

# Alternative ICAP Market Parameters for Certain New Resource Entry

---

**Manish Sainani**

Market Design Specialist, Capacity and New Resource Integration Market Design

**Business Issues Committee**

September 17, 2025

# Agenda

- Purpose and Timeline
- NYISO Proposal Overview
- Proposed Tariff Revisions
- Next Steps

# Previous ICAPWG Presentations

Date	Working Group	Links to Materials
June 3, 2025	ICAPWG/MIWG	<a href="#">Champlain Hudson Power Express (CHPE): Capacity Market Integration Considerations</a>
July 2, 2025	ICAPWG/MIWG	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry</a>
July 22, 2025	ICAPWG/MIWG	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry - Updated Proposal</a>
July 29, 2025	ICAPWG/MIWG	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry - Draft Tariff Changes</a>
August 5, 2025	ICAPWG/MIWG	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry - 08-05 ICAPWG</a>
August 19, 2025	ICAPWG/MIWG	<a href="#">Draft Tariff Revisions - 08-19 ICAPWG</a>
August 27, 2025	ICAPWG/MIWG	<a href="#">Updated Draft Tariff Revisions - 08-27 ICAPWG</a>

# Purpose and Timeline

# Purpose and Timeline

- NYISO proposes to modify the current notice of intent to commence Installed Capacity (ICAP) market participation requirements and develop two sets of ICAP market parameters for certain new capacity supply resources (referred to herein as a “triggering resource”) to help improve potential alignment of ICAP market parameter assumptions and actual market conditions.
- **Proposed Implementation Timeline: Applicable beginning with the 2026-2027 Capability Year**
  - The NYISO plans to request that any approved proposal become effective immediately following the standard 60-day notice period for Section 205 filings under Federal Power Act.

# NYISO Proposal Overview

# NYISO Proposal Overview: Notice Requirements

- **The NYISO proposes to modify the current notice of intent to commence ICAP market participation requirements for certain new capacity supply resources (referred to herein as a “triggering resource”).**
  - Notice requirements for resources that are not a triggering resource remain unchanged (see Section 4.2.5 of the ICAP Manual).
- **The NYISO proposes that a capacity supply resource would constitute a triggering resource if:**
  1. it is a new capacity supply resource (including new Unforced Capacity Deliverability Rights (UDRs)) whose entry during the applicable Capability Year would change the contingencies evaluated in assessing the transfer capability into a Locality for purposes of establishing the transmission security limit (TSL) floor value for such Locality; and
  2. as of the date the New York State Reliability Council (NYSRC) approves the installed reserve margin (IRM) for the applicable Capability Year, the new capacity supply resource: (a) has obtained Capacity Resource Interconnection Service (CRIS), or (b) has its CRIS request under evaluation either in an active Phase 2 Study of the Cluster Study Process/Transition Cluster Study Process or in an active Expedited Deliverability Study.

# NYISO Proposal Overview: Notice Requirements (cont.)

- **Proposed enhancements to the current notice requirements for triggering resources:**
  - Must successfully complete Trial Operation (as defined in Section 30.1 of Attachment X and Section 40.1 of Attachment HH to the Open Access Transmission Tariff) prior to submission of a notice of intent to commence ICAP market participation to ensure that the triggering resource has completed all required commissioning and testing to enter Commercial Operation
  - For delivery months other than May or November, a triggering resource must successfully complete Trial Operation and submit the required notice by the 10th day of the month that is two months prior to the applicable delivery month in which the resource seeks to commence ICAP market participation.
    - For example, a triggering resource must successfully complete Trial Operation and provide the required notice by June 10 to commence ICAP market participation for the August delivery month.
  - Due to the timing and requirements of season setup activities, the NYISO does not propose any change to the current advance notice requirements to commence ICAP market participation for May or November (i.e., notice required by the first business day of the month that is two months prior to the applicable delivery month in which the resource seeks to commence ICAP market participation).
    - For example, a triggering resource must successfully complete Trial Operation and provide the required notice by the first business day of March to commence ICAP market participation for the May delivery month.

# NYISO Proposal Overview: ICAP Market Parameters

- For a Capability Year that includes a triggering resource, the NYISO proposes to develop two sets of ICAP market parameters.
- **The two sets of market parameters would be based on the following cases:**
  - Final IRM study results case
  - An alternative case that revises only the status assumption of the triggering resource to reflect the opposite assumption of the final IRM study case
- **The NYISO proposes that the following ICAP market parameters would be developed for each case:**
  - TSL floor values and Locational Minimum Installed Capacity Requirements (LCRs)
  - Capacity Accreditation Factors (CAFs) and associated unit specific derating factors
  - System translation factors, Unforced Capacity (UCAP) demand curve parameters, and Load Serving Entity (LSE) minimum capacity requirements
- **The NYISO proposes that the following market parameters be the same for each set and be developed using the final IRM study results case:**
  - Import right limits
  - Peak Load Windows
- **The NYISO proposes that both sets of ICAP market parameters be developed consistent with the timing of current practices.**

# NYISO Proposal Overview: ICAP Market Parameters (cont.)

- **The NYISO proposes that prior to the Summer Capability Period strip auction, it will provide notice to the market of the ICAP market parameters that will apply starting with the May delivery month.**
  - If the triggering resource provides the required notice to commence ICAP market participation for the May delivery month, the NYISO will, within five business days after receipt of such notice, provide notice to the market that ICAP market parameters reflecting such participation will be used and maintained for the full Capability Year.
  - If the triggering resource does not provide the required notice to commence ICAP market participation for the May delivery month, but subsequently provides the required notice to commence ICAP market participation during the Summer Capability Period (i.e., prior to the November delivery month), the NYISO proposes that within five business days after the receipt of the triggering resource's required notice, it will provide notice to the market of the timing to implement revised ICAP market parameters.
    - The NYISO would implement revised ICAP market parameters for the same delivery month indicated in the triggering resource's notice.
- **If the triggering resource does not provide the required notice to commence ICAP market participation during the Summer Capability Period (i.e., prior to the November delivery month), the NYISO proposes that prior to the Winter Capability Period strip auction, it will provide notice to the market that ICAP market parameters assuming the triggering resource is not participating will be retained for the remainder of the Capability Year.**
  - Based on the proposed notice requirements, if the triggering resource has not successfully completed Trial Operation and submitted the required notice by August 10 to commence participation for the October delivery month, ICAP market parameters used for the Summer Capability Period (i.e., assuming the triggering resource is not participating) would be retained for the Winter Capability Period.
  - Does not impact the triggering resource's ability to commence ICAP market participation subject to the proposed notice requirements

# 2026-2027 Capability Year Considerations

- **If the NYISO's proposal is approved, the Champlain Hudson Power Express (CHPE) project would constitute a triggering resource for the 2026-2027 Capability Year and be subject to the requirements of the proposal.**
  - CHPE has been awarded CRIS.
  - Assuming CHPE in service will change the contingencies evaluated in assessing the transfer capability into Load Zone J for purposes of determining the TSL floor value for Load Zone J.
- **If stakeholders approve the proposal, the NYISO plans to proceed with the development of two sets of ICAP market parameters for the 2026-2027 Capability Year consistent with the requirements of the proposal.**
  - One set of ICAP market parameters will reflect the 2026-2027 IRM study results approved by the NYSRC Executive Committee.
  - The second set of ICAP market parameters will reflect an alternative case with the opposite operating status assumption for CHPE.
    - For example, if the NYSRC-approved results for the 2026-2027 IRM study assume CHPE to be in-service and supplying capacity, the second set of ICAP market parameters would be developed using a case that assumes CHPE is not in-service.
  - The operating assumptions of all resources other than CHPE will remain unchanged and reflect the assumptions included in the 2026-2027 IRM study results approved by the NYSRC Executive Committee.

# Proposed Tariff Revisions

# Proposed Tariff Revisions

- **Proposed revisions to the Market Administration and Control Area Services Tariff (MST) to support the proposal are posted with the material for today’s meeting.**
  - In response to stakeholder feedback at the 8/27/2025 ICAPWG meeting, the proposed tariff revisions include minor clarifying revisions in Section 5.11.7.1 and 5.11.7.2 to address the effective period for intra-Capability Period changes to ICAP market parameters.
  - For Section 5.11.7 both “redline” and “incremental redline” versions are posted
    - The incremental redline highlights the changes from the version reviewed at the 8/27/2025 ICAPWG meeting
- **The primary changes are consolidated within a single tariff section (new Section 5.11.7), and cross-references are provided to such new section in other affected sections.**
  - Cross references: Section 2.3 (capacity accreditation), Section 5.10 (minimum Unforced Capacity (UCAP) requirements), Section 5.11.1 (Load Serving Entity (LSE) minimum UCAP requirements), Section 5.11.4 (locational minimum capacity requirements), Section 5.11.5 (LSE locational minimum UCAP requirements), Section 5.12.2.2 (import rights), Section 5.12.8 (resource UCAP ratings), and Section 5.12.14.3 (capacity accreditation and Peak Load Windows)
- **Section 5.11.7 describes the cases to be used for establishing ICAP market parameters when a Triggering Resource exists, the effective ICAP market parameters depending on the status of the Triggering Resource, as well as the notice of intent to commence ICAP market participation requirements for Triggering Resources.**
  - Section 5.11.7.1: Triggering Resource included in the IRM study final base case
  - Section 5.11.7.2: Triggering Resource not included in the IRM study final base case
  - Section 5.11.7.3: Notice of intent to commence ICAP market participation requirements for Triggering Resources
- **Addition of “Triggering Resource” definition in Section 2.20**
- **Clarifying revisions to Section 5.12.1.1 to expressly reference the requirement for new resources to submit a notice of intent to commence ICAP market participation**

# Next Steps

# Next Steps

- **Seek stakeholder approval of the proposed changes at the September 24, 2025 Management Committee meeting**
  - Intended to facilitate an early Q4 2025 FERC filing of any proposed changes approved by stakeholders and the NYISO Board of Directors
- **Q4 2025: Begin development of manual revisions to implement any stakeholder-approved design**
- **If the proposal is approved by stakeholders, proceed with developing two sets of ICAP market parameters for the 2026-2027 Capability Year for varying assumptions regarding the participation of CHPE in the ICAP market (i.e., CHPE in-service and CHPE not in-service)**

# Questions?

# Our Mission and 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

