

# **Alternative ICAP Market Parameters, Control Area System Resources, Operating Data Exception for Certain Equipment Failures, and Calculating the Firm Fuel Performance Availability Requirement**

## **Proposed Installed Capacity Manual Changes**

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**ICAPWG**

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# Agenda

## ■ Today's Objective and Timeline<sup>1</sup>

- Proposed Alternative Installed Capacity (ICAP) Market Parameters Changes (“Triggering Resource” Proposal)
- Proposed Control Area System Resource (CASR) Capacity Market Participation Model Changes
- Operating Data Exception for Certain Equipment Failures Related to Intermittent Power Resources
- Calculating the Firm Fuel Performance Availability Requirement for BTM:NG Resources

## ■ Proposed Supplemental Revisions for the Triggering Resource Proposal

- ICAP Manual and ICAP Manual Attachments
- Locational Minimum Installed Capacity Requirements (LCR) Determination Process

## ■ Continued Discussion of Proposed CASR ICAP Accounting Changes

## ■ Additional Proposed ICAP Manual Changes

- Operating Data Exception for Certain Equipment Failures (ICAP Manual Section 4.6.2)
- Calculating the Firm Fuel Performance Availability Requirement (ICAP Manual Section 5.8.1.1.1)

## ■ Next Steps

<sup>1</sup> This presentation discusses proposed ICAP Manual revisions related to various market design proposals that may be presented to stakeholders for approval on the same timeline.

# Previous Triggering Resource Proposal 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>
September 17, 2025	BIC	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry 09-17 BIC</a>
September 24, 2025	MC	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry 09-24 MC</a>
October 28, 2025	ICAPWG/MIWG	<a href="#">Alternative ICAP Market Parameters for Certain New Resource Entry ICAP Manual Changes</a>

# Previous CASR Presentations

Date	Working Group	Links to Materials
February 4, 2025	ICAPWG/MIWG	<a href="#">Review of Control Area System Resources: Project Kickoff</a>
March 17, 2025	ICAPWG/MIWG	<a href="#">Review of CASR: Key Concerns</a>
June 17, 2025	ICAPWG/MIWG	<a href="#">Review of Control Area System Resources: Market Design Concept</a>
August 19, 2025	ICAPWG/MIWG	<a href="#">Draft Tariff Revisions</a>
August 27, 2025	ICAPWG/MIWG	<a href="#">Updated Draft Tariff Revisions - 08272025 ICAPWG</a>
September 17, 2025	BIC	<a href="#">09_17 BIC Presentation</a>
September 22, 2025	ICAPWG/MIWG	<a href="#">Review of CASR ICAP Manual Changes 09_22 ICAPWG</a>
September 24, 2025	MC	<a href="#">09_24 MC Presentation</a>
October 28, 2025	ICAPWG/MIWG	<a href="#">Review of CASR - ICAP Manual Changes</a>

# Purpose and Timeline

# Today's Objective and Timeline: Triggering Resource Proposal

- Discuss manual and procedure changes related to the implementation of the “triggering resource” proposal approved by stakeholders at the 9/24/2025 Management Committee (MC) meeting.
- Timeline:
  - The Triggering Resource proposal was filed with FERC on 10/24/2025 (FERC Docket No. ER26-235) and requested a 12/24/2025 effective date for the proposed tariff changes.
  - Currently anticipate seeking stakeholder approval of proposed ICAP Manual changes at the January 2026 Business Issues Committee (BIC)
    - Timing is intended to facilitate FERC acceptance of the proposed tariff revisions prior to seeking stakeholder approval of proposed ICAP Manual revisions.
    - Proposed ICAP Manual revisions would apply for the upcoming 2026-2027 Capability Year.

# Today's Objective and Timeline: CASR Market Participation Model Changes

- Discuss manual and procedure changes related to the proposed CASR ICAP accounting changes that were presented at the 10/28/2025 ICAPWG.
- Proposed Implementation Timeline:
  - The proposed CASR participation model tariff revisions were filed with FERC on 12/10/2025 (FERC Docket No. ER26-713-000) with a requested 3/1/2026 effective date.
  - Currently anticipate seeking stakeholder approval of proposed ICAP Manual changes at the January 2026 BIC.
    - The NYISO will request that stakeholders approve the proposed ICAP Manual changes, subject to them going into effect after the effective date of any FERC-accepted tariff changes.
    - Proposed ICAP Manual revisions would apply for the upcoming 2026-2027 Capability Year.

# Today's Objective and Timeline: Operating Data Exception for Certain Equipment Failures & Calculating the Firm Fuel Performance Availability Requirement

- Discuss manual and procedure changes related to the Operating Data exception for certain equipment failures related to Intermittent Power Resources (ICAP Manual Section 4.6.2) and calculating the Firm Fuel Performance Availability Requirement for BTM:NG Resources (ICAP Manual Section 5.8.1.1.1)
- Proposed Implementation Timeline:
  - Currently anticipate seeking stakeholder approval of proposed ICAP Manual changes at the January 2026 BIC. If no appeal is timely filed, then the proposed ICAP Manual revisions shall become effective one business day after the 10-day appeal period has passed.



# Triggering Resource Proposal: Supplemental Revisions

# Supplemental Revisions to the ICAP Manual and ICAP Manual Attachments

- The NYISO proposes supplemental revisions to the ICAP Manual in response to stakeholder feedback.
- The NYISO proposes to expand Section 5.1.2 of the ICAP Manual to: (1) address the identification of whether a triggering resource exists for the upcoming Capability Year; and (2) provide an overview of the requirements to develop two sets of ICAP market parameters for a Capability Year that includes a triggering resource.
- The NYISO also proposes to revise provisions addressing affected ICAP market parameters to clarify the requirement to develop two sets of such parameters for potential use during the Capability Year.
  - Clarifying edits in ICAP Manual Sections 2.5, 2.6, 3.4, 3.6.2, 4.2.5, 4.5, 4.14.3, 4.14.4, 5.1.2, 5.5, 7, 7.2, and ICAP Manual Attachment G

# Supplemental Revisions to the LCR Determination Process Document

- In response to stakeholder feedback, the NYISO proposes minor supplemental clarifying revisions to the LCR Determination Process document.
- Sections 2.2 and 3.1: proposed revisions to clarify that, in determining LCRs, the results of the LCR study may not exceed the “target” loss of load expectation (LOLE).
  - Target LOLE is the lesser of: (1) 0.1 loss of load event-days per year; or (2) the LOLE associated with the IRM approved by the NYSRC.
- Section 2.3.4: proposed revisions to clarify that the transmission security limit (TSL) floor value determination inputs and calculations are based on the 2025-2026 TSL floor values.<sup>2</sup>

<sup>2</sup> The NYISO will subsequently update the TSL floor values calculation methodology to reflect the final 2026-2027 calculation methodology. Updates to the methodology for the 2026-2027 Capability Year were presented at the [11/20/2025 ESPWG/TPAS/ICAPWG meeting](#).

# Continued Discussion of Proposed CASR ICAP Accounting Changes

# Additional Element of Market Design

## Proposal: CASR ICAP Accounting Changes<sup>3</sup>

### ■ Overview:

- NYISO proposes to allow Balancing Authorities that employ CASRs to include purchases from New York Control Area (NYCA) resources in their ICAP accounting when determining the CASR Net Projected Capacity (NPC) and Control Area and Resource Load (CARL) Data.
- Currently, a Balancing Authority's purchases from NYCA resources are excluded from a CASR's NPC and CARL Data.

<sup>3</sup> The information on Slides 13-15 was provided in the [10/28/2025 ICAPWG materials](#).

# Additional Element of Market Design Proposal: CASR ICAP Accounting

- **Rationale and Benefits:**
  - Changing NYCA conditions (e.g., winter reliability risks, intermittent resources, Generator retirements) require more adaptable ICAP sourcing.
  - Reduced risk of inflated ICAP, due to NYCA Exports that are sold into a neighboring Balancing Authority, are a result of the following:
    - the proposed revisions to the CASR curtailment rules (i.e., prohibiting a CASR from recalling or curtailing exports from that External Control Area to the NYCA of an amount of Energy equal to the ICAP Equivalent of the amount of UCAP that the Resource is supplying to the NYCA in order to satisfy its own External Control Area resource adequacy needs).
    - enhanced monitoring through proposed CASR market design changes that improves transparency.<sup>4</sup>
- **NYISO affirms confidence in the existing rules governing reciprocal treatment of ICAP/UCAP purchases. These rules provide a reliable framework for managing ICAP supply and ensuring NYCA system integrity.**
  - Note: The NYISO provides reciprocal treatment for (a) ICAP/UCAP purchased from Generators in Quebec that is exported to the NYCA and (b) ICAP/UCAP purchased from Generators in New York that is sold into the Quebec Balancing Authority. The rules NYISO and HQT employ are consistent with the NYISO Tariff that governs ICAP purchased from Generators that are external to New York.
- **This element of the market design reinforces NYISO's commitment to market transparency and system reliability, while respecting the boundaries of contractual relationships outside its purview.**

<sup>4</sup> 8/19/2025 ICAPWG, Slide 6

# Additional Element of Market Design Proposal: CASR ICAP Accounting

## ■ Implementation & Impact

- Data Reporting Impact:
  - CASR's External Firm Capacity Purchases would include NYCA firm contract sales
  - Exports from NYCA to a neighboring Balancing Authority will be reported separately in NPC and CARL Data.
- Planning Studies Impact:
  - No change to planning assumptions in the 2025-2044 System & Resource Outlook study.
  - The modeling assumptions for imports from a CASR can be found in the [08-21-2025 ESPWG](#) presentation on 2025-2044 System and Resource Outlook.
- Administrative Impact:
  - Requires updates to the ICAP Manual and Attachments only.
  - Neighboring Balancing Authorities that employ CASRs already import from the NYCA; this change refines ICAP accounting, not market access.

# Additional Proposed ICAP Manual Changes



# Operating Data Exception for Certain Equipment Failures Related to Intermittent Power Resources

- ICAP Manual Section 4.6.2 provides that, when certain Resources are forced into an outage by an equipment failure that involves equipment located on the electric network beyond the step-up transformer, and including such step-up transformer, the NYISO shall not treat the outage as a forced outage for purposes of calculating the amount of Unforced Capacity (UCAP) such Installed Capacity Suppliers are qualified to supply in the NYCA.
- The list of Resources that qualify for this exception inadvertently includes Intermittent Power Resources.
- The UCAP calculation for Intermittent Power Resources set forth in ICAP Manual Attachment J, Section 3.4 does not include Forced Outages; the UCAP is calculated based upon a production factor.
- The NYISO proposes to remove Intermittent Power Resources from ICAP Manual Section 4.6.2 because those provisions do not apply to the UCAP calculation for Intermittent Power Resources.

# Calculating the Firm Fuel Performance Availability Requirement for BTM:NG Resources

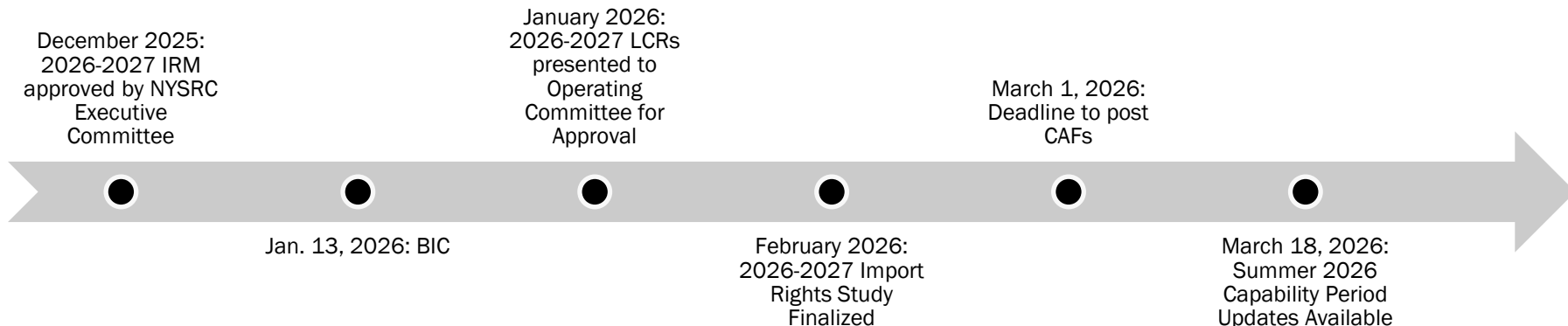
- ICAP Manual Section 5.8.1.1.1 provides the formulas for calculating the Firm Fuel Performance Availability Requirement.
- The NYISO proposes to revise the formula for BTM:NG Resources to account for the impact of a BTM:NG Resource's Host Load and its obligations on the BTM:NG Resource's availability.

# Firm Fuel Performance Availability Requirement Calculation: Proposed Revision

Current Formula	Proposed Formula
<p><math>ICAP_{g,m}^{FIRM}</math> shall be calculated as follows:</p> $ICAP_{g,m}^{FIRM} = \min(CRIS_g, DMC_{g,m}, FIRM_{g,m}^E),$	<p><math>ICAP_{g,m}^{FIRM}</math> shall be calculated as follows:</p> $ICAP_{g,m}^{FIRM} = \min(FIRM_{g,m}^E, ICAP_{g,m})$
<p>Where:</p> <p><math>CRIS_g</math> = the amount of Capacity Resource Interconnection Service for Installed Capacity Supplier g,</p> <p><math>DMC_{g,m}</math> = the DMNC (for a Generator and homogenous Aggregations of Generators) or DMGC (for the Generator of a BTM:NG Resource) for Installed Capacity Supplier g during month m, and</p> <p><math>FIRM_{g,m}^E</math> = Elected Firm MW Amount for Installed Capacity Supplier g during month m.</p>	<p>Where:</p> <p><math>FIRM_{g,m}^E</math> = Elected Firm MW Amount for Installed Capacity Supplier g during month m,</p> <p><math>ICAP_{g,m}</math> = The <math>ICAP_{g,m}</math> (for a Generator and homogenous Aggregations of Generators) which is the minimum of <math>CRIS_g</math> and the <math>DMNC_{g,m}</math> or the NET – <math>ICAP_{g,m}</math> (for the Generator of a BTM:NG Resource per Section 4.15.2 of the ICAP Manual) for Installed Capacity Supplier g during month m,</p> <p><math>CRIS_g</math> = the amount of Capacity Resource Interconnection Service for Installed Capacity Supplier g, and</p> <p><math>DMNC_{g,m}</math> = the Dependable Maximum Net Capability Service for Installed Capacity Supplier g during month m.</p>

# Next Steps

# Upcoming Milestones



- **To support these market initiatives, the NYISO is considering how best to approach seeking approval of the revisions to the ICAP Manual at the January 2026 BIC meeting.**
- **This includes proposed ICAP Manual revisions associated with the following initiatives:**
  - Triggering Resource Proposal
  - Proposed CASR Capacity Market Participation Model Changes
  - Additional ICAP Manual Changes
    - Operating Data Exception for Certain Equipment Failures Related to Intermittent Power Resources
    - Calculating the Firm Fuel Performance Availability Requirement for BTM:NG Resources

# Next Steps

- Currently anticipate seeking approval of proposed ICAP Manual revisions at the BIC in January 2026
- For any questions or feedback, please email [msainani@nyiso.com](mailto:msainani@nyiso.com)

# Appendix

# Alternative ICAP Market Parameters: ICAP Manual Changes

- At the 9/24/2025 MC meeting, stakeholders approved proposed changes to the Market Administration and Control Area Services Tariff (MST) including the addition of a new Section 5.11.7 and cross-references to such new section in other affected sections to address the requirements 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.
  - The NYISO proposes revisions to ICAP Manual Sections 2.5, 2.6, 3.4, 3.6.2, 4.5, 4.9.2.5.4, 4.14.3, 4.14.4. 7, 7.2, and 7.3.1, as well as ICAP Manual Attachment G to address the implementation of the triggering resource proposal.



# Review of CASR: ICAP Manual Changes

- Proposed changes related to operational issues outside an ICAP Supplier's control and recalling or curtailing exports in ICAP Manual Sections 2.7, 4.6.2, and 4.9.1.
  - The 9/24/2025 MC and the NYISO Board have approved proposed changes to MST Sections 5.12.1, 5.12.2.1 and 5.12.12 on these topics.
- Proposed changes to the CASR data submission requirements in ICAP Manual Sections 4.4.3, 4.11.3 and Attachment J Section 6.3 (presented at the 9/22/2025 ICAPWG meeting).
- Proposed CASR ICAP accounting changes in ICAP Manual Section 4.11.3 and Attachment J Section 6.3 (presented at the 10/28/2025 ICAPWG meeting).

# 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

