New York ISO
Independent System Operator

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Via Electronic Portal

October 20, 2025

Honorable Michelle L. Phillips
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza
Agency Building 3
Albany, New York 12223-1350
Email: secretary@dps.ny.gov

Re: Case 15-E-0302 – Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard

Dear Secretary Phillips:

The New York Independent System Operator, Inc. submits comments for consideration in response to the notice of proposed rulemaking published on August 20, 2025, regarding the compensation methodology for zero-emissions nuclear generation resources.

Respectfully submitted,

/s/ James H. Sweeney
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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Rensselaer, NY this 20th day of October 2025.

/s/ Alexander Morse

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 15-E-0302 - Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard

COMMENTS OF THE NEW YORK INDEPENDENT SYSTEM OPERATOR, INC. IN RESPONSE TO THE JULY 31, 2025 DEPARTMENT OF PUBLIC SERVICE STAFF ZERO-EMISSIONS CREDIT PROGRAM EXTENSION PROPOSAL

The New York Independent System Operator, Inc. ("NYISO") respectfully submits these comments in response to the Department of Public Service Staff Zero-Emissions Credit Program Extension Proposal ("Proposal") issued on July 31, 2025.[1] The NYISO commends the Public Service Commission ("PSC") for undertaking this effort to consider retaining the State's existing fleet of nuclear generation resources, *i.e.*, the four nuclear power reactors currently operating in Upstate New York. Nuclear generation resources are a fundamental component of the current and future electric generation mix in New York State. The existing fleet of four nuclear generation resources must remain operational to avoid resource adequacy shortfalls and other electric system reliability issues.[2]

The electric grid is at an inflection point, driven by the convergence of three structural trends: the aging of the existing generation fleet, the rapid growth of large loads, and the increasing difficulty of developing new dispatchable resources. As older conventional plants deactivate, the system loses firm capacity and operational flexibility, jeopardizing reliability

[1] Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Department of Public Service Staff Zero-Emissions Credit Program Extension Proposal, July 31, 2025.

[2] While the NYISO strongly supports the proposal to maintain the existing nuclear fleet for electric system reliability and progress towards the GHG reduction goals, the NYISO takes no position on the projected costs for ZEC 2.0 or the ZEC price for ZEC 2.0 contracts.

margins, and resource adequacy. Resource adequacy is the cornerstone of electric system reliability, ensuring sufficient capacity is available to meet demand under a wide range of conditions, including peak load, weather variability, and unexpected outages. The issue is not simply one of quantity of capacity, but also of quality, timing, and location of those resources' ability to serve load. The system needs resources that can perform reliably during periods of high net load, low intermittent output, and extreme weather. Existing nuclear generation resources, in addition to being emissions-free, provide reliable, continuous, and predictable electricity.

The NYISO offers these comments to highlight the importance of maintaining the existing fleet of nuclear generation resources as contemplated in the Proposal and as discussed in the Draft New York State Energy Plan ("Draft Plan").[3] The Draft Plan recommends to:

> Continue the ongoing evaluation of the extension of the ZEC program and conclude this evaluation prior to any federal relicensing application deadlines, to ensure the continued operation of the existing nuclear fleet to contribute to climate goals and help maintain fuel diversity and fuel security.[4]

Nuclear resources are a critical component of fuel diversity and fuel security in New York as nuclear generation provides more than one-fifth of the annual electricity produced in New York, and such resources must remain operational to protect electric system reliability.[5]

[3] The Draft Plan as approved for public comment by the State Energy Planning Board is available at https://energyplan.ny.gov/Plans/Draft-2025-Energy-Plan.

[4] *See* Section 5.1.3 of the Summary for Policymakers at p. 42, Draft New York State Energy Plan, July 2025 ("Summary for Policymakers").

[5] *See* Section 5.1.3 of the Summary for Policymakers at p. 42 ("Nuclear energy provided 22 percent of in-state bulk electrical generation in 2023"). *See also* 2025 Power Trends, The New York ISO Annual Grid and Markets Report, at p. 45 (In 2024, Nuclear generation contributed 21 percent of the total NYCA Energy production.).

COMMENTS

Reliability margins are eroding as traditional fossil-fuel-based generation deactivates in response to decarbonization goals and tighter emissions regulations, without comparable replacement resources coming online. Robust reliability margins enable the electric system to meet peak demand, respond to sudden disturbances, and avoid outages. As these margins narrow, consumers face greater risk of large-scale electricity outages if resources are unavailable to meet demand or to provide the services necessary to keep the entire electric system operational.

Large energy-intensive economic development projects are driving up demand for electricity. Over the last decade, annual electricity demand growth in New York has been relatively flat as energy efficiency programs counterbalanced an increase in demand from homes and businesses across the state. Now, large energy-intensive projects, such as microchip fabrication and data centers, are projected to be major drivers of load growth, in addition to the electrification of the building and transportation sectors.

One critical step to maintaining electric system reliability is to retain the four existing nuclear power reactors currently operating in Upstate New York.

Nuclear Generation is Critical to Protecting Electric System Reliability and Meeting the Demands of New Yorkers

Nuclear generators provide reliable, continuous, predictable, emissions-free supply and must remain online to maintain electric system reliability. The existing fleet of nuclear-powered generation provides significant contributions to meeting statewide resource adequacy requirements under practically all system conditions.[6] "As an emissions-free source of baseload

[6] In general, nuclear generation resources are available during extreme weather events, including prolonged hot or cold extreme weather when other types of resources may not be available.

electric power, New York's current nuclear power plants continue to play an important role both in the ongoing process to decarbonize New York's electricity supply and in maintaining grid stability."[7] The four nuclear generators in upstate New York account for 9% of total statewide installed capacity with a combined nameplate capability of over 3,500 MW and supplied 21% of the energy produced in the state in 2024.[8]

Nuclear resources can operate at a high annual capacity factor, produce significant amounts of power most of the time, and have the lowest outage rates among New York's diverse fleet of generators. These resources provide predictability for NYISO grid operators who must balance load with supply to meet demand as it fluctuates. The licenses for three of the four nuclear units in New York are scheduled to expire before 2035. The NYISO's 2025-2034 Comprehensive Reliability Plan ("CRP") will include an assessment of the potential impact to reliability if the nuclear resources are not relicensed. The NYISO is actively tracking the relicensing process for these critical resources and will continue to report on the status of these resources through the reliability planning process. In the event that licenses are not renewed for these nuclear resources, reliability margin deficiencies would be expected within one year of the loss of these resources.[9]

In addition to the significant capacity and energy contribution from these nuclear units, the NYISO's System & Resource Outlook also identified that the ability to transfer power across the state (*i.e.*, over the Central East interface) depends on the reliability attributes currently

[7] *See* Section 2.1 of the Nuclear Chapter at p. 5, Draft New York State Energy Plan, July 2025 ("Nuclear Chapter").

[8] *See* the NYISO's Draft 2025-2034 Comprehensive Reliability Plan ("CRP") at p. 43 available at https://www.nyiso.com/documents/20142/54426374/11b_Draft_2025-2034-Comprehensive-Reliability-Plan_OC.pdf/603bab0b-0ec6-ea9e-9786-cd089105843e. *See also* Comments of the New York Independent System Operator on the Draft State Energy Plan at pp. 12-13.

[9] *See* the NYISO's Draft CRP at p. 43. The final 2025-2034 CRP will be released later this year.

provided by three nuclear and four fossil-fuel generators surrounding the transmission path. Without the dynamic voltage support services of these key resources the electric system could not transmit power generated by emission-free resources in Western NY to serve load statewide.[10]

The Draft Plan and the Proposal both support continuing the ZEC program "to ensure the continued operation of the existing nuclear fleet to contribute to climate goals and help maintain fuel diversity and fuel security."[11] Nuclear resources are a critical component of fuel diversity and fuel security in New York as nuclear generation provides more than one-fifth of the annual electricity produced in New York.[12] The reliability attributes and overall energy production that nuclear resources provide to the electric system unquestionably demonstrate the need for these resources to remain available in New York.

[10] *See* 2023-2042 System & Resource Outlook ("The Outlook"), A Report of the New York Independent System Operator, July 23, 2024, at pp. 62-65.

[11] *See* Section 5.1.3 of the Summary for Policymakers at p. 42.

[12] *See* Section 5.1.3 of the Summary for Policymakers at p. 42 ("Nuclear energy provided 22 percent of in-state bulk electrical generation in 2023"). *See also* 2025 Power Trends, The New York ISO Annual Grid and Markets Report, at p. 45 (In 2024, Nuclear generation contributed 21 percent of the total NYCA Energy production.).

CONCLUSION

The NYISO appreciates the PSC's consideration of these comments and looks forward to working with the PSC, DPS Staff, and NYSERDA to protect electric system reliability for all New Yorkers throughout the transitions envisioned by the CLCPA.

Sincerely,

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