



**For Immediate Release  
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### **New York State Reliability Council Decrease IRM From 18.0% to 15.5%**

On December 16, 2010, the New York State Reliability Council (“NYSRC”) submitted a filing with the Federal Energy Regulatory Commission (“FERC”) for approval of a decrease in the Installed Reserve Requirement (“IRM”) for the New York Control Area (“NYCA”) from 18.0% to 15.5%. The decreased IRM would be effective for the twelve month period from May 1, 2011 to April 30, 2012 (2011–2012 Capability Year). The IRM represents the amount of installed capacity that must exist in the NYCA in order to ensure that the applicable resource adequacy reliability criteria are met. The 15.5% IRM means that load serving entities (“LSEs”) in the NYCA must purchase installed capacity of at least 115.5% of their projected peak loads. The NYISO is responsible for implementing the statewide IRM adopted by the NYSRC, establishing IRM requirements for individual LSEs, and establishing locational requirements for installed capacity in New York City and Long Island.

Because the 15.5% IRM is a change from the existing IRM of 18.0%, the NYSRC is required to make a filing with FERC for approval of the change. The NYSRC filing requested that FERC approve the decreased IRM with an effective date of February 16, 2011, to allow the NYSIO sufficient time to prepare for its installed capacity auction, scheduled for March 28, 2011.

The NYSRC's determination to increase the IRM was based on a comprehensive study of load and capacity in New York State, dated December 10, 2010 ("2011 IRM Study"), which was conducted by the NYSRC's Installed Capacity Subcommittee with the assistance of the NYISO. The base case for the 2011 IRM Study calculated the NYCA IRM requirement for the 2011-2012 capability year to be 15.5%. The base case result is 2.4 percentage points lower than the 17.9% base case IRM requirement determined by the 2010 IRM Study. The principal reasons for the decrease in the required IRM are an updated representation of the Outside World Model and an updated load forecast which together decreased the 2010 IRM by 1.7 percentage points (See Table 1 on page 10 of the 2011 IRM Study).

The 2011 IRM Study considered transmission transfer limits, load forecast uncertainty, installed capacity conditions in neighboring systems, emergency assistance available from neighboring control areas, special case resources and the emergency demand response program under the NYISO's emergency operating procedures, and current availability rates of generating units in New York State. The technical results of this Multi-Area Reliability Simulation study show that, under a base case set of assumptions, the statewide IRM required for the NYCA, during the 2011-2012 Capability Year, is 15.5%. After considering the base case results, sensitivity cases, and other relevant factors, the NYSRC decided to adopt an IRM base case requirement of 15.5% for the upcoming Capability Year.

The 2011 IRM Study continues a long history of such analyses, going back to the early years of the New York Power Pool (NYPP) in the mid-1960s. Setting a statewide installed capacity requirement for New York was formerly the responsibility of the NYPP. After the restructuring of the electricity industry in New York State in late 1999, the responsibility for setting the statewide installed capacity requirement was assigned to the NYSRC. The 2011 IRM Study is available on the NYSRC's Web site [www.nysrc.org](http://www.nysrc.org), under Documents/Reports.

*The objective of the New York State Reliability Council is to promote and preserve the reliability of the New York State power system by developing, maintaining and, from time to time,*

*updating the reliability rules which must be complied with by the New York Independent System Operator and all entities engaging in electric power transactions on the New York State power system. The New York State Reliability Council carries out its purpose to the benefit of the entire electric service industry, including consumers, with no intent to advantage or disadvantage any member or any market participant's commercial interest. The New York State Reliability Council is a not-for-profit entity. Visit our web site at [www.nysrc.org](http://www.nysrc.org).*

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