the Champlain Hudson Power Express (“CHPE”) planned project entered commercial operation on May 13, 2026, but has yet to demonstrate its planned power capability. The NYISO continues to assess the performance of CHPE through this initial summer of operation. Upon CHPE fully demonstrating its capability, the Lower Hudson Valley Near-Term Generator Deactivation Reliability Need would likely be addressed, but a longer term reliability need will likely be identified beginning in 2032, indicating a persistent reliability need as further described below.

¹ Capitalized terms in this letter refer to defined terms in the NYISO’s Open Access Transmission Tariff (“OATT”). See OATT §§ 1, 38.1 and 31.1.1.

² OATT § 38.3.5.

³ The 2026 Q1 STAR Report is posted on the NYISO’s website ([here](#)). The 2026 Q2 STAR Report is posted on the NYISO’s website ([here](#)).

⁴ OATT §§ 38.1 – 38.27.

⁵ See *Statement Regarding Near-Term Reliability Need for the 2026 Quarter 1 and 2 Short-Term Assessment of Reliability* (July 29, 2026), which is posted on the NYISO’s website ([here](#)).

Lower Hudson Valley Generator Deactivation Reliability Need

Consistent with the findings of the 2025 Quarter 3 and Quarter 4 STARs, the 2026 Quarter 1 STAR found a Generator Deactivation Reliability Need in the Lower Hudson Valley locality primarily driven by issues in New York City and on Long Island. The proposed retirement of Danskammer 1-4 that was evaluated in the 2026 Quarter 1 STAR further exacerbated this deficiency.

The deficiency was also impacted by demand forecasts based on expected weather, expected generator availability, transmission limitations, and risks associated with the availability and demonstrated capability of key future planned projects. The observed deficiency in this locality was also impacted by Rockland Electric Company (RECO) demand that is served by PJM. Electricity from PJM flows across the New York State Transmission System to serve PJM's RECO load.

Consistent with the findings of the 2026 Quarter 1 STAR, following the withdrawal of the Generator Deactivation Notices for the Gowanus 2 & 3 and Narrows 1 & 2 barges, the 2026 Quarter 2 STAR found that the Lower Hudson Valley locality would be deficient in the summer starting in 2029 and continuing in summer 2030 until planned projects are completed and demonstrate their planned power capabilities. The Lower Hudson Valley BPTF Generator Deactivation Reliability Need is specified in the table below. A detailed description of the deficiency in the Lower Hudson Valley (Zones G-J) is provided in the posted STAR reports.⁶ This need is observed under summer peak demand conditions if system plans are not completed and do not demonstrate their planned capability.⁷

Lower Hudson Valley BPTF Generator Deactivation Reliability Need:

Summer Peak	2026	2027	2028	2029	2030
MW Deficiency	None	None	None	184-201	291-309
Duration (hours)	None	None	None	3-5	4-5
MWh	None	None	None	387-1,287	746-2,066

As discussed in the April 25, 2026 Short-Term Reliability Process Report,⁸ a subset of the projects identified to address the New York City and Long Island deficiencies observed in the 2025 Quarter 3 STAR are expected to be sufficient to address the Lower Hudson Valley BPTF Generator Deactivation Reliability Need over the short-term horizon after they enter service and demonstrate their planned power capabilities. The future planned projects associated with New York City and Long Island include those listed in Figure 1 and Figure 2, respectively. While these planned projects are advancing in their development, the completion is subject to inherent risks commonly observed among large infrastructure projects that may impact timely completion, energization, and sufficient demonstration of their planned capabilities.

⁶ See 2026 Quarter 1 STAR Report and 2026 Quarter 2 STAR Report.

⁷ Based on the 2026 RNA and 2026 Quarter 3 STAR assumptions, the deficiencies in the Lower Hudson Valley may worsen to around 500 MW deficient in summer 2029 and about 600 MW deficient in summer 2030 without future planned projects being placed in service and demonstrating their planned capabilities. Should sufficient planned projects enter service according to schedule and demonstrate their planned capabilities, a deficiency in the Lower Hudson Valley would not be observed until summer 2032.

⁸ Short-Term Reliability Process Report: 2026-2030 Generator Deactivation Reliability Needs (2025 Quarter 3 STAR) Solution Selection ([here](#))

Figure 1: Projects Identified to Address New York City Need

	Queue Pos.	Proposed Solution Developer	Project Name	Nameplate (MW)	Proposed In-Service
Proposed Solution	N/A	AlphaGen	Existing Gowanus & Narrows Retention	608	Existing
	Queue Pos.	Developer/Interconnection Customer	Project Name	Nameplate (MW)	Proposed In-Service
Other Projects (Permanent Solutions)	631/887	CHPE LLC	NS Power Express	1,250	Entered commercial operation but has yet to demonstrate its planned power capability
	0827	Lighthouse Arthur Kill, LLC	Arthur Kill Energy Storage 1	15	Winter 2026
	0931	East River ESS, LLC	Astoria Energy Storage	100	Winter 2026
	0737	Empire Offshore Wind LLC	Empire Wind 1	816	Winter 2027
	1289	New York Power Authority / New York Transco LLC.	Propel NY Energy - Alternate Solution 5	-	Summer 2030

Figure 2: Projects Identified to Address Long Island Need
Projects to Identified to Address Long Island Need

	Queue Pos.	Proposed Solution Developer	Project Name	Nameplate (MW)	Proposed In-Service
Proposed Solutions	N/A	PSEG-LI/LIPA	Shoreham 1 (water injection)	52.9	Existing, water injection by May 1, 2027
			Shoreham 2 (water injection)	18.6	
			Glenwood GT 3 (water injection)	55	
			Far Rockaway 1	60.5	Existing
			Far Rockaway 2	60.5	
	Queue Pos.	Developer/Interconnection Customer	Project Name	Nameplate (MW)	Proposed In-Service
Other Projects	0766/0987	Sunrise Wind, LLC	Sunrise Wind	924	Winter 2028
(Permanent Solutions)	1289	New York Power Authority / New York Transco LLC.	Propel NY Energy - Alternate Solution 5	-	Summer 2030

Preliminary Lower Hudson Valley Findings in the 2026 RNA

In addition to Generation Deactivation Reliability Needs observed in the STAR, long-term reliability needs are observed in the preliminary results for the 2026 Reliability Needs Assessment (RNA).⁹ In the RNA ten-year planning horizon, assuming the availability of planned projects (e.g., CHPE) in accordance with their projected in-service dates, the Lower Hudson Valley would be deficient by 300 MW in 2032 worsening to over 2,000 MW by 2036. Key drivers of this deficiency are demand growth, including large loads, and increasing exposure to aging generation risks resulting in reduced available supply.

The RNA is expected to be issued in November 2026. Following the finalization of the RNA, the NYISO will consider updates to address reliability findings in the RNA prior to soliciting solutions to the identified long-term needs. Potential updates include the impacts from proposed solutions to this Generator Deactivation Reliability Need, if applicable. If Reliability Needs remain after reflecting post-RNA updates, a solicitation to address the long-term needs, including for the Lower Hudson Valley, will be issued in the first half of 2027.

Project Submission Requirements

In accordance with Section 38.4 of the Open Access Transmission Tariff (“OATT”), to address the Generator Deactivation Reliability Need described above, the NYISO hereby solicits proposed permanent solutions from the identified Responsible Transmission Owners, including: Central Hudson Gas and Electric Corporation (“Central Hudson”), Consolidated Edison

⁹ Preliminary base case draft results were presented to NYISO Stakeholders at the July 23, 2026 ESPWG/TPAS meeting ([here](#)).

Company of New York, Inc. (“Con Edison”), Orange & Rockland Utilities, Inc. (“Orange & Rockland”), and New York State Electric & Gas Corporation (“NYSEG”) for their respective transmission districts. The Responsible Transmission Owners may work collectively to develop a proposed permanent solution; however, the Transmission Owners responsible for specific components of jointly developed solutions must be identified in the submittal.

The Responsible Transmission Owners’ solutions may include generation, transmission, and/or demand-side solutions. For the reasons that the NYISO stated in its posted *Statement Regarding Identification of Near-Term Reliability Need for the 2026 Quarter 1 and 2 Short-Term Assessment of Reliability*, the NYISO is only soliciting regulated transmission Short-Term Reliability Process Solutions from Central Hudson, Con Edison, Orange & Rockland, and NYSEG, which entities are the respective Responsible Transmission Owners. The proposed solutions from the Responsible Transmission Owners must, to the extent practicable, completely address the Generator Deactivation Reliability Need(s) for their respective service territories. If a proposed solution is an interim solution, the Responsible Transmission Owner(s) must also submit a conceptual permanent solution to address the need(s) for its respective service territory. Any interim solution provided by the Responsible Transmission Owner(s) should also identify the operating procedures that may be utilized to keep the grid reliable.

This solicitation also seeks proposed generation and market-based solutions from other interested Developers to address the Generator Deactivation Reliability Need as described above. Developer(s) may propose a temporary regulated generation solution or a market-based solution but only the Responsible Transmission Owners may submit a proposed regulated transmission solution.¹⁰ Proposed market-based solutions may include generation, transmission, and/or demand-side solutions that are capable of satisfying, in whole or in part, the identified need. Market-based solutions are not eligible for cost recovery under Rate Schedule 8 to the NYISO’s Market Administration and Control Area Services Tariff or Rate Schedules 14 or 16 to the OATT.¹¹

After the solicitation window has closed, the NYISO will evaluate the proposed solutions it receives to determine if they are viable and sufficient, as provided in Section 38.6 of the OATT. The NYISO will evaluate all proposed solutions to determine whether each is viable and sufficient to satisfy the identified Need individually, or in conjunction with other solutions. In addition to complying with the information requirements set forth in Section 38.4.2 of the OATT and summarized below, the NYISO encourages Developers to provide sufficient information its submittal to demonstrate that their market-based solution satisfies the Base Case Inclusion Rules in Section 3.2.1 of its Reliability Planning Process Manual, as applicable. As necessary, the NYISO will coordinate with the Responsible Transmission Owners in performing the viability and sufficiency evaluation. If the ISO determines that the scope or scale of the Short Term Reliability Process Need for which it has solicited Short-Term Reliability Process Solutions changed in a subsequent STAR (including due to successful completion of planned projects and those planned projects demonstrating their operational capabilities), then the NYISO may select solutions that address the changed scale, scope or nature of the Short Term Reliability Process Need, or reject all of the proposals it received and withdraw the solicitation, consistent with the

¹⁰ OATT §§ 38.4.2.2 – 38.4.2.3.

¹¹ OATT § 38.4.2.2.

requirements of OATT Section 38.4.8.1.

If the NYISO does not receive sufficient, viable market-based or transmission solutions in response to this solicitation, retention of the deactivating Generators may be necessary to keep the grid reliable until permanent solutions are in-service and demonstrate their planned power capabilities. This solution selection process is designed to ensure that executing Reliability Must Run (RMR) Agreements with Generators is a last resort to addressing a reliability need.

Key data submission requirements for proposed solutions specified in Section 38.4 of the OATT are identified in the table below:

Data Submission Requirements	
Solution Type	References
Responsible Transmission Owner Regulated Solution	OATT Sections 31.2.4.4.1, 31.2.4.4.2, 31.2.6.5.1.1, 38.4.2.1, 38.4.3, and 38.25 and Reliability Planning Process Manual Attachment C (for submission of transmission project information)
New Generator	Any Developer may submit a proposed new Generator that requires an RMR Agreement to operate as a temporary Short-Term Reliability Process Solution. <i>See</i> OATT Sections 38.4.2.3 and 38.25.
Market-Based Solution*	OATT Sections 31.2.4.6, 38.4.2.2, 38.4.2.3, 38.4.3 and 38.25

* Market-based solutions are not eligible for cost recovery under Rate Schedule 8 to the NYISO's Market Administration and Control Area Services Tariff or Rate Schedules 14 or 16 to the OATT.

Parties interested in submitting solutions should review the 2026 Quarter 1 and 2026 Quarter 2 STAR reports to understand the identified need, as well as Section 38 of the OATT and other relevant tariff provisions. Questions about the submission of proposals or about this solicitation

should be addressed to DeveloperSolution@nyiso.com.

Please use the NYISO's posted Generator Deactivation Process/Reliability Must Run (RMR) Input Template¹² to submit cost data to the extent possible.

The NYISO may publicly disclose project information contained in the proposals, except as provided in Section 38.4.5 of the OATT. If Developers, including the Responsible Transmission Owners, desire eligible information to be maintained as confidential, they are responsible for designating such information as "Confidential Information," as set forth in Section 38.4.5 of the OATT.¹³

Proposed solutions, together with all required project information, must be submitted electronically on or before October 19, 2026 to DeveloperSolution@nyiso.com, including in the subject line, "Proposed Short-Term Reliability Solutions for 2026 Q1 STAR." Due to file size restrictions, e-mail attachments should not exceed 40 MB for any single e-mail. Any supplemental hard copy information that cannot be sent via e-mail can be sent to Keith Burrell, Principal Transmission Planning Advisor, New York Independent System Operator, 10 Krey Boulevard, Rensselaer, New York 12144.

¹² The template is available on the NYISO's Market Monitoring webpage ([here](#)) under ICAP Market Mitigation, Data Submission.

¹³ OATT § 38.4.5.