

Reliability Planning Process Reform: STRP Process Proposal, RPP Tariff Revisions

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Agenda

- Objective
- Background
- **Structure for Proposed Reliability Planning Process**
- Short Term Reliability Planning
- Next Steps

Previous Presentations

- **October 29, 2025 MC (Presentation)**
 - 2025 CRP and Recommendations
- **November 20, 2025 ESPWG (Presentation)**
 - Follow-up Discussion to 2025 CRP
- **January 20, 2026 ESPWG (Presentation)**
 - Reliability Planning Process: Challenges and Considerations
- **February 03, 2026 ESPWG (Presentation)**
 - Reliability Planning Process: Proposed Reforms
- **February 19, 2026 ESPWG (Presentation)**
 - Reliability Planning Process: Proposed Reforms

Objective

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- **Continue discussions on the proposed use of scenarios in the Reliability Planning Process (RPP) and discuss proposed use of scenarios in the Short-Term Reliability Process (STRP)**

Background

Existing RPP

- **Under the RPP, NYISO assesses the RNA Base Case to determine whether the Bulk Power Transmission Facilities meet all Reliability Criteria for the identification of Reliability Needs**
 - In accordance with ISO Procedures, the base case assumptions are identified in May timeframe, with an opportunity for base case updates in the middle of the study
- **NYISO also assesses scenarios, but those results are only informational, for which NYISO cannot identify additional Reliability Needs**
 - Scenarios are intended to consider variables from the base case to test the robustness of the assessment and risks to the plan



Action/Discussion:

Base Case assumptions

Timeline: May

Action/Discussion:

1. Preliminary Base Case Results
2. Define informational Scenarios

Timeline: July

Action/Discussion:

1. Incorporate Relevant Updates
2. Scenario results

Timeline: Sept-Oct

Limitations of Existing RPP

- To account for growing uncertainty through use of a single base case, NYISO could use the most conservative assumptions but, in doing so, could overstate reliability risks and overbuild the system
- The use of a single base case with small changes in the system conditions between studies can result in study-by-study fluctuations in the identification of Reliability Needs when reliability margins are tight

Key Considerations for Process Reform

- Reliability Needs must continue to be based on Reliability Criteria
- Multiple credible combinations of system conditions can more accurately account for observable changes affecting the transmission system over the Study Period
- Avoid study-by-study fluctuations in the identification of Reliability Needs due to small changes in system conditions
- Avoid assumptions that might be too conservative and lead to an overbuilt system or too optimistic and do not adequately address the tightening reliability margins
- Open and transparent process with meaningful stakeholder involvement at key stages
- Continue efforts to further improve alignment between capacity requirements in the markets and planning studies
- Support flexibility to act quickly to resolve near-term Reliability Needs while preserving the option to defer action when the reliability risks are less significant or certain.

Proposed RPP

Revised RPP Overview

- **Maintain existing biennial framework with the RNA identifying Reliability Needs and the CRP setting forth the 10-year plan, including solutions to identified Reliability Needs**
- **Continue to assess the RNA Base Case but also assess scenarios developed to represent plausible futures that vary from the Base Case that account for observable changes affecting the future of the transmission system and allow NYISO to address the compounding risks over time**
- **Identify Reliability Needs if NYISO finds a violation or potential violation of one or more Reliability Criteria in the RNA Base Case or that is “significant and persistent” across more than one of the eligible scenarios**
- **Stakeholder feedback at key stages of determining assumptions, scenarios, and Reliability Needs**

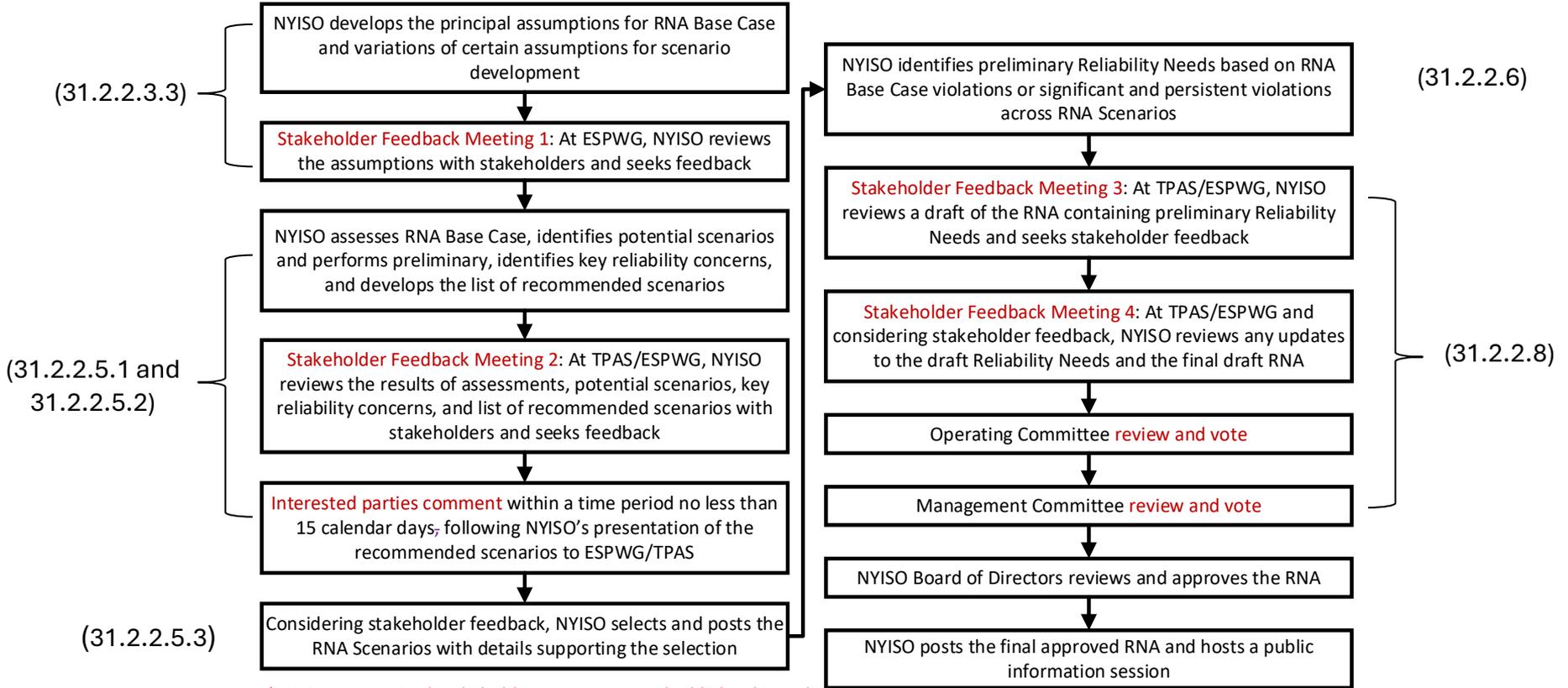
Reliability Planning Process Tariff

- Posted with today's material are proposed revisions to the following tariff sections:
 - OATT § 31.1
 - OATT § 31.2
- Review of select tariff sections will occur during March 3 TPAS/ESPWG

Revisions Based on Stakeholder Feedback

- **Clarify stakeholder feedback in each stage of RNA**
 - Minimum four stakeholder meetings from start of RNA process to forwarding the draft RNA to the Operating Committee
- **Revisions to process based on stakeholder feedback are highlighted in subsequent slides with an asterisk (*)**
- **See the flow chart next slide for more details, including relevant tariff references for stakeholder feedback milestones**

Stakeholder Engagement at Key Process Milestones



*Minimum required stakeholder engagement is highlighted in red

Step 1: Assumptions

Proposed Revised Process

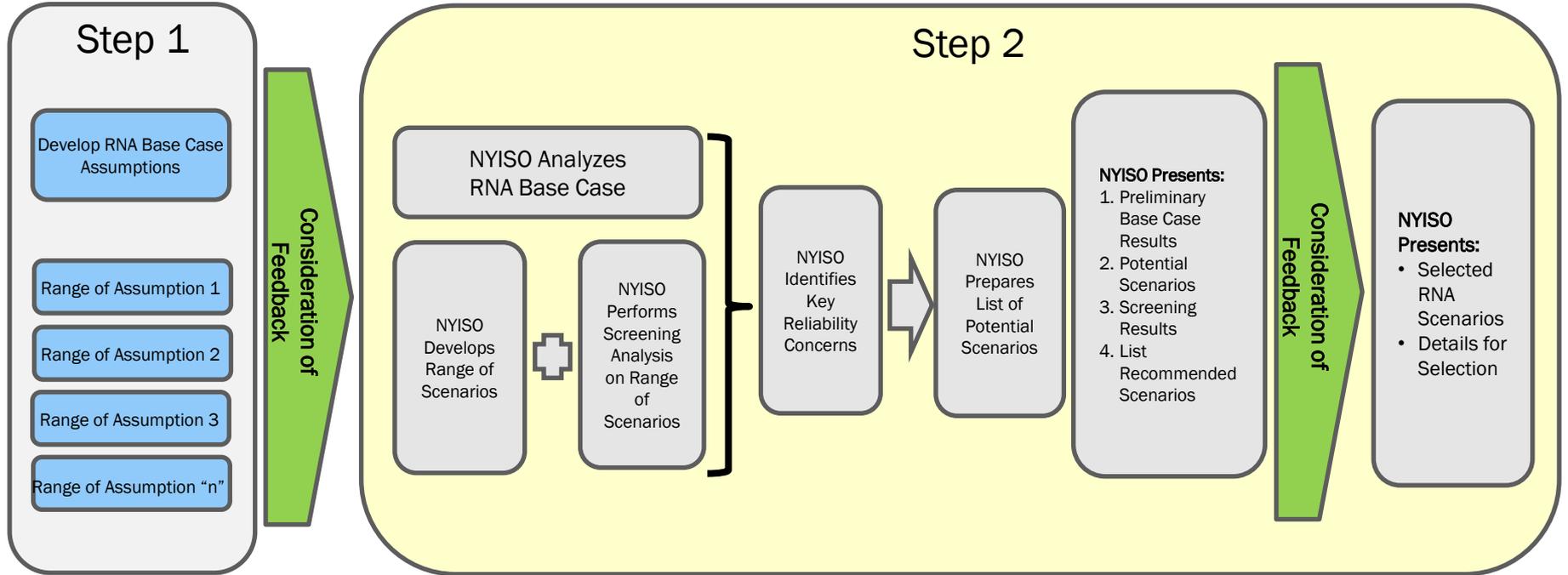
- Continue to derive RNA Base Case assumptions from the Gold Book, FERC 715, application of the RNA Inclusion Rules, planning participant input, and emerging trends
- Discuss additional information on variations of certain assumptions from the RNA Base Case relevant to the Study Period with stakeholders
 - The range of assumptions derived from Step 1 will be used as an input in Step 2

Step 2: Process for Identifying RNA Scenarios

Proposed Revised Process

- **Step 2 serves as the process for NYISO’s identification and selection of “RNA Scenarios”**
 - RNA Scenario would be “the model(s) representing a set of system conditions of the New York State Power System over the Study Period”
 - RNA Scenarios are intended to represent plausible futures that vary one or more assumptions from the RNA Base Case to account for observable changes affecting the transmission system over the Study Period
 - RNA Scenarios can be used to identify a Reliability Need when there is a violation or potential violation of one or more Reliability Criteria that is significant and persistent across more than one RNA Scenario (further discussed in Step 3)

Conceptual Process Flow – Scenario Development



Step 2: List of Potential RNA Scenarios

Proposed Revised Process

- **Based on the information from preliminary RNA Base Case analysis results and any scenario screening analysis results, NYISO will develop a list of recommended scenarios for selection as RNA Scenarios**
 - In preparing the list of recommended scenarios from the range of potential scenarios, the NYISO may consider trends in:
 - Performance and availability of resources;
 - Resource retirements and new resources;
 - Demand forecast, including large loads;
 - Future imports/exports with neighboring control areas; or
 - Federal, state, and local statutes, regulations, and policy goals
 - In determining the influence of a trend or group of trends on potential scenarios, the NYISO will consider
 - the likelihood that a trend or grouping of trends will occur in the Study Period
 - the diversity of scenarios
 - the interdependence of the underlying assumptions of the scenarios
 - Examples of RNA Scenarios could include:
 - Policy driven variations: increased electrification demand + additional renewable + storage buildout + increased fossil retirements
 - Large load variations: increased large loads + reduced imports + increased demand response
- **Following the presentation of the list of recommended scenarios that the NYISO can select as RNA Scenarios, interested parties must comment within a time period prescribed in ISO Procedures, which shall be no less than 15 calendar days**

Step 2: RNA Scenario Selection

Proposed Revised Process

- **Following the presentation of its list of recommended scenarios, NYISO will:**
 - Consider the feedback from stakeholders
 - Select a minimum of two RNA Scenarios (*)
 - the RNA Scenarios and details supporting NYISO's selection of those RNA Scenarios will be posted to NYISO's website

Step 2: Developing List of Potential Informational Scenarios

Proposed Revised Process

- **In addition to preparing a list of recommended scenarios for selection as RNA Scenarios, NYISO can also identify other reliability scenarios for information**
 - The use of other reliability scenarios is beneficial to explore the impact of extreme conditions that are less plausible and, therefore, not subject to the identification of Reliability Needs
 - NYISO proposes to:
 - Continue the current RNA process that uses informational scenarios to test the robustness of NYISO's needs assessment
 - Consider informational scenarios to also evaluate the possibility of violations to extend beyond Study Period (*)
 - Examples could include: copper sheet, loss of all gas, extreme weather

Step 3: Finalize RNA Analysis

Proposed Revised Process

- **NYISO will finalize the assessment on the RNA Base Case and RNA Scenarios by performing analysis to identify violations or potential violations of Reliability Criteria consistent with the current RNA process**
- **For different Reliability Criteria, NYISO will perform appropriate analysis to identify violations or potential violations across the RNA Scenarios using engineering judgment, similar to its practice in the existing process**
 - The location and nature of the potential violations will inform whether NYISO will perform transmission security margin, statewide resource adequacy, or transmission security for a particular RNA Scenario

Step 3: Identification of Reliability Needs

Proposed Revised Process

- **In identifying Reliability Needs, NYISO will continue to identify violations or potential violations of one or more Reliability Criteria in the RNA Base Case**
 - NYISO will continue to apply the additional analysis contained in the tariff when determining whether there is a Reliability Need in the Study Period that cannot be mitigated (e.g., alternative system configurations or operational modes)
- **NYISO proposes to also identify Reliability Needs when it determines that a violation or potential violation of one or more Reliability Criteria is “significant and persistent” across more than one RNA Scenario based on the consideration of six factors**
- **NYISO will continue to discuss the results of NYISO’s analysis and identification of Reliability Needs with stakeholders, but will also discuss NYISO’s consideration of factors for significant and persistent violations across RNA Scenarios**

Step 3: Significant and Persistent Application

- **In identifying Reliability Needs using RNA Scenarios, the following must apply:**
 - A violation or potential violation of one or more Reliability Criteria must occur in year four to year ten and must be identified in more than one RNA Scenario, and
 - NYISO determines that the violation or potential violation is significant and persistent across RNA Scenarios based on the six factors with such violation satisfying at least one of the “significant” factors and at least one of the “persistent” factors (*) (see next slide)
- **In considering the six factors, NYISO will account for each factor but can afford due consideration to the individual factors based on the specifics of the violation or potential violation of the Reliability Criteria and/or the relevant RNA Scenario(s).**

Step 3: Significant and Persistent Application

“Significant” Factors:

- 1) **“Magnitude”** – the magnitude of the impact to the New York State Power System resulting from the violation or potential violation of the Reliability Criteria (e.g., as measured in compensatory MW or MVAR), including, but not limited to, a comparison of the magnitude across the RNA Scenarios;
- 2) **“Urgency”** – the risk that the violation or potential violation of the Reliability Criteria occurs at a point in the Study Period that will or will not require attention during the current cycle, including, but not limited to, consideration of the amount of time required to address the violation or potential violation of the Reliability Criteria or whether time could result in changes to the system that mitigate or aggravate the violation or potential violation of the Reliability Criteria;
- 3) **“Severity of Impact/Outcome”** – the impact of the violation or potential violation of the Reliability Criteria in the RNA Scenario(s) that if not mitigated or planned for will result in a severe impact on the New York State Power System;

Step 3: Significant and Persistent Application

“Persistent” Factors:

- 4) **“Number of Scenarios”** – the number of RNA Scenarios that identify or not identify the violation or potential violation of the Reliability Criteria;
- 5) **“Duration Over Planning Horizon”** – the duration that the violation or potential violation of the Reliability Criteria within the planning horizon; and
- 6) **“Persistency of Assumptions”** – whether or not there is a single assumption that results in a violation or potential of violation of the Reliability Criteria, including, but not limited to, consideration of whether that assumption, if change, or another assumption offsets such violation or potential violation of the Reliability Criteria

Preparation of RNA

■ Proposed Process Revisions

- NYISO will continue to prepare the RNA and maintain the requirements under Section 31.2.3 for reviewing with Market Participants, stakeholders, NYDPS and interested parties through the governance process
- In addition to the current information required in the RNA, NYISO proposes to include the following information:
 - the selected and evaluated RNA Scenarios, as well as the other reliability scenarios performed for information
 - results of the analyses for the RNA Base Case, as well as the RNA Scenarios and other reliability scenarios
 - description of the factors considered in identifying a Reliability Need based on a significant and persistent violation or potential violation of one or more Reliability Criteria across more than one RNA Scenario (as applicable)
- In describing the Reliability Need, NYISO may establish a range informed by the nature of the significant and persistent violations
 - NYISO will continue to identify the specific Reliability Criteria that the Reliability Need is based on

Post-RNA Process

- **In development of the Comprehensive Reliability Plan (CRP)**
 - NYISO will first re-evaluate the Reliability Needs to account for any relevant updates to the system representation in accordance with ISO procedure
 - Under the proposed process, if the Reliability Need still exists, NYISO will solicit for and evaluate proposed solutions using the RNA Base Case and RNA Scenarios, as applicable, with relevant updates
 - Note: Under the existing process, the timing of solutions and the Reliability Needs will determine whether a solution will be triggered (see OATT § 31.2.8)
 - Consistent with the existing process, NYISO may evaluate informational scenarios to test the robustness of the CRP

Short-Term Reliability Process

Overview of the Short-Term Reliability Process (“STRP”)

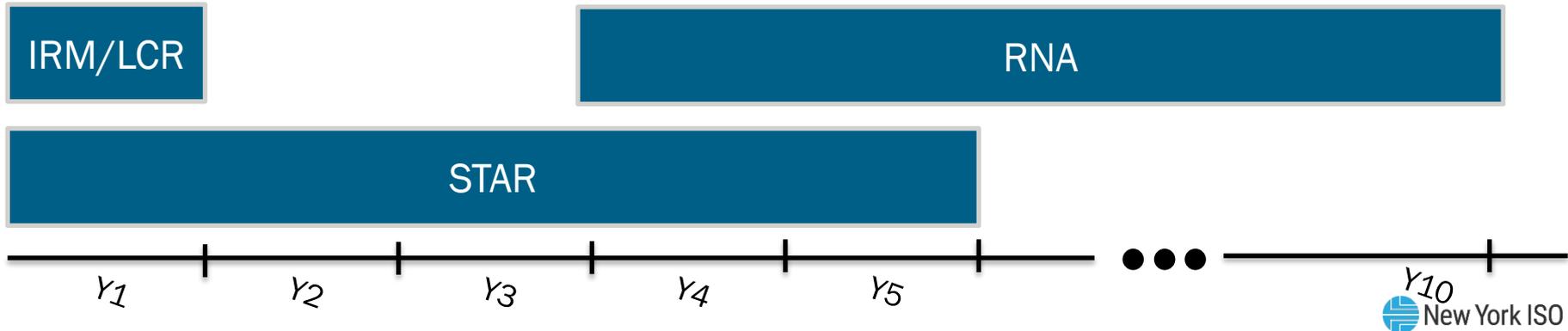
- **The STRP, through Short-Term Assessments of Reliability (“STARs”), evaluates the first five years of the planning horizon with a focus on identifying needs arising in the first three years of the study period**
 - The STRP complements the biennial Reliability Planning Process, that focuses on identifying and resolving longer-term needs
 - Should a STAR identify a within the study period, the NYISO solicits and selects the solution(s) to address the need, unless NYISO determines that the short-term reliability need can be timely addressed in the current or next planning cycle of the RPP
- **STARs are performed quarterly to address Reliability Needs that may arise within five years due to the proposed deactivation of a generator or various changes to the grid, such as revised generator/transmission plans or updated demand forecasts**
 - NYISO assesses the impact of generator deactivations and system changes on the BPTF
 - Transmission Owners assess the impact of generator deactivations on their respective non-BPTF systems

Practical Considerations for Using Scenarios in STRP

- **NYISO considered the use of scenarios in the STRP and identified the following practical considerations that differ from the RPP**
 - Quarterly updates allow the process to be responsive to system changes as they emerge, reducing the need to rely on extensive use of scenarios
 - Adding the ability to defer non-generator deactivation reliability needs to the next STAR could help smooth out study-to-study volatility when anticipated, updates in the next STAR could address the needs
 - Each STAR is required to be completed within 90 days, which limits the ability to conduct extensive scenario analysis

Alignment of Key Assumptions Between Different NYISO Studies

- Where appropriate, NYISO strives for consistent assumptions across studies that evaluate the same study periods
- General approach of the STAR will be:
 - Year 1: Align with key assumptions in IRM/LCR
 - Years 2 & 3: Align with Gold Book forecasts
 - Years 4 & 5: Align with key assumptions in RNA, including relevant RNA Scenarios
- Specific assumptions will be discussed with stakeholders at the beginning of each study



STRP Proposal: Years 1 - 3

- **System conditions over the next three years are better understood and more firmly grounded in observed data than system conditions in later years of the study period**
- **STARs will consider the following in the development of assumptions:**
 - Study Year 1: closer alignment with the capacity market assumptions, such as available IRM/LCR load forecast, thermal generation derates, and area interchange
 - Study Years 2 – 3: continue to align but expand with applicable data, such as using forecasts from the Gold Book

STRP Proposal: Years 4 - 5

- **The future system representation for Years 4 and 5 are less predicable than Years 1 through 3**
- **STARs can be enhanced by evaluating alternative plausible future system conditions that align with the RNA**
 - Identify needs when there is a violation or potential violation of Reliability Criteria in the STAR base case or “significant and persistent” violations across RNA Scenarios impactful to Years 4 and 5

Summary of Proposal: Years 1 – 10

Planning Study	Study Year	Highlighted Assumptions			
		Demand Forecast	Thermal Derates	Resource & Transmission Additions	At-Risk Generation
STAR	Year 1	Consistent with IRM/LCR	Consistent with IRM/LCR	Consistent with IRM/LCR*	N/A
	Year 2 & 3	Gold Book Baseline*		As-planned*	
STAR & RNA	Year 4 & 5	Gold Book Baseline + targeted RNA Scenarios*	Consistent with RNA	As-planned + Targeted RNA Scenarios*	
RNA	Year 6 - 10	Gold Book Baseline + RNA Scenarios	RNA	As-planned + RNA Scenarios	Aging Gen

* As described in next slide, NYISO proposes special consideration of the uncertainty for demand forecast and planned projects during Generator Deactivation Assessments

Further Considerations for Generation Deactivation Assessment

- **The Generator Deactivation Assessment process provides only a single opportunity to identify a Generator Deactivation Reliability Need before the deactivating generator is no longer available and, therefore, requires consideration of a broader range of key assumptions to manage uncertainty**
- **To determine if there are Generator Deactivation Reliability Needs, NYISO will continue to utilize the following:**
 - Status Quo assumptions in Years 1 – 5, while considering the range of demand forecasts (for Years 2 – 5), which may include the higher demand

Next Steps & Schedule

Implementation Considerations

- **NYISO intends targeted OATT changes that will be discussed in phases**
 - Initial focus will be on the process for identifying Reliability Needs that will be implemented in the 2026 RNA
 - Further process changes to the RPP, such as enhancements to the identification of solutions and CRP, will be discussed later in the year
- **Details on study procedures will be developed and implemented through RPP Manual revisions**

Preliminary Schedule

February 26 TPAS/ESPWG/ICAPWG	Discuss RPP revisions (draft tariff revisions included in material), implications to STRP
March 3 TPAS/ESPWG	Continue to review revisions and tariff
March 9 TPAS/ESPWG	Proposal for RPP manual revisions
March 19 OC & March 25 MC	Review and vote on tariff revisions
April	Board of Directors approval and file tariff revisions
July	Tariff effective to implement Step 2

Next Steps

- NYISO will consider stakeholder feedback in further detailing process reforms and tariff revisions
- Proactive feedback will help advance stakeholder process leading up to 2026 RNA
- Please send suggestions to Kirk Dixon, kdixon@nyiso.com

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



Questions?