

**Request to Develop or Modify Reliability Rules and Requirements (NYSRC Policy No. 1-11)**  
**Submit request to Herb Schrayshuen (herb@poweradvisorsllc.com) via the NYSRC site [www.nysrc.org](http://www.nysrc.org)**

Item	Information
<b>1. PRR No. &amp; Title of Reliability Rule or Requirement change</b>	<b>PRR 156: Modifications to Enhance Resource Adequacy.</b>
<b>2. Rule Change Requester Information</b>	
Name	<b>Yvonne Huang</b>
Organization	<b>NYISO</b>
<b>3. New rule or revision to existing rule?</b>	Revision to existing rule: A.2: Establishing Load Serving Entity Installed Capacity Requirements.
<b>4. Need for rule change, including advantages and disadvantages</b>	<p>There are four reasons to revise the Reliability Rules A.2:</p> <ol style="list-style-type: none"> <li>1. A.2 is currently structured with annual installed capacity requirements for LSEs which are based on summer peak. With growing winter reliability risks, seasonal adjustment to the capacity requirements may be needed to better reflect reliability risks between the two seasons. In addition, NYISO is developing proposed ICAP Market enhancements to establish seasonal capacity requirements. Accommodating seasonal considerations impacts the general description of A.2, as well as A.2 R1, A.2 R2 and A.2 R2.1</li> <li>2. The requirements under A.2 R3 should be updated for improved alignment with the NYISO's current rules and procedures. In addition, on-going monitoring of Resource Adequacy is already required under other Reliability Rules. Revisions are recommended to better acknowledge existing market processes and outcomes.</li> <li>3. Clarification of A.2 R1.3 is needed to better describe the intended alignment between the Installed Reserve Margin (IRM) and the NYISO's Locational Minimum Installed Capacity Requirements (LCRs) as is reflected in current practices and procedures.</li> <li>4. NYISO has also proposed new rules to update LCRs and downstream capacity market parameters in response to the entry of certain new capacity supply resources with significant impacts on transmission security for Localities. Clarification of A.2 R1.3 is also needed to capture such new requirements.</li> </ol> <p>In summary, revisions to Reliability Rules A.2 are warranted to ensure the rules continue to reinforce and improve the reliability of the evolving NYCA system.</p>
<b>5. Related NYSRC rules</b>	A.2: Establishing Load Serving Entity Installed Capacity Requirements.
<b>6. Section A – Reliability Rule Elements</b>	
1. Reliability Rule	Establishment of Load Serving Entity installed capacity requirements, including locational capacity requirements, for each Capability Year.
2. Associated NERC & NPCC Standards and Criteria	None
3. Applicability	NYISO and LSEs

<b>7. Section B – Requirements</b>	<p>A.2 (Introductory Description)  Load Serving Entity installed capacity requirements, including Locational Capacity Requirements, for <b>the applicable NYISO defined obligation procurement period each Capability Year</b> shall be established.</p> <p>A.2 R1.  The <b>NYISO</b> shall <b>annually</b> establish <b>the appropriate Load Serving Entity (LSE) installed capacity (ICAP) requirements for the NYISO defined obligation procurement period</b>, including <b>Locational Capacity Requirements (LCRs)</b> in accordance with <b>NYSRC</b> rules and <b>NYISO</b> tariffs.</p> <p>A.2 R1.3  The <b>NYISO</b> LCR analysis shall use the <b>GE MARS</b> software, and the study base case inputs such as load and capacity data, and models consistent with that utilized by the <b>NYSRC</b> for its determination of the <b>IRM</b>, as described in Section 3.2 and 3.5 of the <b>NYSRC Policy 5, “Procedure of Establishing NYCA Installed Capacity Requirements.” as starting point inputs for the LCR analysis conducted pursuant to Section 5.11.4 of the NYISO Market Administration and Control Area Services Tariff.</b></p> <p>A.2 R2.  <b>LSEs</b> shall procure sufficient <i>resource capacity</i> for the entire <b>NYISO</b> defined obligation procurement period so as to meet the <b>applicable ICAP requirements and LCRs as established by the NYISO</b> in accordance with R1 requirements and <b>NYISO</b> tariffs so as to meet the statewide <b>IRM</b> requirement determined from Reliability Rule A.1.</p> <p>A2.R2.1  Each <b>LSEs</b> shall certify and maintain its ICAP obligation for <b>the next each NYISO defined obligation procurement period Capability Period, including any LCRs</b>, in accordance with <b>LSE ICAP requirements established by the NYISO</b> tariffs and procedures.</p> <p>A.2 R3.  The <b>NYISO</b> shall <b>notify those LSEs that are determined to be review annually, and report to the NYSRC if any LSEs were found deficient in meeting their ICAP requirements for any of the applicable NYISO defined obligation procurement period during the past Capability Year, including LCRs, for the next Capability Year. This notification shall specify appropriate deficiency charges. The NYSRC shall be immediately notified of such capacity deficiencies</b>, including any measures that may <b>be have been conducted and/or planned to minimize reliability impacts.</b></p>
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<b>8. Section C – Compliance Elements</b>	
1. Measures	<p>M1  The <b>NYISO</b> conducted an annual analysis to establish <b>LSE</b> and <b>Locational Capacity Requirements</b> for the next <b>Capability Year</b> in accordance with R1.1, R1.2, and R1.3 requirements. The procedures used to calculate LCRs were documented in accordance with R1.4 and a report prepared in accordance with R1.5.</p> <p>M2  Each <b>LSE</b> demonstrated that it procured sufficient <i>capacity</i> from <b>Installed Capacity Suppliers</b> to <b>meets its ICAP requirement</b>, in accordance with R2.</p>

	<p>M3</p> <p>The NYISO conducted an annual report on ICAP Spot Market Auction outcomes for the past <i>Capability Year</i>, including deficiencies and associated actions, in accordance with R3. <del>immediately notified the NYSRC that an LSE failed to demonstrate that it meets its ICAP requirement for the next Capability Year, in addition to other requirements specified in R3.</del></p>
2. Levels of Non-Compliance	<p><u>For Measure 1</u></p> <p>Level 1: Not applicable.</p> <p>Level 2: The NYISO report required by R1.5 was incomplete in that it did not meet all requirements specified in the Requirement; or procedures for calculating LCRs were not documented as specified in R1.4.</p> <p>Level 3: Analyses of <i>LSE</i> and <i>locational ICAP requirements</i> violated one or more requirements specified in R1.1 through R1.3.</p> <p>Level 4: The report required by R1.5 describing the analyses of <i>LSE</i> and <i>locational ICAP requirements</i> for the next <i>Capability Year</i> was not provided.</p> <p><u>For Measure 2</u></p> <p>Level 1: Not applicable.</p> <p>Level 2: Not applicable.</p> <p>Level 3: Not applicable.</p> <p>Level 4: One or more LSEs failed to comply with NYISO requirements to demonstrate that it procured sufficient <i>capacity</i> to meet its ICAP obligation, as required by R2.</p> <p><u>For Measure 3</u></p> <p>Level 1: Not applicable.</p> <p>Level 2: Not applicable.</p> <p>Level 3: Not applicable.</p> <p>Level 4: The NYISO did not <del>provide the annual report to the NYSRC notify the NYSRC when an LSE failed to demonstrate that it meets its ICAP requirement for the next Capability Period</del>, as required by R3.</p>
3. Compliance Monitoring Process (See Policy 4):	TBD
3.1 Compliance Monitoring Responsibility	<ul style="list-style-type: none"> <li>• M1: RCMS</li> <li>• M2: NYISO/RCMS</li> <li>• M3: RCMS</li> </ul>
3.2 Reporting Frequency	<ul style="list-style-type: none"> <li>• M1: Annually</li> <li>• M2: Annually</li> <li>• M3: <del>Annually When required</del></li> </ul>
3.3 Compliance Reporting Requirements	<ul style="list-style-type: none"> <li>• M1: In accordance with Annual Compliance Monitoring Program requirements</li> <li>• M2: NYISO Certification of <i>LSE</i> Compliance</li> <li>• M3: <del>NYISO Certification of ICAP Spot Market Auction Outcomes As required</del></li> </ul>
9. Comments	The NYSRC Executive Committee adopted PRR #156 at its meeting on January 14, 2026
10. Date Rule Adopted	January 14, 2026
11. PRR Revision Dates	No revisions have been made
12. Implementation Plan	Effective upon approval.