

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

Locational Translation 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



Capacity Accreditation Factor

i.e. Reflects reliability contribution of resource's to NYSRC resource adequacy



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

