



# Champlain Hudson Power Express (CHPE): Installed Capacity Market Integration Considerations

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# Agenda

- **Potential Risk of Misalignment between Market Participation and Requirements**
- **NYISO Proposal for Multiple Market Parameters**
- **Next Steps**

# Potential Risk of Misalignment between Market Participation and Requirements

- Champlain Hudson Power Express (CHPE), a 1250 MW HVDC line coming from Quebec into NYC, currently is expected in service in May of 2026
- Decisions surrounding the assumptions used in setting the installed reserve margin, along with various other ICAP market parameters, are established as annual values for a Capability Year (May – April)
- Large new resources, if located in a constrained region of the New York Control Area (NYCA) (Load Zones J, K, or the G-I), can have a significant impact on ICAP market parameters
  - Specifically, these resources can potentially affect the contingencies and resulting transfer capability limits into constrained areas for establishing transmission security floors used by the NYISO in determining Locational Minimum Installed Capacity Requirements (LCRs). NYISO determined LCRs must be at or above these floor values
- There is a potential for misalignment between the ICAP market parameters and the supply participating in the ICAP market that could be caused by a large new resource that affects transmission security floors if such resource's ICAP market entry does align with the beginning of a Capability Year (i.e., May)

# NYISO Proposal for Multiple Market Parameters

- The NYISO, in conjunction with its stakeholders, is considering updates to its ICAP market rules to allow for the development and potential use of multiple sets of ICAP market parameters if it identifies that there is a new resource that could enter and affect the ICAP market parameters due to changes in contingencies used to establish transmission security floors for a Locality (i.e., Load Zones J, K, or the G-J Locality)
- These ICAP market parameters sets would consist of a set assuming the new resource has entered service, and another set assuming the new resource has not yet entered service
- The NYISO would then use the appropriate ICAP market parameters for each month of the Capability Year
  - For example, if the new resource does not begin to participate for the May delivery month, and instead begins participating for the July delivery month, the NYISO's ICAP market would use parameters assuming the new resource is not in service for May and June, and then use parameters assuming the new resource is in service for July onward
  - These potential rules would apply to CHPE
- The NYISO is still crafting the proposal with its stakeholders at the ICAPWG, and any proposal that allows the use of multiple proposals would need to be approved by stakeholders, the NYISO Board of Directors, and FERC

# Next Steps

- The NYISO will continue to work with its stakeholders at the ICAPWG to finalize proposed ICAP market rule changes
- Once finalized, the NYISO will return to the NYSRC EC to provide an update on the final design

# Questions?

# 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

