# Installed Capacity (ICAP) Market

The **Installed Capacity Market** facilitates the sale and purchase of capacity between ICAP suppliers and Load Serving Entities (LSEs). The purpose of the NYISO ICAP Market is to ensure resource adequacy (*i.e. supply is sufficient to meet load while adhering to reliability standards*).

## How much do we need?

Components used to determine the amount of installed capacity required for NYCA as well as locational requirements:

**Forecasted Peak Load (FPL)**

*Based on last year's NYCA Peak Load adjusted for: load reductions (DR resources), changes in load growth, and weather*

**Installed Reserve Margin (IRM)**

*Reliability requirement to ensure resource adequacy; planned buffer to account for equipment outages and line limitations*

**Derating Factor**

*Percentage of average energy supplier unavailability based on performance and unavailability*

## How much do we have?

Capacity suppliers must provide data to demonstrate their capability to produce a certain number of MW, otherwise known as their **Resource Capability**. Resource Capability is determined by one of the following (*depending on type of unit*):

| Resource Nameplate | DMNC/DMGC Test | Performance Test | Actual Production Data |
|---|---|---|---|

## How much can be sold?

The maximum amount of unforced capacity a supplier can sell is based on the following:

**Maximum Demonstrated Output**

*i.e. Supplier's proven capacity*

**Deliverability Limit**

*i.e. Amount of supplier MWs that can actually be delivered to the grid*

**Duration Adjustment Factor**

*i.e. Accounts for a given resource's duration limited run-time*

**Historic Performance/ Availability**

*i.e. Unplanned resource unavailability*

## How much must be procured?

The minimum amount of unforced capacity Load Serving Entities must procure is determined using the following components specific to their individual load:

- Contribution to NYCA Forecasted Peak Load
- Installed Reserve Margin
- Locational Capacity Requirements (*if applicable*)
- Changes in Transmission Capability
- Derating Factor

Demand

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