New York ISO
Independent System Operator

Attachment #4.2

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Seasonal Installed Capacity Requirements

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NYSRC – EC Meeting #331

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Background and Purpose

- Starting with the 2027-2028 Capability Year, the NYISO will use the NYSRC-approved IRM study results to derive the NYCA Winter IRM.
- At its November 3, 2026 meeting, the Installed Capacity Subcommittee (ICS) asked clarifying questions regarding the seasonal capacity procurement requirements, including the calculation of the NYCA Winter IRM and associated Locational Minimum Installed Capacity Requirements (LCRs), that the NYISO will implement starting with the 2027-2028 Capability Year.
- This presentation aims to provide the Executive Committee with an updated status of NYISO's Winter Reliability Capacity Enhancement project and the specific calculation for deriving the NYCA Winter IRM and associated LCRs.

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Overview of the Winter Reliability Capacity Enhancements

- **The Winter Reliability Capacity Enhancements provide Installed Capacity (ICAP) market rules to address ongoing changes to New York's electric grid, including the emergence of near-term winter reliability risks that are projected to increase over the long-term as the New York Control Area (NYCA) transitions to a winter peaking system.**
  - These Services Tariff provisions were accepted by FERC on June 26, 2026 and became effective on June 28, 2026.
- **Consistent with the concept presented at the August 15, 2025 Executive Committee meeting,[1] the FERC-approved market design has three components:**
  - Provide for seasonal NYCA minimum capacity requirements, seasonal transmission security limit (TSL) floor values, and seasonal LCRs,
  - Provide for seasonal election for Unforced Capacity Deliverability Rights (UDRs) and External-to-Rest of State Deliverability Rights (EDRs) with an accompanying must offer requirement consistent with the submitted elections, and
  - Adjust the ICAP Demand Curve to reflect the establishment of seasonal minimum capacity requirements.
- **At the November 4, 2026 ICAP Working Group meeting, the NYISO presented proposed revisions to the ICAP Manual that describe the method for calculating the NYISO-derived NYCA Winter IRM and associated LCRs.[2]**

1. 8/15/2025 NYSRC EC Presentation
2. 11/4/2026 ICAPWG Presentation. See Proposed ICAP Manual Revisions (11/4/2026 ICAPWG Meeting).

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NYCA Winter IRM and LCR Calculation

- **Based on the FERC-approved Winter Reliability Capacity Enhancements, starting with the 2027-2028 Capability Year, the NYSRC-approved NYCA IRM will continue to be used to establish the installed capacity requirements for Summer Capability Periods.**
- **Using the NYSRC-approved NYCA IRM, the NYISO will derive a NYCA Winter IRM from the NYSRC-approved IRM Final Base Case, which will be used to establish the installed capacity requirements for Winter Capability Periods.**
  - (Summer or Winter Modeled ICAP – Removed ICAP to meet 0.1 LOLE) / Summer or Winter Peak Load

    2027-2028 IRM FBC Tan45 Summer: (42,542.1 MW – 1,507.4 MW) / 31,347.4 MW = 30.9%
    2027-2028 IRM FBC Tan45 Winter: (42,004.7 MW – 1,507.4 MW) / 24,803.0 MW = 63.3%
    The ICAP requirements (modeled ICAP – removed ICAP) are 41,034.7 MW for summer and 40,497.3 MW for winter.
  - The IRM study removes the same amount of ICAP year-round to meet 0.1 LOLE. The NYCA Winter IRM calculation will maintain the same "Removed ICAP" MW as used in the NYSRC approved-NYCA IRM calculation. Therefore, consistent installed capacity requirements are maintained for the Winter Capability Periods.
- **The NYISO will calculate winter LCRs using an approach that is consistent with the NYCA Winter IRM calculation.**
  - Separate summer and winter TSL floor values will be developed.
  - The LCR Study will use the more restrictive TSL floor values so that the "Removed ICAP" is consistent across both seasons in the LCR Study.

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LSE Installed Capacity Requirements and Compliance with Reliability Rules

- **Pursuant to the FERC-approved Winter Reliability Capacity Enhancements, starting with the 2027-2028 Capability Year, the NYISO will develop separate Summer and Winter Peak Load Forecast for the Installed Capacity market, similar to the current modeling of the IRM study.**
  - Currently, the NYISO develops a NYCA Peak Load Forecast based on the summer peak, which is used in conjunction with the NYSRC-approved IRM to establish Load Serving Entity (LSE) installed capacity requirements for the Capability Year.
- **Starting with the 2027-2028 Capability Year, the separate Summer and Winter Peak Load Forecast will be used in conjunction with the NYSRC-approved NYCA IRM (for Summer) and the NYCA Winter IRM to determine the seasonal LSE installed capacity requirements.**
  - NYSRC-approved NYCA IRM x Summer NYCA Peak Load Forecast = summer LSE ICAP requirements
  - Derived NYCA Winter IRM x Winter NYCA Peak Load Forecast = winter LSE ICAP requirements
  - This approach is consistent with today's practice, except for the use of separate and corresponding seasonal inputs.
- **Deriving the NYCA Winter IRM from the NYSRC-approved IRM and study base case model and developing seasonal NYCA Peak Load Forecasts is expected to be compliant with the Reliability Rules A.2.**
  - Reliability Rule A.2 was revised as part of the PRR #156, which provides for establishing LSE installed capacity requirements on a seasonal basis.
  - The NYISO expects to provide the first compliance reporting on seasonal installed capacity requirements starting with 2027-2028 Capability Year.

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Questions?

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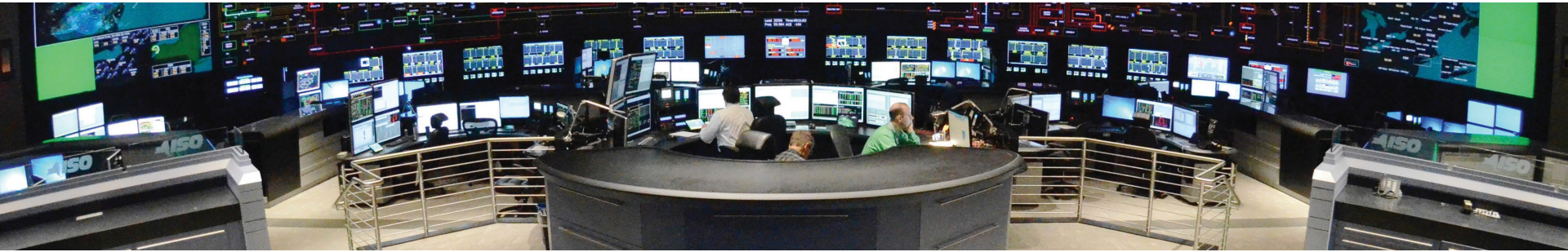
Our Mission and Vision

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



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