

Proposed 2026 Market Projects

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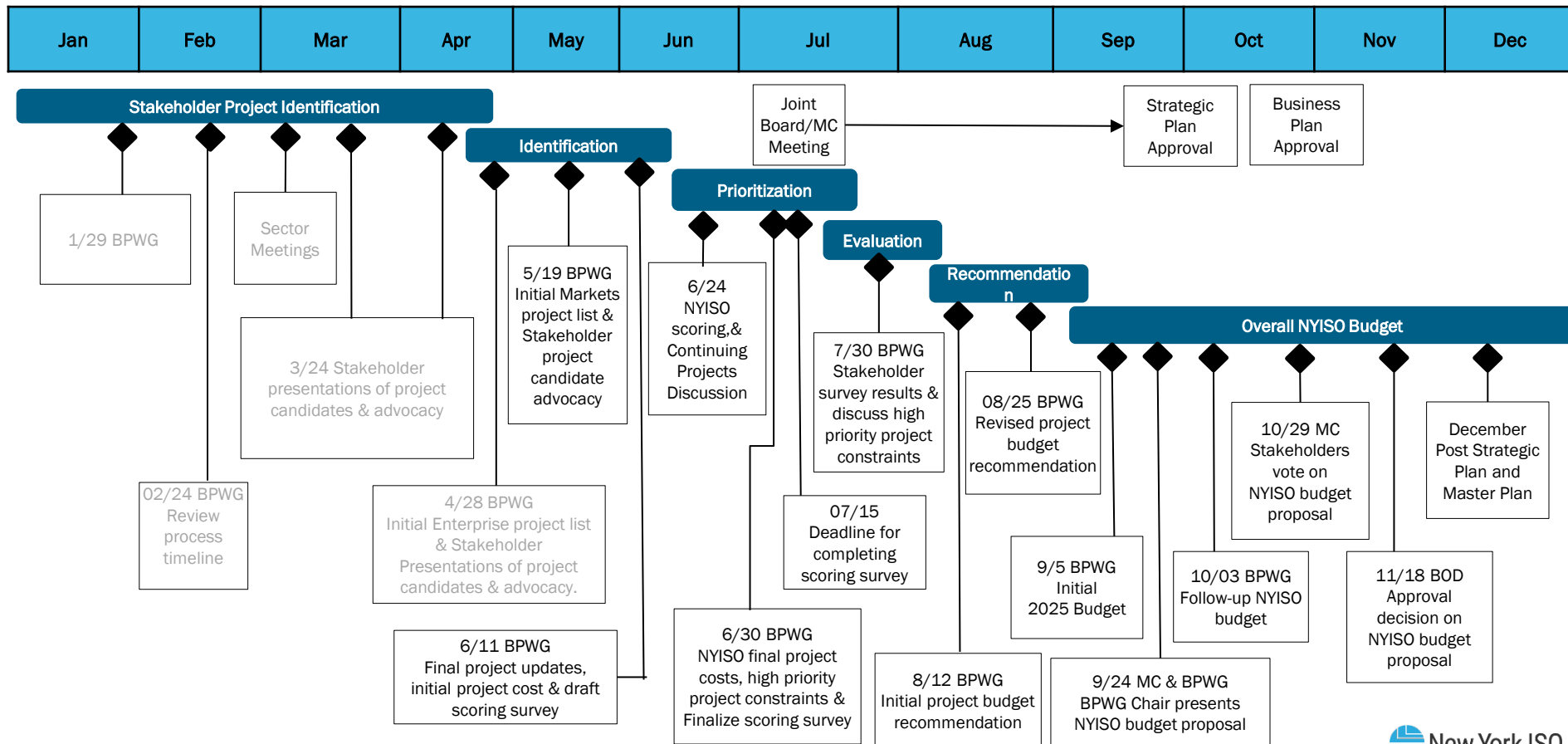
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Agenda

- **Project Timeline**
- **Project Descriptions**
- **2026 Market Project Candidates**
- **Next Steps**

Project Prioritization Timeline

2026 Proposed Project Prioritization Timeline



Project Descriptions

Project Descriptions

- **The NYISO has developed project descriptions for 44 proposed Market projects**
 - 0 Business & Finance, 9 Capacity Market, 23 Energy Markets, 7 New Resource, 3 Planning, & 2 TCC Market
 - 5 Mandatory, 5 Continuing, 22 Prioritize, & 12 Future
- **Last year, there were 53 proposed Market projects at this time in the project prioritization process**
- **Project descriptions are included with today's posted meeting materials**
- **A project from Vineyard Offshore has been proposed and will be included in the June 11th BPWG materials**

Market Project Descriptions

■ Problem / Opportunity

- This section describes the business problem to be addressed or opportunity to be studied by the proposed project. Supporting background information, prior work, and analysis to the extent it is available should be included.

■ Project Objective(s) & Anticipated Deliverable(s)

- This section describes what the project should do to address the business problem or opportunity. It summarizes the approach and desired outcome and may build on project work in a prior year. It includes the expected deliverables to satisfy the project objective and is tied to the proposed project milestone. The NYISO will work with the stakeholder(s) proposing a project to formulate what may be feasibly delivered in a particular time frame based on resourcing estimated for the effort.

■ Project Justification

- This section provides reason(s) why the candidate project should be considered. Examples would include addressing a FERC Order, Tariff requirements, automate manual processes, mitigate risk, market enhancements, State of the Market recommendations.

2026 Market Project Candidates

Prioritize 2026 Market Projects

Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable
1	5 Minute Transaction Scheduling	Energy Market	Prioritize	Market Design Complete	
2	Balancing Intermittency Phase 2: Evaluating Needs for Duration in Reserves (ENDURE)	Energy Market	Prioritize	Market Design Concept Proposed	
3	Bifurcated Capacity Markets*	Capacity Market	Prioritize		
4	Capacity Zone Redesign	Capacity Market	Prioritize	Market Design Complete	
5	Cost Recovery for NYISO-Designated IROL Critical Generators- Requested by Advanced Power	Energy Market	Prioritize	Market Design Complete	
6	DER Market Enhancements	New Resource	Prioritize	Market Design Complete	

*Project Description will be available at a future BPWG

Prioritize 2026 Market Projects

Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable
7	Dynamic Reserves - Review Operating Reserve Supplier Cost Recovery	Energy Market	Prioritize	Market Design Complete	Market Design Concept Proposed
8	Eliminate Offline GT Pricing	Energy Market	Prioritize	Functional Requirements	
9	Flexible Load Models - Large Loads	New Resource	Prioritize	Market Design Complete	
10	ICAP Demand Curve Reset (DCR) Process and Methodology Improvements	Capacity Market	Prioritize	Market Design Complete	
11	Improve Duct-Firing Modeling: Multiple Ramp Rates	Energy Market	Prioritize	Study Defined	
12	Improving Capacity Accreditation and Resource Adequacy Modeling	Capacity Market	Prioritize	Study Complete	
13	Market Purchase Hub Transactions - Requested by LIPA	Energy Market	Prioritize	Deployment	Market Design Complete

Prioritize 2026 Market Projects

Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable
15	Real-Time Guarantee Payment Mitigation Notification Process Update	Energy Market	Prioritize	Market Design Complete	
16	Reliability Attribute-based Capacity Pricing for Transmission Security	Capacity Market	Prioritize	Market Design Complete	
17	Reliability Planning & Large Load Integration	Planning	Prioritize	Market Design Concept Proposed	
18	Reserving Capacity for TCC Balance-of-Period (BOP) Auctions	TCC	Prioritize	Software Design	
19	Review of Real-Time Market Structure	Energy Market	Prioritize	Issue Discovery	
20	Storage as Transmission	New Resource	Prioritize	Functional Requirements	Market Design Complete

Prioritize 2026 Market Projects

Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable
21	Time Differentiated TCCs	TCC	Prioritize	Market Design Complete	
22	Voltage Support Services for Inverter Based Resources (VSS-IBR)	Energy Market	Prioritize	Market Design Concept Proposed	
23	Winter Reliability Capacity Enhancements	Capacity Market	Prioritize	Development Complete	Market Design Complete

Mandatory 2026 Market Projects

Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable
24	Ambient Adjusted Transmission Lines Rating	Energy Market	Mandatory	Functional Requirements	Study Complete
25	FERC Order 2222 Compliance	New Resource	Mandatory	Deployment	Software Design
26	FERC Transmission Planning Order Implementation	Planning	Mandatory	Study Defined	Issue Discovery
27	Hybrid Aggregation Model	New Resource	Mandatory	Deployment	
28	Interconnection Cluster Study Process Implementation	Planning	Mandatory	Deployment	Deployment

Continuing 2026 Market Projects

Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable
29	Balancing Intermittency	Energy Market	Continuing	Deployment	Development Complete
30	Dynamic Reserves - Phase 1	Energy Market	Continuing	Development Complete	Software Design
31	Improve Duct-Firing Modeling	Energy Market	Continuing	Deployment	Development Complete
32	Integrating Champlain Hudson Power Express (CHPE)	New Resource	Continuing	Deployment	Software Design
14	Operating Reserves Performance	Energy Market	Continuing	Deployment	Software Design

Future 2026 Market Projects

Item	Project	Product Area	Project Type
33	Ancillary Service Shortage Pricing	Energy Market	Future
34	Balancing Intermittency Phase 3: Evaluation of Efficient Operating Reserve Scheduling Practices and Designs	Energy Market	Future
35	Capacity Transfer Rights for Internal Transmission Upgrades	Capacity Market	Future
36	Eliminate Fees for CTS Transactions with PJM	Energy Market	Future
37	Internal Controllable Lines	New Resource	Future
38	LCR Optimizer Enhancements	Capacity Market	Future

Future 2026 Market Projects

Item	Project	Product Area	Project Type
39	Locational Marginal Pricing of Capacity	Capacity Market	Future
40	Mitigation Threshold Review	Energy Market	Future
41	More Granular Operating Reserves	Energy Market	Future
42	Reserves for Congestion Management (SOM)	Energy Market	Future
43	Separating Regulation Up and Regulation Down	Energy Market	Future
44	Uncertainty Adjustment Review	Energy Market	Future

Next Steps

Next Steps

- Written feedback on project descriptions and project type categorization may be provided until May 31st for incorporation into June 11th presentation
 - Kevin Pytel (kpytel@nyiso.com, 518-356-8892)
- May 30th is the deadline for stakeholders to identify new projects and still have them included in the scoring survey
- Draft scoring survey of Market Projects is scheduled for the June 11th BPWG
- NYISO provides initial costs for Market and Enterprise projects at the June 11th BPWG
- Continuing project discussions scheduled for the June 24th BPWG
- NYISO provides its scores for Market and Enterprise projects at the June 30th BPWG
- Deadline for completing scoring survey is July 15th

Our Mission & Vision



Mission

Ensure power system reliability
and competitive markets for New
York in a clean energy future



Vision

Working together with stakeholders
to build the cleanest, most reliable
electric system in the nation

Questions?

Appendix – Milestone Definitions

Milestone Definitions

Milestone	Definition
Issue Discovery	NYISO has facilitated education session(s) for stakeholder knowledge development of problem/issue, conducted stakeholder solicitation of potential solutions to address problem/issue, and summarized findings at a working group meeting for potential ranking and future project identification.
Study Defined	The scope of work for the study has been presented to stakeholders, including a discussion on the necessary input(s), assumption(s) and objective(s) of the study.
Study Complete	Scope of work to be performed has been completed; results and recommendations have been presented to the appropriate Business Owners and stakeholders.
Market Design Concept Proposed	NYISO has initiated or furthered discussions with stakeholders that explore potential concepts to address opportunities for market efficiency or administration improvements.
Market Design Complete	NYISO has developed with stakeholders a market design such that the proposal can be presented for a vote at the BIC or MC to define further action on the proposal.
Architectural Design	The architectural design document is complete and software development is ready to begin.
Market Projects with the following Milestones will generally be proposed as Continuing in future years, subject to Stakeholder input.	
Functional Requirements	NYISO has completed documentation of the functional requirements, and the Business Owner has approved.
Software Design	The software design document is complete and software development is ready to begin.
Development Complete	Development has been completed, packaged and approved by the Supervisor.
Deployment	Required software changes to support commitment have been integrated into the production environment.

Project Prioritization Process

Phase	Description
Stakeholder Project Identification	Stakeholders may present project ideas at stakeholder meetings, sector meetings, get feedback and refine their proposal during this phase before the NYISO provides a comprehensive list of candidate projects for consideration.
Identification	The NYISO develops a Markets and Enterprise project candidate lists from regulatory obligations, strategic initiatives, State of the Market recommendations, infrastructure enhancements, product plans and stakeholder proposals. These are presented and further refined with stakeholder input during this phase.
Prioritization	This phase involves a stakeholder survey and the NYISO prioritization of projects. The stakeholder survey will facilitate an assessment of the relative priority of the topic within the portfolio and is used to determine stakeholder appeal. The NYISO prioritization incorporates the stakeholder appeal into objective criteria that reflects strategic alignment, expected outcomes, risks, and ability to execute in development of a priority score for each Market project.
Evaluation	This phase involves performing a feasibility assessment based on detailed cost and labor estimates, dependencies, priority scores, and stakeholder feedback.
Recommendation	This phase involves proposing a feasible set of project deliverables and related budget requirements. The proposal is refined as needed based on stakeholder feedback.

Project Type

Project Type	Description
Mandatory	Projects that are key to support Strategic Initiatives, FERC Orders, maintain reliable operations, or sustain the operation of the NYISO business. These projects will be included in the budget
Continuing	Approved in a prior year and have progressed to either Functional Requirements, Software Design, Development Complete, or Deployment. Additional projects may be classified as Continuing based on stakeholder feedback. These projects will be included in the budget. No Enterprise Projects will be Continuing.
Future	Consensus from stakeholder discussions of this projects priority relative to other projects has resulted in these projects NOT being prioritized and initiated in the coming budget year. Resources, time constraints, stakeholder feedback, and other project dependencies have been taken into consideration
Prioritize	Projects to be prioritized and included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies. Market projects are included in the stakeholder survey

Project Category

Project Category	Description
Enterprise	Includes internal-facing technology and back office support projects that have no market rule changes. This list includes projects that may be noticeable to Market Participants. These projects are NOT included in the stakeholder survey
Market	Projects associated with market rule(s) including market design and study projects as well as any project implementing market rule changes. These projects are included in the stakeholder survey unless they are Mandatory, Continuing, or Future

Project Scoring

Project Scoring	Description
NYISO Only	Enterprise projects that are not Mandatory, Continuing, or Future types are scored by the NYISO Only during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, priority score and other project dependencies.
Stakeholder Scored	Market projects that are not Mandatory, Continuing, or Future are included in the stakeholder survey and scored by the NYISO during the Prioritization phase. These projects are included in the budget based on a feasibility assessment taking into consideration resources, time constraints, stakeholder feedback, priority score, and other project dependencies.

Appendix – Scoring

NYISO Scoring Criteria

PRIORITIZATION CRITERIA			
Category	Category Score	Criteria Supported	Category Weight
Strategy (Leader in Reliability, Leader in Market Design & Performance, Leader in Application of Technology, Robust System Planning, Excellence In Execution, & Authoritative Source of Information on Key Issues)	How well does the project support the strategic objectives where 10 is highest and 0 is lowest	Identify what primary strategic objective the project supports, none to several	40%
Operational or Market Issue (The category focuses on the need to include a project to address an operational or market issue including sustaining NYISO systems)	How well does the project address operational or market issue where 10 is highest and 0 is lowest	Identify what primary operational or market issue criteria the project supports, none to several	40%
Cost & Complexity (This category considers current & future year project cost, complexity and sustainability of the proposed solution)	Scores project form a cost and complexity standpoint where 10 is lowest cost, simplest project; and 0 is highest cost, most complex	Identify if project has a significant multi-year dependency	20%