

**Statement Regarding Identification of Near-Term Reliability Need
For the 2026 Quarter 1 and 2 Short-Term Assessments of Reliability
July 29, 2026**

The Short-Term Reliability Process (“STRP”), defined in Attachment FF of the NYISO’s Open Access Transmission Tariff, evaluates the first five years of the planning horizon, with a focus on needs arising in the first three years of the planning horizon. Section 38.3.6.2.2 of the NYISO OATT states that the NYISO “shall...Provide to Stakeholders and post on its website a full and supported written explanation of the ISO’s decision to solicit a regulated, non-generation Short-Term Reliability Process Solution solely from a Responsible Transmission Owner, including an explanation of the other transmission and non-transmission options that the ISO considered, but concluded would not sufficiently address the Near-Term Reliability Need, the circumstances that generated the need, and an explanation of why the need was not identified earlier.” Pursuant to OATT Section 38.3.6.2.3, the NYISO posts this statement to the Electric System Planning Working Group (“ESPWG”) and the Transmission Planning Advisory Subcommittee (“TPAS”) for stakeholder review and comments. **Comments may be submitted to the NYISO via email to stakeholder_services@nyiso.com with the subject line “2026 Quarter 1 and 2 Short-Term Assessments of Reliability Near-Term Reliability Need.” Please submit comments by August 7, 2026.**

Lower Hudson Valley Generator Deactivation Reliability Need

Consistent with the findings of the 2025 Quarter 3 and Quarter 4 STARs, the 2026 Quarter 1 STAR observed a Generator Deactivation Reliability Need¹ in the Lower Hudson Valley locality.

2026 Quarter 1 STAR Lower Hudson Valley BPTF Deficiency:

Summer Peak	2026	2027	2028	2029	2030
MW Deficiency	None	17-27	69-184	121-383	202-639
Duration (hours)	None	1	3	3-4	3-6
MWh	None	17-27	396-756	521-1,446	718-2,663

The Lower Hudson Valley BPTF deficiency observed in the 2026 Quarter 1 STAR was primarily driven by issues in New York City and Long Island. However, the proposed retirement of

¹ OATT Section 38.1 contains the tariff definition of a Short-Term Reliability Process Need, Near-Term Reliability Need, and Generator Deactivation Reliability Need.

Danskammer 1-4 evaluated in the 2026 Quarter 1 STAR further exacerbated this deficiency. The deficiency was also impacted by demand forecasts based on expected weather, expected generator availability, transmission limitations, and risks associated with the availability and demonstrated capability of key future planned projects. The observed deficiency in this locality is also impacted by Rockland Electric Company (RECO) demand that is served by PJM. Electricity from PJM flows across the New York State Transmission System to serve PJM's RECO load.

Consistent with the findings of the 2026 Quarter 1 STAR, following the withdrawal of the Generator Deactivation Notices for the Gowanus 2 & 3 and Narrows 1 & 2 barges, the 2026 Quarter 2 STAR continued to find that the Lower Hudson Valley locality would be deficient in the summer starting in 2029 and continuing in summer 2030 until planned projects were completed and demonstrated their planned power capabilities. As discussed in the April 25, 2026 Short-Term Reliability Process Report,² a subset of the projects identified to address the New York City and Long Island deficiencies observed in the 2025 Quarter 3 STAR are expected to be sufficient to address the Lower Hudson Valley BPTF Need over the short-term horizon after they enter service and demonstrate the ability to operate consistent with their planned capabilities. The future planned projects associated with New York City and Long Island include those listed in Figure 1 and Figure 2, respectively.

Figure 1: Projects Identified to Address New York City Need

	Queue Pos.	Proposed Solution Developer	Project Name	Nameplate (MW)	Proposed In-Service
Proposed Solution	N/A	AlphaGen	Existing Gowanus & Narrows Retention	608	Existing
	Queue Pos.	Developer/Interconnection Customer	Project Name	Nameplate (MW)	Proposed In-Service
Other Projects (Permanent Solutions)	631/887	CHPE LLC	NS Power Express	1,250	Entered commercial operation but has yet to demonstrate its planned power capability
	0827	Lighthouse Arthur Kill, LLC	Arthur Kill Energy Storage 1	15	Winter 2026
	0931	East River ESS, LLC	Astoria Energy Storage	100	Winter 2026
	0737	Empire Offshore Wind LLC	Empire Wind 1	816	Winter 2027
	1289	New York Power Authority / New York Transco LLC	Propel NY Energy - Alternate Solution 5	-	Summer 2030

² Short-Term Reliability Process Report: 2026-2030 Generator Deactivation Reliability needs (2025 Quarter 3 STAR) Solution Selection ([here](#))

Figure 2: Projects Identified to Address Long Island Need

Projects Identified to Address Long Island Need					
	Queue Pos.	Proposed Solution Developer	Project Name	Nameplate (MW)	Proposed In-Service
Proposed Solutions	N/A	PSEG-LI/LIPA	Shoreham 1 (water injection)	52.9	Existing, water injection by May 1, 2027
			Shoreham 2 (water injection)	18.6	
			Glenwood GT 3 (water injection)	55	
			Far Rockaway 1	60.5	Existing
			Far Rockaway 2	60.5	
	Queue Pos.	Developer/Interconnection Customer	Project Name	Nameplate (MW)	Proposed In-Service
Other Projects	0766/0987	Sunrise Wind, LLC	Sunrise Wind	924	Winter 2028
(Permanent Solutions)	1289	New York Power Authority / New York Transco LLC.	Propel NY Energy - Alternate Solution 5	-	Summer 2030

With the continued operation of the Gowanus and Narrows barges following the withdrawal of their deactivation notice, but with CHPE yet to demonstrate its planned power capability, and including updated demand forecasts from the 2026 Gold Book, the deficiency in the Lower Hudson Valley observed in the 2026 Quarter 2 STAR in the Lower Hudson Valley was:

2026 Quarter 2 STAR Lower Hudson Valley BPTF Deficiency:

Summer Peak	2026	2027	2028	2029	2030
MW Deficiency	None	None	None	184-201	291-309
Duration (hours)	None	None	None	3-5	4-5
MWh	None	None	None	387-1,287	746-2,066

As the Lower Hudson Valley BPTF deficiency would be resolved in whole or in part by the retention of Danskammer 1-4, the Lower Hudson Valley deficiency is a Generator Deactivation Reliability Need. Further, this deficiency is also a Near-Term Reliability Need as it arises within three years following the 365-days following the 2026 Quarter 1 STAR Start Date.

The NYISO explained in the 2026 Quarter 1 STAR, that if planned projects fail to timely enter service or otherwise prove insufficient, and the NYISO determines it requires additional solutions to address Lower Hudson Valley need arising in 2029 and 2030, then the NYISO will conduct a solicitation pursuant to Section 38.4.8.1(c) of the OATT to obtain additional solutions to the identified need. The NYISO may retain Danskammer units 1 through 4 as Interim Service Providers and execute an RMR Agreement with Danskammer to allow sufficient time to complete the solicitation process, or to address the 2029 and 2030 need consistent with the requirements of Section 38 of the OATT.³

In consideration of the recent operational experience, including planned projects having not yet

³ See Short-Term Assessment of Reliability: 2026 Quarter (April 15, 2026), at p 58 and n 32 ([here](#)).

demonstrated operation consistent with their planned capabilities, the NYISO has determined it requires additional solutions to address the Lower Hudson Valley deficiency arising in summer 2029 and 2030. Based on the 2026 RNA and 2026 Quarter 3 STAR assumptions, the deficiencies in the Lower Hudson Valley may worsen to around 500 MW deficient in summer 2029 and about 600 MW deficient in summer 2030 without future planned projects being placed in-service and demonstrating their planned capabilities. Should sufficient planned projects enter service according to schedule and demonstrate their planned capabilities, a deficiency in the Lower Hudson Valley would not be observed until summer 2032.⁴

The NYISO reviewed whether the adoption of alternative ISO or Transmission Owner operating procedures could address the need, and whether updates to the applicable Transmission Owners' Local Transmission Owner Plans could address the need.⁵ The review did not identify operating procedures or updates to Local Transmission Owner Plans that would address the identified need.

The wholesale electricity markets administered by the NYISO are an important tool to help mitigate reliability risks. The markets are designed, and continue to evolve and adapt, to send appropriate price signals for new market entry and the retention of resources that assist in maintaining reliability. The potential risks and resource needs identified in the NYISO's analyses may be resolved by new capacity resources coming into service, construction of additional transmission facilities, and/or increased energy efficiency and integration of demand-side resources. The NYISO is tracking the progression of many projects that may contribute to grid reliability that have not yet met the inclusion rules for reliability assessments. The NYISO will continue to monitor these resources and other developments to determine whether changing system resources and conditions could impact the reliability of the New York bulk electric grid. Specifically, through the quarterly STAR reports, the NYISO will continue to reassess if the identified reliability needs persist as planned projects are energized and demonstrate their capabilities.

Determination

Consistent with Sections 38.3.6 and 38.4 of the OATT and for the reasons explained in this Statement, the NYISO plans to solicit a regulated, non-generation solution solely from Central

⁴ The 2026 RNA preliminary base case transmission security draft results presented to stakeholders at the July 23, 2026 TPAS/ESPGW ([here](#)) for the Lower Hudson Valley showed a deficiency of about 300 MW in 2032 worsening to over, 2000 MW by 2036.

⁵ See OATT Section 38.3.5.2.

Hudson, Con Edison, Orange & Rockland, and NYSEG, for their respective Transmission Districts, for the Near-Term Reliability Need. The NYISO will also solicit market-based and other solutions to the identified need consistent with Section 38.4.2 of its OATT.

By September 2026, the NYISO plans to issue a solicitation for solutions to address the Lower Hudson Valley Generator Deactivation Reliability Need that became a Near-Term Reliability Need with the proposed retirement of Danskammer 1-4 evaluated in the 2026 Quarter 1 STAR. The solicitation will incorporate updated information regarding the nature of the need from the 2026 Quarter 2 STAR, addressing how the need changed following the withdrawal of the Gowanus and Narrows barges generator deactivation notice, as well as system updates.

Following the 60-day solicitation for solutions, the NYISO will evaluate the proposed solutions and issue a Short-Term Reliability Process Report, which shall indicate NYISO's selection of a solution or combination of solutions, along with a reasoned explanation regarding why particular generation and/or transmission solutions were selected. If proposed solutions are not viable or sufficient to meet the identified reliability needs, interim solutions must be in place to keep the grid reliable. This solution selection process is designed to ensure that executing a Reliability Must Run (RMR) Agreement with generators is a last resort to addressing a reliability need.