New York ISO
Independent System Operator

2026-2027 Informational Capacity Accreditation Factors (iCAFs) Set 2

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January 6, 2026

Agenda

- iCAF Disclaimer
- Starting Point Cases for 2026-2027 iCAFs Set 2
- 2026-2027 iCAFs Set 2
- Next Steps
- Appendix

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iCAF Disclaimer

- The CAF reflects the marginal reliability value of the representative unit over a perfect unit.
- The following iCAFs were calculated using the Marginal Reliability Improvement (MRI) technique
  - A 100 MW representative unit for each Capacity Accreditation Resource Class (CARC), consistent with the methodology for calculating CAFs as outlined in Section 7.2.1 of the ICAP Manual
- These iCAFs are for informational purposes only; they are based on information available at the time of calculation
- The iCAFs and the input assumptions used in the GE MARS model to calculate these iCAFs are provided to inform NYISO stakeholders and market participants of the drivers that may impact the final CAF calculation process
- These iCAFs are not the final CAFs that will be used to determine the market revenue of Installed Capacity (ICAP) Suppliers in the 2026-2027 Capability Year that begins on May 1, 2026
- Final CAFs will be calculated in accordance with Section 7.2 of the ICAP Manual and posted on the date identified in the ICAP Event Calendar (currently scheduled for by March 1, 2026)
  - The final CAF results and the inputs to the GE MARS model may differ from these iCAFs.
- All CAF value calculations will utilize the current up-to-date model assumptions at the time the calculations are performed

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Starting Point Cases for 2026-2027 iCAFs Set 2

- **Consistent with the "triggering resource" proposal approved at the 9/24/2025 Management Committee meeting, two sets of Locational Minimum Installed Capacity Requirements (LCRs) have been calculated based on the updated LCR Determination Process document presented at the 12/16/2025 ICAPWG meeting[1] with the following final inputs:**
  - The 2026-2027 Installed Reserve Margin (IRM) and final base case assumptions[2] approved on 12/5/2025 by the New York State Reliability Council (NYSRC) Executive Committee (EC)[3]
  - Final 2026-2027 Transmission Security Limit (TSL) floor values reflecting the final base case assumptions approved by the NYSRC EC (i.e., reflecting the NYSRC EC approval of the Special Sensitivity Case as the final base case for the 2026-2027 IRM study)[4]
  - Final net cost of new entry curves for 2026-2027 Capability Year (i.e., reflecting information from the recently completed annual update to determine the 2026-2027 ICAP Demand Curves)
  - Differing operating status assumptions for the Champlain Hudson Power Express (CHPE) project: CHPE-in and CHPE-out
- **These LCR cases serve as the starting point base cases for the 2026-2027 iCAFs Set 2**

	IRM	G-J LCR	J LCR	K LCR	LOLE	Winter Risk
2026-2027 iCAFs Set 2: CHPE In	24.5%	82.5%	86.4%	110.3%	0.09119	26.89%
2026-2027 iCAFs Set 2: CHPE Out	24.5%	82.5%	82.6%	110.3%	0.07225	5.41%
2025-2026 Final CAFs	24.4%	78.8%	78.5%	106.5%	0.10024	0%

1. LCR Determination Process- Triggering Resource
2. 2026-2027 Special Sensitivity Case
3. 2026-2027 IRM approved plan
4. 2026-2027 Final TSL Methodology

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2026-2027 iCAFs Set 2 Results

CARCs	Rest of State			Load Zones G-I			J Locality			K Locality		
	CHPE In	CHPE Out	2025-2026 Final CAFs	CHPE In	CHPE Out	2025-2026 Final CAFs	CHPE In	CHPE Out	2025-2026 Final CAFs	CHPE In	CHPE Out	2025-2026 Final CAFs
2-Hour Resource with Energy Duration Limitation (EDL)	64.65%	62.74%	74.32%	64.51%	62.97%	73.88%	63.76%	55.86%	64.94%	55.14%	51.27%	52.68%
4-Hour EDL	84.56%	82.31%	78.91%	84.77%	81.84%	78.60%	84.39%	80.75%	78.53%	82.79%	80.98%	87.10%
6-Hour EDL	93.36%	95.05%	87.24%	93.39%	94.10%	87.16%	92.72%	94.35%	85.90%	91.52%	93.16%	94.59%
8-Hour EDL	95.96%	98.58%	96.77%	96.12%	97.88%	96.40%	96.69%	97.49%	96.12%	95.63%	97.11%	98.96%
Landfill Gas	65.22%	67.69%	63.59%	64.80%	68.16%	63.87%	64.42%	67.78%	64.04%	65.67%	63.37%	65.68%
Solar	13.85%	15.33%	12.24%	13.79%	15.33%	12.33%	11.24%	15.06%	12.03%	12.84%	14.64%	10.05%
Offshore Wind	--	--	--	--	--	--	42.72%	40.38%	--	33.65%	34.62%	35.79%
Land-based Wind	20.20%	16.98%	16.84%	20.11%	16.98%	16.61%	20.11%	18.83%	16.69%	13.53%	15.16%	18.20%
Limited Control Run of River	52.24%	53.07%	38.44%	38.79%	40.80%	41.44%	--	--	--	--	--	--
Large Hydro	100.00%	100.00%	100.00%	--	--	--	--	--	--	--	--	--
Large Hydro w partial Pump Storage	100.00%	100.00%	100.00%	--	--	--	--	--	--	--	--	--
Generator	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Special Case Resource (SCR)	74.17%	74.06%	77.21%	71.55%	71.23%	76.88%	70.24%	64.23%	68.31%	78.51%	74.41%	74.43%
Non-Firm*	55.12%	84.67%	--	55.32%	84.67%	--	58.99%	85.77%	--	94.52%	98.60%	--

* In Rest Of State, the Non-Firm CARC is only applicable to Load Zone F following the winter fuel constraints in the IRM Study and applies to the MW of capability for which a firm fuel characteristic election was not submitted.

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2026-2027 iCAFs Set 2 Results (cont.)

- **With the Loss of Load Expectation (LOLE) of the starting point cases being lower than the applicable resource adequacy criterion (i.e., 0.1 loss of load event days per year) and the introduction of winter LOLE, the 2026-2027 iCAFs Set 2 generally shows an increase in the iCAF values compared to last year, except for shorter duration EDL resources such as the 2-hour EDL**
  - The marginal MW is typically less effective in a more reliable system, i.e., a system with lower LOLE.
    - This factor has a more pronounced effect on the perfect unit, which impacts the denominator of the CAF calculation
  - The introduction of winter LOLE flattened the overall LOLE distribution, making the iCAF values increase for longer duration EDL resources and decrease for shorter duration EDL resources
    - The winter LOLE factor has a more pronounced effect on the representative unit, which impacts the numerator of the CAF calculation

$$CAF = \frac{LOLE_{reference} - LOLE_{representative\ unit}}{LOLE_{reference} - LOLE_{perfect\ unit}}$$

  - Load Zone K values are different in comparison to last year because it is less impacted by the new winter fuel constraints modeling in the IRM study and the resulting introduction of winter LOLE

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2026-2027 iCAFs Set 2 : EDLs and SCRs

- **The NYISO dynamically optimizes the output window of the representative EDL units to reflect their reliability contribution due to the changing LOLE distribution, including splitting the output window to address two distinct peaks since 2025-2026 Capability Year**
  - This treatment applies to both EDLs and SCRs, with respecting the consecutive hours of operation in optimizing SCR CAF values
- **Due to the introduction of winter LOLE in the starting point base cases for the 2026-2027 Capability Year, the output windows of the representative EDL units are also optimized seasonally**
  - As with the 2025-2026 Final CAFs, Load Zone K continues to demonstrate different optimal output peak window hours due to a more distinct hourly LOLE distribution

EDL duration	CHPE In		CHPE Out	
	ROS, GHI, J	K	ROS, GHI, J	K
2-hr EDL	17, 20	Summer: 17, 18 Winter: 18, 20	Summer: 17, 20 Winter: 18, 20	Summer: 17, 18 Winter: 18, 20
4-hr EDL	Summer: 13, 16, 17, 20 Winter: 7, 17, 18, 20	Summer: 16, 17, 18, 20 Winter: 17, 18, 19, 20	Summer: 13, 17, 18, 20 Summer (Zone J): 13, 16, 17, 20 Winter: 7, 17, 18, 20	Summer: 16, 17, 18, 20 Winter: 17, 18, 19, 20
6-hr EDL	Summer: 13, 16, 17, 18, 20, 21 Summer (Zone J): 12, 13, 16, 17, 20, 21 Winter: 7, 8, 9, 17, 18, 20	Summer: 13, 15, 16, 17, 18, 20 Winter: 7, 8, 17, 18, 19, 20	Summer: 13, 16, 17, 18, 20, 21 Winter: 7, 8, 9, 17, 18, 20	Summer: 13, 15, 16, 17, 18, 20 Winter: 8, 17, 18, 19, 20, 21
8-hr EDL	Summer: 13, 15, 16, 17, 18, 19, 20, 21 Summer (Zone J): 12, 13, 15, 16, 17, 18, 20, 21 Winter: 7, 8, 9, 10, 17, 18, 20, 21	Summer: 13, 14, 15, 16, 17, 18, 20, 21 Winter: 7, 8, 9, 17, 18, 19, 20, 21	Summer: 13, 14, 15, 16, 17, 18, 20, 21 Winter: 7, 8, 9, 17, 18, 19, 20, 21	Summer: 12, 13, 15, 16, 17, 18, 20, 21 Winter: 7, 8, 9, 17, 18, 19, 20, 21
SCRs	17, 18, 19, 20	15, 16, 17, 18	17, 18, 19, 20	15, 16, 17, 18

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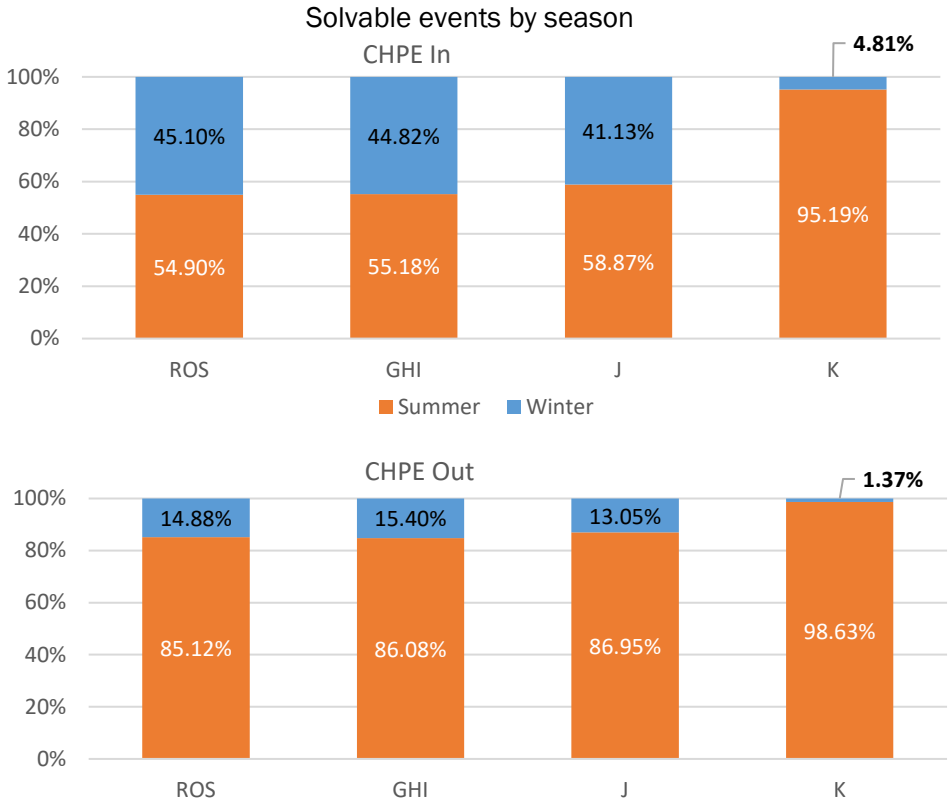
2026-2027 iCAFs Set 2 : Non-Firm CARC



- **The iCAF values for the Non-Firm CARC are impacted by the penetration of winter LOLE between the CHPE in and CHPE out cases.**
  - As noted at the 9/22/2025 ICAPWG, the Non-Firm iCAF values are driven by the summer-to-winter solvable events by the perfect unit.
- **As the starting point case that includes CHPE (i.e., the CHPE in case) contains a higher penetration of winter LOLE, the solvable events in such case is slightly over 50%, while the solvable events are concentrated in summer in the case that excludes CHPE (i.e., the CHPE out case)**
  - Solvable events are loss of load events with single or multiple hours with less than or equal to (<=) 100 MWh per hour of shortages
- **Load Zone K continues to show higher concentration of summer LOLE risk due to it being less impacted by the new winter fuel constraints modeling in the IRM study and the resulting introduction of winter LOLE.**

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2026-2027 iCAFs Set 2 : Other CARCs

- **The production profiles for Land-Based Wind and Limited Control Run Of River in Rest of State show that these Resources have higher production in the Winter Capability Period than in the Summer Capability Period. Therefore, the iCAF values for these CARCs generally increase with the increase of winter LOLE.**
  - The production profiles for Limited Control Run Of River in Load Zones G-I does not show better performance in winter season as opposed to what was observed in Rest of State
- **Solar resources typically have lower production in the Winter Capability Period. Therefore, the iCAF values for solar decrease with the increase of winter LOLE.**

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Next Steps

- **The NYISO will produce the 2026-2027 Final CAFs after the 2026-2027 LCR study results are approved by the Operating Committee (OC).**
  - The NYISO currently anticipates seeking stakeholder approval of the 2026-2027 LCR study results at the January 15, 2026, OC meeting.
  - The NYISO is targeting to present the 2026-2027 Final CAFs at a late January or early February ICAPWG meeting
- **2026-2027 Final CAFs will be posted by March 1, 2026, on the Capacity Accreditation page of the NYISO website**

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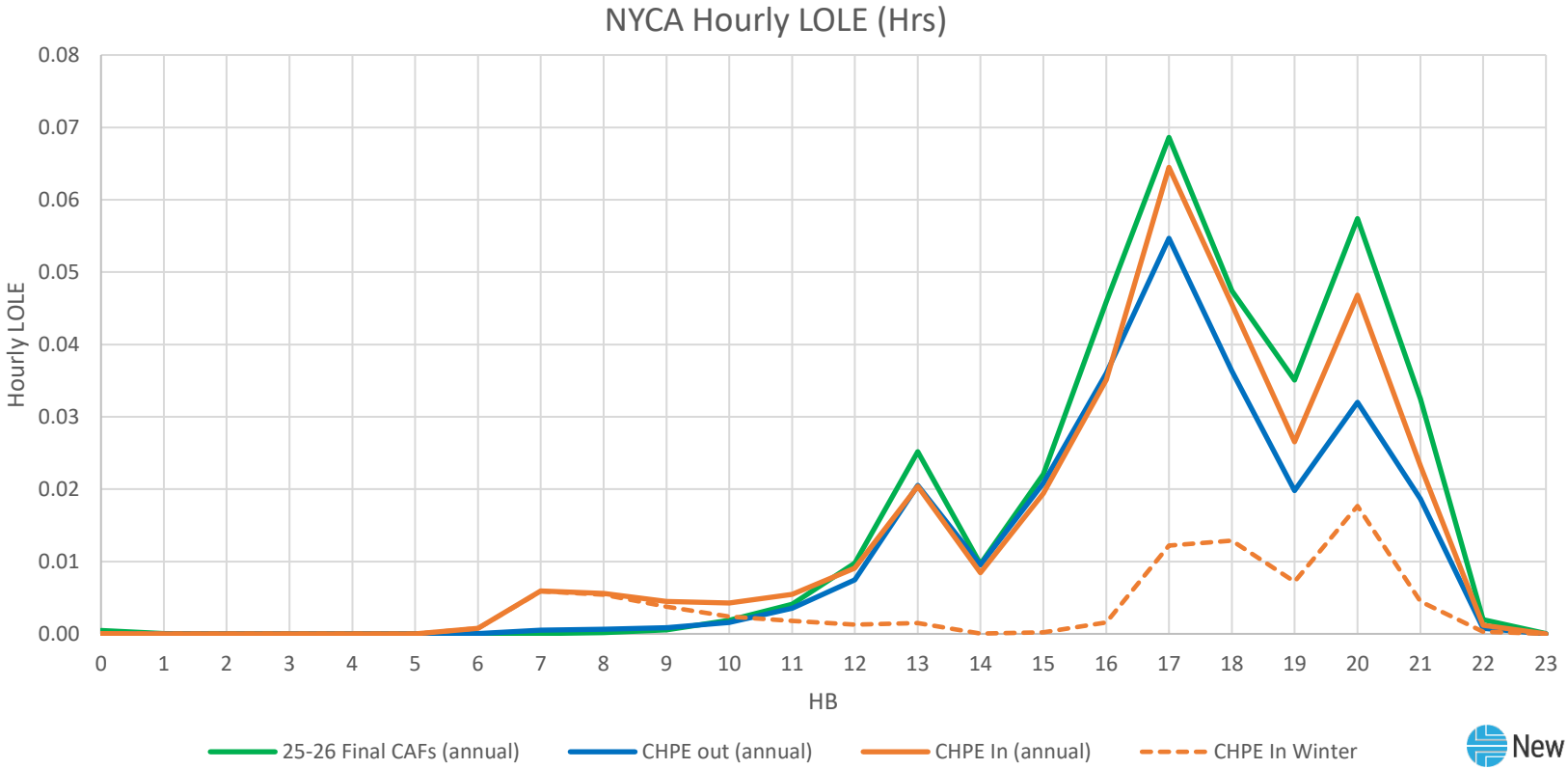
Questions?

Appendix

LOLE Distribution Comparison



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Comparison of 2026-2027 iCAFs Set 2 CHPE In with 2025-2026 Final CAFs

CARC	Rest of State			Load Zones G-I			NYC Locality			LI Locality		
	iCAF 2 CHPE In	25-26 Final CAF	Diff	iCAF 2 CHPE In	25-26 Final CAF	Diff	iCAF 2 CHPE In	25-26 Final CAF	Diff	iCAF 2 CHPE In	25-26 Final CAF	Diff
2-Hour EDL	64.65%	74.32%	-9.67%	64.51%	73.88%	-9.37%	63.76%	64.94%	-1.18%	55.14%	52.68%	2.46%
4-Hour EDL	84.56%	78.91%	5.65%	84.77%	78.60%	6.17%	84.39%	78.53%	5.86%	82.79%	87.10%	-4.31%
6-Hour EDL	93.36%	87.24%	6.12%	93.39%	87.16%	6.23%	92.72%	85.90%	6.82%	91.52%	94.59%	-3.07%
8-Hour EDL	95.96%	96.77%	-0.81%	96.12%	96.40%	-0.28%	96.69%	96.12%	0.57%	95.63%	98.96%	-3.33%
Landfill Gas	65.22%	63.59%	1.63%	64.80%	63.87%	0.93%	64.42%	64.04%	0.38%	65.67%	65.68%	-0.01%
Solar	13.85%	12.24%	1.61%	13.79%	12.33%	1.46%	11.24%	12.03%	-0.79%	12.84%	10.05%	2.79%
Offshore Wind	--	--	--	--	--	--	42.72%	--	--	33.65%	35.79%	-2.14%
Land-based Wind	20.20%	16.84%	3.36%	20.11%	16.61%	3.50%	20.11%	16.69%	3.42%	13.53%	18.20%	-4.67%
Limited Control Run of River	52.24%	38.44%	13.80%	38.79%	41.44%	-2.65%	--	--	--	--	--	--
Large Hydro	100.00%	100.00%	0.00%	--	--	--	--	--	--	--	--	--
Large Hydro w partial Pump Storage	100.00%	100.00%	0.00%	--	--	--	--	--	--	--	--	--
Generator	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%
Special Case Resource (SCR)	74.17%	77.21%	-3.04%	71.55%	76.88%	-5.33%	70.24%	68.31%	1.93%	78.51%	74.43%	4.08%
Non-Firm*	55.12%	--	--	55.32%	--	--	58.99%	--	--	94.52%	--	--

* In Rest Of State, the Non-Firm CARC is only applicable to Load Zone F following the winter fuel constraints in the IRM Study and applies to the MW of capability for which a firm fuel characteristic election was not submitted.

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Comparison of 2026-2027 iCAFs Set 2 CHPE Out with 2025-2026 Final CAFs

CARC	Rest of State			Load Zones G-I			NYC Locality			LI Locality		
	iCAF 2 CHPE Out	25-26 Final CAF	Diff	iCAF 2 CHPE Out	25-26 Final CAF	Diff	iCAF 2 CHPE Out	25-26 Final CAF	Diff	iCAF 2 CHPE Out	25-26 Final CAF	Diff
2-Hour EDL	62.74%	74.32%	-11.58%	62.97%	73.88%	-10.91%	55.86%	64.94%	-9.08%	51.27%	52.68%	-1.41%
4-Hour EDL	82.31%	78.91%	3.40%	81.84%	78.60%	3.24%	80.75%	78.53%	2.22%	80.98%	87.10%	-6.12%
6-Hour EDL	95.05%	87.24%	7.81%	94.10%	87.16%	6.94%	94.35%	85.90%	8.45%	93.16%	94.59%	-1.43%
8-Hour EDL	98.58%	96.77%	1.81%	97.88%	96.40%	1.48%	97.49%	96.12%	1.37%	97.11%	98.96%	-1.85%
Landfill Gas	67.69%	63.59%	4.10%	68.16%	63.87%	4.29%	67.78%	64.04%	3.74%	63.37%	65.68%	-2.31%
Solar	15.33%	12.24%	3.09%	15.33%	12.33%	3.00%	15.06%	12.03%	3.03%	14.64%	10.05%	4.59%
Offshore Wind	--	--	--	--	--	--	40.38%	--	--	34.62%	35.79%	-1.17%
Land-based Wind	16.98%	16.84%	0.14%	16.98%	16.61%	0.37%	18.83%	16.69%	2.14%	15.16%	18.20%	-3.04%
Limited Control Run of River	53.07%	38.44%	14.63%	40.80%	41.44%	-0.64%	--	--	--	--	--	--
Large Hydro	100.00%	100.00%	0.00%	--	--	--	--	--	--	--	--	--
Large Hydro w partial Pump Storage	100.00%	100.00%	0.00%	--	--	--	--	--	--	--	--	--
Generator	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%	100.00%	0.00%
Special Case Resource (SCR)	74.06%	77.21%	-3.15%	71.23%	76.88%	-5.65%	64.23%	68.31%	-4.08%	74.41%	74.43%	-0.02%
Non-Firm*	84.67%	--	--	84.67%	--	--	85.77%	--	--	98.60%	--	--

* In Rest Of State, the Non-Firm CARC is only applicable to Load Zone F following the winter fuel constraints in the IRM Study and applies to the MW of capability for which a firm fuel characteristic election was not submitted.

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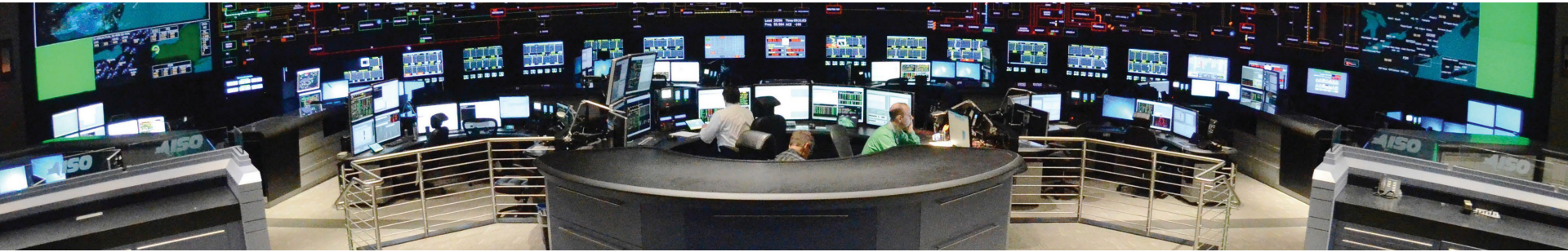
Our Mission and Vision

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



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