

**Agenda Item 4.1: ICS Report to NYSRC Executive Committee (EC)**  
**February 5, 2025, ICS Meeting #300**  
**Prepared for: February 14, 2025, EC Meeting #310**  
**Prepared by: William Gunther (Con Edison)**

**4.1.1 IRM Milestone Schedule – Approval Item**

ICS approved the attached IRM Milestone Schedule with no objections. It is materially the same as the prior year one.

**4.1.2 2025 Whitepaper Scopes**

ICS approved the 2025 whitepaper scopes with no objections. The approved scopes incorporated ICS and EC feedback.

**4.1.3 Fuel Availability Constraints Modeling Phase 2**

NYISO presented a plan for implementing fuel availability constraints (see attachment for additional details).

- Updated firm fuel requirement from ICAP-WG (96 h to 56 h) will be incorporated.
- Study will be finalized by Q2 in time for generators to file firm fuel elections on Aug 1.
- Available oil and gas will be updated annually.

NYISO recommended that ICS does not model firm fuel elections this year and instead use an updated firm fuel estimate.

- The fuel availability capacity market design is still ongoing with NYISO stakeholders.
- Per G. Jordan, the IRM model's primary goal is to determine system reliability and fuel availability should be modeled based on what is reasonably expected to be available.
- Historic firm fuel surveys are a reasonable estimate for aggregate fuel availability.
- Generators can have firm fuel available even if they do not elect firm on Aug 1.
- M. Mager expressed that there has been confusion among stakeholders due to the uncertainty of market design implementation and fuel constraints assumptions to the IRM model and that stability is desired.
- Keeping the firm fuel assumption static between the PBC and FBC provides stability.
- NYISO will bring updated firm fuel recommendations to the next ICS meeting.
- As time progresses, modeling assumptions and elections will converge as more historical data is gathered.
- Future implementation cycles can incorporate elections and introduce a market/reliability model feedback loop.

M. Younger strongly disagreed with NYISO's recommendation to exclude generator elections in the base case because:

- The feedback loop that is fundamental to market design is removed.
- At high firm fuel availability, the non-firm CAF is not significantly below the firm CAF. Given there are obligations to electing firm, the market result is that few will choose firm.
- NYISO will not have assurance of firm fuel assumed in the model.
- The prior 11,000 MW available oil estimate included units that do not meet the definition of firm.
- The IRM study must use the same firm fuel standard as the NYISO Ops Dept.
- If firm fuel elections fall below expectations, NYISO can delay implementation of the market construct.
- The election issue should be addressed at a higher level than ICS.

Several stakeholders requested that more detail underlying NYISO firm fuel estimates be provided and R. Bolbrock suggested a subgroup of the EC investigate the issue.

- R. Bolbrock suggested compiling questions for NYISO.
- Y. Huang indicated the 11,000 MW available oil estimate came from a fuel survey in the phase 1 whitepaper and would be updated.

**4.1.4 Tan 45 Methodology Review: Thermal Shifting**

NYISO presented the Tan 45 impact of shifting capacity based on average thermal rather than zonal average EFORD.

- EC members suggested this approach, which is consistent with State goal to phase out fossil generation.
- 2025-2026 FBC and 2024-2025 FBC + 9000 MW OSW case from 2024 Tan45 testing were examined.
- The low point of Tan 45 curve significantly changed but there was limited impact on the IRM and LCR values.
- Thermal shifting is not a standalone fix for the Tan45 under changing system dynamics.

- Y. Huang suggested that a tradeoff concept could be maintained even while the specific Tan 45 tradeoff ceases to work. With transmission limitations, there will always be locational needs and tradeoffs.
- Recent delays to OSW permitting may push back when the Tan 45 process fails while transmission, e.g., LI PPTN may exert the opposite impact.
- The 2006 seminal study on the Tan 45 method is available at the link below.<sup>1</sup>

#### **4.1.5 2026-2027 Assumptions Matrix v0.0**

NYISO presented the assumptions matrix template shifting the 2025-2026 values to the prior year column.

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<sup>1</sup> [https://www.nyiso.com/documents/20142/1398547/RAITF\\_tan45\\_vs\\_FFE\\_080106.pdf/49a8db5c-0cce-7aaa-7dc8-ad1abcf5eae8](https://www.nyiso.com/documents/20142/1398547/RAITF_tan45_vs_FFE_080106.pdf/49a8db5c-0cce-7aaa-7dc8-ad1abcf5eae8)