

# Summer 2026 ICAP Market Auctions

---

Yvonne Huang

ICAP Market Operations

**ICAP Working Group**

April 8, 2026

Repost with: (1) corrected hyperlink on Slide 3, and (2) additional clarification on Slide 9.

# Objective and Background

## Objective

- Today's presentation aims to provide transparency and advanced notice on the potential Summer 2026 ICAP market outcomes.
- The information within this presentation does not represent a forecast of market outcomes. Instead, the presentation provides an overview of capacity market administration processes to support stakeholder awareness and understanding.

## Background

- The NYISO identified the Unforced Capacity Deliverability Rights (UDRs) awarded to the Champlain Hudson Power Express (CHPE) project as a Triggering Resource for the 2026-2027 Capability Year (see Appendix for additional information).
- On March 3, the NYISO informed the market that the “CHPE-Out” parameters will be effective starting in May 2026 because it did not receive the required notice for the CHPE UDRs to commence ICAP market participation for May
  - The CHPE-Out parameters will remain in effect unless the NYISO receives a valid notice of intent for the CHPE UDRs to commence ICAP market participation during the Summer 2026 Capability Period

# Summer 2026 ICAP Market Parameters

- **The NYISO has completed the development of the required ICAP market parameters for Summer 2026 Capability Period**
  - CHPE-Out parameters have been available through the ICAP Automatic Market System (AMS) since March 18; CHPE-Out parameters will apply starting with May 2026
    - Includes Locational Minimum Installed Capacity Requirements (LCRs), Capacity Accreditation Factors (CAFs), unit specific derating factors, UCAP demand curves, and translation factors
  - CHPE-In parameters are currently not in effect, and therefore not available on ICAP AMS. All CHPE-In parameters were made available on or before March 25
    - LCRs are available in the 2026-2027 LCR [report](#)
    - CAFs are available in the Final 2026-2027 CAF [posting](#) on the Capacity Accreditation page of the NYISO's website (<https://www.nyiso.com/accreditation>)
    - Resources with unit specific derating factors that differ for the CHPE-In parameters were notified via email
    - UCAP demand curves and translation factors are [posted](#) on the Installed Capacity Market page of the NYISO's website (<https://www.nyiso.com/installed-capacity-market>)
- **A document ([Summer-2026-ICAP-Market-Parameters.pdf](#)) summarizing the respective parameters for each set is posted on the Installed Capacity Market page of the NYISO's website**
  - The NYISO issued notice of this posting on March 25
- **Key dates for the May 2026 spot auction**

• April 9 – 10: May 2026 Monthly Auction offer and bid period	• April 24 – 27: May 2026 spot auction offer period
• April 11: NYISO posts results of May 2026 Monthly Auction	• April 29 : NYISO posts results of May 2026 Spot Auction
• April 22: Certification close for May 2026 spot auction	• May 1: Start of the May 2026 Delivery Month

# Reliability Considerations

- Numerous planning studies have identified concerns with shrinking supply margins resulting from the ongoing transition of the resource fleet and evolution of the grid. Certain of these studies have also identified near-term and potential future reliability needs, particularly in New York City
- For example, the 2025 Q3 Short-Term Assessment of Reliability (STAR) identified near-term reliability needs for New York City (Load Zone J) absent completion and performance capability demonstrations of certain future planned projects. The future planned projects associated with New York City include:
  - Gowanus-Greenwood 345/138 kV feeder
  - CHPE, 1,250 MW HVDC
  - Empire Wind, 816 MW offshore wind
  - Propel NY transmission project (selected in response to the Long Island Offshore Wind Export Public Policy Transmission Need)
- Solution solicitation for the identified Generator Deactivation Reliability Needs was issued on November 10, 2025, and the submission window closed on January 9, 2026. The outcome of this solicitation will be published in a Short Term Reliability Process Report, to be issued on April 15, 2026.

# Reliability Considerations (cont.)

- **Based on currently available information, the NYISO has identified the potential for deficiencies to arise in meeting the New York City LCR for upcoming Summer 2026 spot auctions prior to the commencement of ICAP market participation by the CHPE UDRs**
- **The NYISO expects that reliability of the New York Control Area (NYCA) bulk power system can still be maintained**
- **Preliminary analysis confirmed that NYCA continues to meet the resource adequacy criterion of 0.1 Loss of Load Expectation (LOLE) for the 2026-2027 Capability Year**
  - The final 2026-2027 LCR study with CHPE-Out parameters resulted in a 0.072 LOLE for the NYCA
- **The LCRs for New York City (i.e., both the CHPE-Out and CHPE-In cases) were set by the applicable transmission security limit (TSL) floor values. Emergency Operating Procedures are not considered in transmission security assessments.**
  - Emergency Operating Procedures, such as emergency assistance from the neighboring Control Areas, can be deployed during the real time operations to address reliability needs

# Supplemental Procurements Overview

- **Given the potential for spot auction deficiencies, the NYISO is providing a review of its supplemental procurement procedures and plans if any deficiencies occur in the upcoming Summer 2026 spot auctions**
  - Key provisions addressing supplemental procurements: Market Administration and Control Area Services Tariff (MST) Section 5.14.1.3 and ICAP Manual Section 5.7
- **If a spot auction deficiency for a capacity region occurs, the NYISO assesses “supplemental supply fees” to Load Serving Entities (LSEs) that are deficient in meeting the applicable minimum capacity requirement**
  - The supplemental supply fee equals the applicable spot market clearing price multiplied by a LSE’s deficiency
- **The NYISO is required to use the supplemental supply fee collections to try and procure supplemental capacity supply from the following categories:**
  - Category 1: Resources capable of supplying Unforced Capacity (UCAP) that were not qualified to offer before the applicable spot auction
  - Category 2:
    - Resources that offered UCAP that did not clear in the applicable spot auction (i.e., “unsold MW”)
    - Resources that were qualified to offer UCAP in the applicable spot auction but did not offer in the applicable spot auction (i.e., “unoffered MW”)
- **The NYISO is authorized to procure supplemental capacity from the identified categories at a price not to exceed the applicable spot auction market-clearing price**
  - If supplemental supply offers are received from multiple resources at the same price, the NYISO is required to prioritize capacity supply from Category 1 resources
- **If after completion of the supplemental procurement process, the NYISO has not used all supplemental supply fee collections, any unused collections are rebated to LSEs in the deficient capacity region in proportion to each LSE’s share of the minimum capacity requirement for such capacity region (see MST Section 5.14.3.2)**

# Supplemental Procurement Process

- **Overview of the supplemental procurement process timeline:** (using May 2026 as an example)
  - April 27: Conduct the May 2026 spot auction promptly following the close of the offer period
  - If deficiency is identified:
    - Issue a marketplace notice to identify the deficiency and publish the applicable market clearing price for the deficient capacity region(s)
      - The notice will also include a solicitation for supplemental capacity supply offers and include instructions on how to submit such offers
      - Supplement capacity supply offers are limited to Category 1 and Category 2 resources (see prior slide)
      - Supplemental capacity supply offers in excess of the applicable market clearing price will not be awarded
    - Make the following changes to the ICAP Event Calendar:
      - New Event: Supplemental Offer Period Open starting 6 p.m. on April 27
      - New Event: Supplemental Offer Period Close at 5 p.m. on April 28
    - In addition to the issuance of a general solicitation, the NYISO will reach out to Category 2 resources
      - Historically, limited (if any) quantities of unsold and unoffered MW have existed in the spot auctions for New York City

# Supplemental Procurement Process (cont.)

- **Overview of the supplemental procurement process timeline:** (using May 2026 as an example)
  - If deficiency is identified (cont.):
    - Potential Category 1 resources are encouraged to contact the NYISO to discuss/review eligibility as soon as practicable given the short timeline to conduct the supplemental procurement process
      - Resources other than Special Case Resources (SCRs) should contact the NYISO via email ([ICAP\\_info@nyiso.com](mailto:ICAP_info@nyiso.com))
      - SCRs should contact the NYISO via email ([scr\\_registration@nyiso.com](mailto:scr_registration@nyiso.com))
    - At the close of the Supplemental Offer Period, the NYISO will process all supplemental offers, issue any supplemental awards, and complete the May 2026 Spot Auction
      - Supplemental offers will be entered into ICAP AMS and awards will be conducted by the auction engine.
      - The NYISO will not issue supplemental awards for a quantity greater than the deficiency
      - The price of any supplemental award will be based on its supplemental offer price.
        - » Supplemental capacity supply offers may be submitted for any price not exceeding the applicable market clearing price
    - The NYISO posts the May 2026 spot auction results including any supplemental awards in the ICAP AMS by 5 p.m. on April 29, according to the original Spot Market Auction timeline
    - Any rebates of unused supplemental supply fee collections will be handled through after-the-fact settlement adjustment

# Supplemental Capacity Supply Offers

- **Eligible resources must satisfy the following to submit a supplemental capacity supply offer:**
  - Resource with (or able to expeditiously obtain; see below) valid Capacity Resource Interconnection Service (CRIS), if applicable
  - Registered as a NYISO Customer to participate in the NYISO administered markets (energy and capacity)
  - Has all necessary permits and authorizations to operate the facility and produce energy
- **Given the expedited timeline for the supplemental procurement process, the following are examples of resources that may be eligible to submit supplemental capacity supply offers if a deficiency occurs for the May 2026 spot auction:**
  - The ICAP Suppliers that already participated in the May 2026 spot auction and have unoffered MW or unsold MW (Category 2)
  - Category 1:
    - The ICAP Suppliers already participated in May 2026 spot auction, have a higher Summer DMNC than Summer CRIS, and are eligible to request a one-time CRIS increase for up to 2 MW without completion of a deliverability study for such CRIS increase\*
    - 2 MW or smaller energy-only resources that are eligible to request CRIS without completion of a deliverability study\*
    - Potential new ICAP Suppliers that were already in operation but did not complete ICAP market registration before the close of certification for the May 2026 spot auction (April 22), or additional SCR MW (new or incremental from existing) that did not enroll for the month of May before the enrollment deadline (April 8)
- **Supplemental offers will be validated by the NYISO. Supplemental offers for resources other than SCRs need to be submitted via email to [ICAP\\_Info@nyiso.com](mailto:ICAP_Info@nyiso.com) and supplemental offers for SCRs need to be submitted via email to [scr\\_registration@nyiso.com](mailto:scr_registration@nyiso.com), containing the following information:**
  - Resource PTID
  - ICAP MW offers at 0.1 MW increment
  - Offer price in \$/kW-month (offer prices above the applicable market clearing price will not be awarded)
  - Supplemental offers from SCRs will also need to include an updated enrollment form and documentation for any new SCRs
    - The updated enrollment form should contain new or increased Declared Value at 0.1 MW increment, as well as associated offer price in \$/kW-month
    - The NYISO will provide a separate email communication to Responsible Interface Parties with additional details regarding the supplemental offer requirements for SCRs

\* The one-time up to 2 MW CRIS increase or up to 2 MW CRIS award without deliverability study will be granted on the per facility (not per PTID) basis.

# Additional Consideration

- **In reviewing the supplemental procurement requirements, the NYISO identified the need to clarify the existing language in ICAP Manual Section 5.7.**
  - The clarifications are necessary to: (1) remove outdated language and (2) correct terminology for alignment with the tariff
- 1. **The second paragraph of Section 5.7 includes outdated references to the term “New Special Case Resources”**
  - The term “New Special Case Resources” related to the application of buyer-side mitigation (BSM) to new Special Case Resources (SCRs) enrolled in Mitigated Capacity Zones. New SCRs became excluded from BSM as part of the *Comprehensive Mitigation Review* initiative
  - Stakeholders approved ICAP Manual revisions at the July 12, 2023 Business Issues Committee meeting that removed the prior language in Section 4.12.2 of the ICAP Manual that addressed the application of BSM to SCRs and defined the term “New Special Case Resources”
  - However, such revisions inadvertently did not include the removal of references to the term “New Special Case Resources” in other provisions such as Section 5.7
- 2. **The last sentence of Section 5.7 also includes an incorrect reference to “Capability Period” in relation to the potential need to pro-rate supplemental capacity supply award payments for a given delivery month.**
  - To align with MST Section 5.14.1.3, the language should refer to “Obligation Procurement Period.” This correction appropriately recognizes that each supplemental procurement process applies only to capacity supply for a single delivery month
- **As an interim measure, the NYISO plans to issue a Technical Bulletin to address these corrections to Section 5.7**
  - The NYISO currently plans to include these corrections as part of an upcoming set of ICAP Manual revisions presented for stakeholder approval

# Next Steps

- The NYISO is planning to proceed with the May 2026 spot auction consistent with the published ICAP calendar events.
- The NYISO encourages available resources to take necessary steps to participate in the capacity market before the spot auction
- For any questions related to today's presentation or the supplemental procurement process, please reach out to [ICAP\\_info@nyiso.com](mailto:ICAP_info@nyiso.com)
- For the May 2026 spot auction:
  - If a deficiency arises, the NYISO will follow the procedures described in this presentation to conduct the tariff-required supplemental procurement process

# Questions?

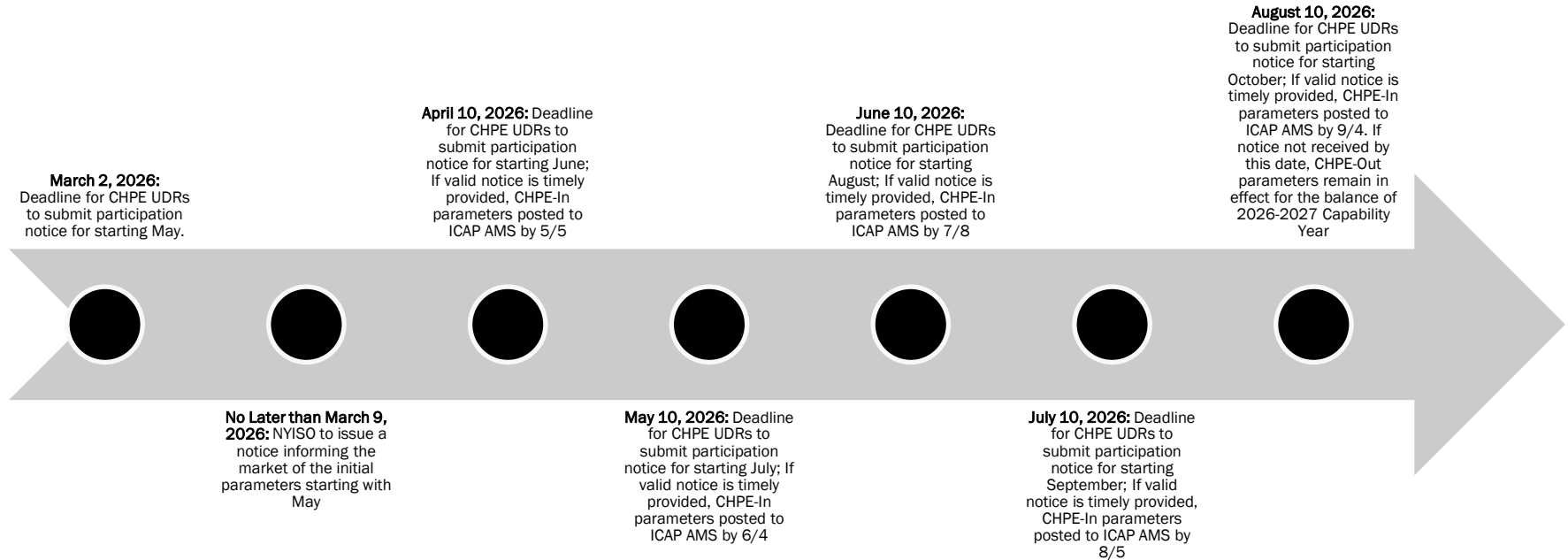
# Appendix

## *- Triggering Resource Rules and Timelines*

# 2026-2027 ICAP Market Parameters

- **The Triggering Resource rules require development of separate Installed Capacity (ICAP) market parameters to represent different operating status assumptions about the CHPE UDRs**
  - CHPE-In: parameters assuming CHPE is in service and its UDRs are used to supply capacity
  - CHPE-Out: parameters assuming the CHPE UDRs are not used to supply capacity
- **The applicable parameters are determined based on the ICAP market participation status of the CHPE UDRs as evidenced by the submission of a notice of intent to commence ICAP market participation**
  - A valid notice is required two months prior to the delivery month for which the CHPE UDRs intend to commence ICAP market participation (see next slide for additional details)
  - The CHPE project must successfully complete Trial Operation (see OATT Sections 30.1 and 40.1) before the required notice can be submitted for the CHPE UDRs
- **On March 3, the NYISO informed the market that it would implement the CHPE-Out parameters starting in May 2026 because it did not receive the required notice for the CHPE UDRs to commence ICAP market participation for May**
  - The CHPE-Out parameters will remain in effect unless the NYISO receives a valid notice of intent for the CHPE UDRs to commence ICAP market participation during the Summer 2026 Capability Period
  - If a valid notice for the CHPE UDRs is not received on or before August 10 indicating an intent to commence ICAP market participation during the Summer 2026 Capability Period, the CHPE-Out parameters will remain in effect for the balance of the 2026-2027 Capability Year
    - If notice is not provided on or before August 10, the NYISO will provide notice to the market to confirm the continued use of the CHPE-Out parameters
- **If the CHPE UDRs provide a valid notice during the Summer 2026 Capability Period, the CHPE-In parameters will be implemented for the delivery month identified in the notice**
  - The NYISO will provide notice to the market within 5 business days after receipt of a valid notice to identify the delivery month for which the CHPE-In parameters will be implemented

# 2026-2027 ICAP Market Parameters (cont.)



Source: [January 21, 2026 ICAP WG Presentation](#)

# 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

