

# **2026 Market Projects Updates, Costs & Stakeholder Survey**

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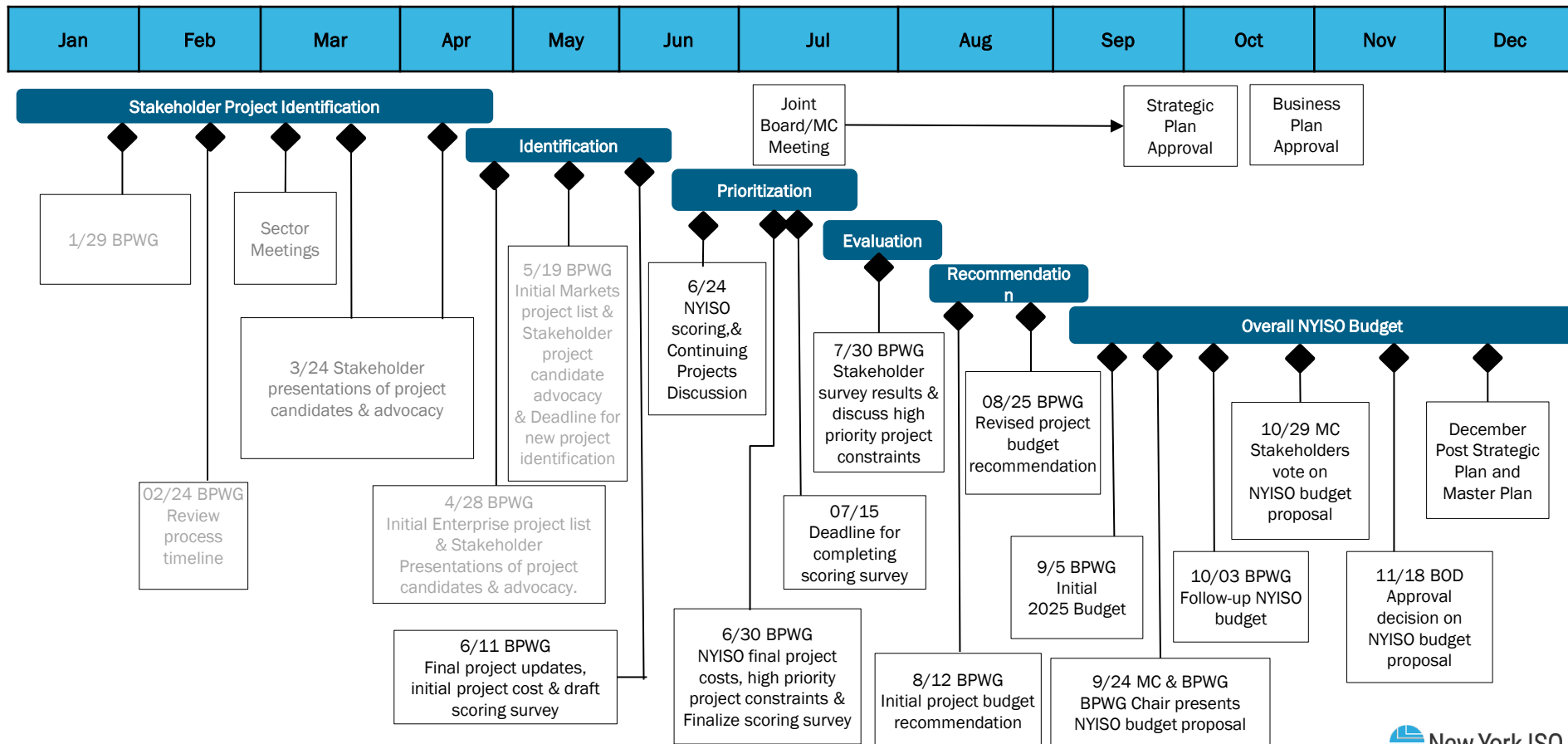
June 11, 2025, KCC

# Agenda

- **Project Prioritization Timeline**
- **Stakeholder Survey**
- **Project Descriptions**
- **2026 Project Prioritization Project Updates**
- **2026 Market Project Candidates – Updates, Costs, and Deliverables**
- **Next Steps**

# Project Prioritization Timeline

# 2026 Proposed Project Prioritization Timeline



# Stakeholder Survey

# Stakeholder Scoring

- **Registered shared governance organizations including non-voting participants and affiliates will have an opportunity to score proposed Market projects in a stakeholder survey**
  - Only Market projects of type Prioritize are included in survey
  - Proposed Enterprise projects are not included in the stakeholder survey
- **Each organization may provide one survey response with 100 points available to assign to projects based on their priorities**
- **There is a comment section after each project as well as at the end of survey to supplement scoring information**
- **All survey results are public, including identifying organization that provided the scoring and any comments**

# Stakeholder Scoring Survey

- **A draft of the survey and contacts to receive survey are included with today's BPWG materials for review**
  - Designated alternative contacts to receive the survey link are shown in red
  - Contact Kevin Pytel ([kpytel@nyiso.com](mailto:kpytel@nyiso.com) or 518-356-8892) or Member Relations for any survey related issues including any changes to contact survey is being sent to
- **Each organization will be provided a unique link to access their survey that will be included in email sent to the MC representative**
- **The organization's MC representative can provide others the ability to access survey by sharing the link**
- **Anyone with survey link can submit the survey**
- **Once submitted, the link will no longer provide access the survey**
  - The survey link can be reset if there is a need to revise after submission

# Stakeholder Scoring Survey Timeline

- All project cost information to be posted with June 30<sup>th</sup> BPWG materials
- Official survey will be distributed June 30<sup>th</sup> after BPWG
  - If last minute updates to survey are made at the June 30<sup>th</sup> BPWG, this may delay the survey distribution
- Deadline for completing stakeholder survey is July 15<sup>th</sup>
- Survey results and high-priority project constraints will be reviewed and discussed at the July 30<sup>th</sup> BPWG



# Project Descriptions

# Project Descriptions

- **The NYISO has developed project descriptions for 48 proposed Market projects**
  - 0 Business & Finance, 10 Capacity Market, 7 New Resource, 25 Energy Markets, 4 Planning & 2 TCC Market
  - 5 Mandatory, 5 Continuing, 25 Prioritize & 13 Future
- **Last year, there were 54 proposed Market projects at this time in the project prioritization process**
- **Project descriptions are included with today's posted meeting materials**

# 2026 Market Project Candidates - Updates, Costs, and Deliverables

# Prioritize 2026 Market Projects

						Estimated Cost (in millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
1	5 Minute Transaction Scheduling	Energy Market	Prioritize	Market Design Complete		0.31	0.00	0.25	0.56
2	Automatic ICAP Surplus Offers Requested by NYS UIU	Capacity Market	Prioritize	Market Design Complete					
3	Balancing Intermittency Phase 2: Evaluating Needs for Duration in Reserves (ENDURE)	Energy Market	Prioritize	Market Design Concept Proposed		0.23	0.00	0.08	0.30
4	Bifurcated Capacity Markets	Capacity Market	Prioritize	Market Design Concept Proposed					
5	Capacity Zone Redesign	Capacity Market	Prioritize	Market Design Complete		0.50	0.00	0.70	1.20
6	Cost Recovery for NYISO-Designated IROL Critical Generators- Requested by Advanced Power	Energy Market	Prioritize	Market Design Complete		0.12	0.00	0.00	0.12
7	Deliverability Interconnection Standard Review - Requested by Vineyard Offshore	Planning	Prioritize	Market Design Concept Proposed					

Note: Items in red are changed or new since last BPWG meeting

# Prioritize 2026 Market Projects

						Estimated Cost (in millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
8	DER Market Enhancements	New Resource	Prioritize	Market Design Complete		0.30	0.00	0.00	0.30
9	Dynamic Reserves - Review Operating Reserve Supplier Cost Recovery	Energy Market	Prioritize	Market Design Complete	Market Design Concept Proposed	0.14	0.00	0.05	0.19
10	Eliminate Offline GT Pricing	Energy Market	Prioritize	FRS		0.09	0.25	0.1	0.44
11	Flexible Load Models - Large Loads	New Resource	Prioritize	Market Design Complete		0.36	0.00	0.00	0.36
12	ICAP Demand Curve Reset (DCR) Process and Methodology Improvements	Capacity Market	Prioritize	Market Design Complete		0.36	0.00	0.50	0.86
13	Improve Duct-Firing Modeling: Multiple Ramp Rates	Energy Market	Prioritize	Study Complete		0.06	0.30	0.00	0.36
14	Improving Capacity Accreditation and Resource Adequacy Modeling	Capacity Market	Prioritize	Study Complete		0.40	0.00	0.30	0.70

# Prioritize 2026 Market Projects

						Estimated Cost (in millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
15	Market Purchase Hub Transactions - Requested by LIPA	Energy Market	Prioritize	Software Design	Market Design Complete	0.57	0.00	0.00	0.57
16	Net Congestion Rent Assignment Evaluation	Energy Market	Prioritize	Study Complete		0.28	0.00	0.50	0.78
17	Real-Time Guarantee Payment Mitigation Notification Process Update	Energy Market	Prioritize	Market Design Complete					
18	Reliability Attribute-based Capacity Pricing for Transmission Security	Capacity Market	Prioritize	Market Design Complete		0.67	0.00	0.70	1.37
19	Reliability Planning & Large Load Integration	Planning	Prioritize	Market Design Concept Proposed		0.43	0.00	0.00	0.43
20	Reserving Capacity for TCC Balance-of-Period (BOP) Auctions	TCC	Prioritize	Software Design		0.46	0.00	0.00	0.46
21	Review of Real-Time Market Structure	Energy Market	Prioritize	Issue Discovery		0.21	0.00	0.20	0.41

Note: Items in red are changed or new since last BPWG meeting

# Prioritize 2026 Market Projects

						Estimated Cost (In millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
22	Storage as Transmission	New Resource	Prioritize	Functional Requirements	Market Design Complete	0.34	0.00	0.00	0.34
23	Time Differentiated TCCs	TCC	Prioritize	Market Design Complete		0.18	0.00	0.15	0.33
24	Voltage Support Services for Inverter Based Resources (VSS-IBR)	Energy Market	Prioritize	Market Design Concept Proposed		0.09	0.00	0.20	0.29
25	Winter Reliability Capacity Enhancements	Capacity Market	Prioritize	Development Complete	Market Design Complete				

# Mandatory 2026 Market Projects

						Estimated Cost (in millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
26	Ambient Adjusted Transmission Lines Rating	Energy Market	Mandatory	Functional Requirements	Study Complete	0.52	0.35	0.00	0.87
27	FERC Order 2222 Compliance	New Resource	Mandatory	Deployment	Software Design	0.45	0.00	0.65	1.10
28	FERC Transmission Planning Order 1920 Implementation	Planning	Mandatory	Study Defined	Issue Discovery	0.25	0.00	0.00	0.25
29	Hybrid Aggregation Model	New Resource	Mandatory	Deployment		1.89	0.00	1.26	3.15
30	Interconnection Cluster Study Process Implementation	Planning	Mandatory	Deployment	Deployment	0.88	0.00	0.55	1.43



# Continuing 2026 Market Projects

						Estimated Cost (in millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
31	Balancing Intermittency	Energy Market	Continuing	Deployment	Development Complete	0.56	0.00	0.30	0.86
32	Dynamic Reserves - Phase 1	Energy Market	Continuing	Development Complete	Software Design	1.32	2.50	0.16	3.98
33	Improve Duct-Firing Modeling	Energy Market	Continuing	Deployment	Development Complete	0.57	0.25	0.00	0.82
34	Integrating Champlain Hudson Power Express (CHPE)	New Resource	Continuing	Deployment	Software Design	0.86	0.00	0.05	0.91
35	Operating Reserves Performance	Energy Market	Continuing	Deployment	Software Design	0.28	0.00	0.00	0.28

# Future 2026 Market Projects

						Estimated Cost (in millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
36	Ancillary Service Shortage Pricing	Energy Market	Future						
37	Balancing Intermittency Phase 3: Evaluation of Efficient Operating Reserve Scheduling Practices and Designs	Energy Market	Future						
38	Capacity Transfer Rights for Internal Transmission Upgrades	Capacity Market	Future						
39	Eliminate Fees for CTS Transactions with PJM	Energy Market	Future						
40	Internal Controllable Lines	New Resource	Future		Software Design				
41	LCR Optimizer Enhancements	Capacity Market	Future		Deployment				
42	Locational Marginal Pricing of Capacity	Capacity Market	Future						

# Future 2026 Market Projects

						Estimated Cost (In millions)			
Item	Project	Product Area	Project Type	2026 Proposed Deliverable	2025 Deliverable	Labor	Capital	Prof. Serv.	Total
43	M2M Enhancements for New PAR's	Energy Market	Future						
44	Mitigation Threshold Review	Energy Market	Future						
45	More Granular Operating Reserves	Energy Market	Future						
46	Reserves for Congestion Management (SOM)	Energy Market	Future						
47	Separating Up and Down Regulation Service	Energy Market	Future						
48	Uncertainty Adjustment Review	Energy Market	Future						

Note: Items in red are changed or new since last BPWG meeting

# Next Steps

# Next Steps

- Continuing projects discussion scheduled for June 24<sup>th</sup> BPWG
- Cost revisions and NYISO scores for all projects is scheduled for June 24<sup>th</sup> BPWG
- Project constraints discussion and cost revisions are scheduled for June 30<sup>th</sup> BPWG with stakeholder scoring survey distributed after the meeting
- Deadline for completing scoring survey will be July 15<sup>th</sup>
- Scoring results will be presented at the July 30<sup>th</sup> BPWG

# 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 – Milestones and Project Prioritization Phases



# 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.
<b>Market Projects with the following Milestones will generally be proposed as Continuing in future years, subject to Stakeholder input.</b>	
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.

# NYISO Scoring Criteria

PRIORITIZATION CRITERIA			
Category	Category Score	Criteria Supported	Category Weight
<b>Strategy</b> (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%
<b>Operational or Market Issue</b> (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%
<b>Cost &amp; Complexity</b> (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%

# Scoring Results Example

- Stakeholders requested an example showing how the NYISO scoring results would be presented
- Using mock test data, the below table shows how results would be presented in a NYISO rank order

Product / Project	Product portfolio	Strategy	Operational or Market Issue	Cost & Complexity	Score (1-100)	Rank
		4	4	2		
						1
						2
						3
						4
						5
						6
						7
						8
						9