

CAISO Capacity Data Update

Data Product Name Change: MTR becomes “New Build BESS: 10 Year Tenor”

Product Update: CAISO MTR Data Change

Noreva has changed its naming convention for CAISO capacity product “MTR” (Mid-Term Reliability) to “New Build BESS: 10-year tenor” to account for evolutions in underlying market practices.

As part of Noreva’s ongoing commitment to maintaining alignment with market practices and trading activity, naming conventions will occasionally change to reflect changes in the underlying market. While sometimes data adjustments and methodological changes may be required, in this case the product will remain the same except for the label on the data hub and associated files, products and insight reports.

CAISO’s proposal to move from a order-by-order procurement requirement to a principles-based programmatic market construct for reliability and clean energy procurement has crystallised the existing market practice of using new build battery energy storage system capacity with a ten-year tenor to meet the market construct previously known as “mid-term reliability.”

This note explains the background for Noreva’s renaming of its MTR capacity data product in CAISO to “New Build BESS: 10-year tenor.” Any questions not answered in this note may be directed to research@noreva.ai

Why the label was changed

The Noreva pricing library previously labeled a product as “MTR,” reflecting its eligibility under the Mid-Term Reliability procurement framework. However, the underlying product being tracked was the traded price of new-build battery storage (BESS) under 10-year contracts, not a generic regulatory construct.

Over time, continuing to refer to these contracts as “MTR” created ambiguity, as the label referenced a specific regulatory framework rather than the underlying market instrument.

In addition, the MTR program is scheduled to sunset in 2028, making the designation less durable going forward. To eliminate confusion, we have updated the label to reflect the actual asset and contract tenor being tracked.

From “contributions” to contract

The Mid-Term Reliability framework was a compliance-driven procurement structure that required load-serving entities to secure qualifying capacity resources. It defined procurement obligations in terms of accredited reliability contributions rather than standardized forward contracts.

In practice, a significant portion of compliance was satisfied through new-build battery storage contracts. Our historical series tracked the traded pricing of 10-year contracts. While those transactions qualified under that framework, the product itself was a 10-year new-build BESS contract. Continuing to use “MTR” as the product label could create confusion between a regulatory program and the underlying market instrument.

Forward Procurement

California’s reliability procurement framework continues to evolve as the state responds to new electricity demand from data centers, electric vehicle adoption, and building electrification.

In a recent decision, the California Public Utilities Commission ordered approximately 6 GW of new capacity to support expected load growth and maintain system reliability. The procurement order emphasizes the need for forward development of reliable capacity resources and provides flexibility in the types of technologies that may satisfy the requirement. While the initial proposal considered limiting the share of energy storage, the final decision removed this restriction and instead requires that at least a portion of the new capacity come from long-duration storage or other clean, firm resources.

Within this framework, new-build battery energy storage projects contracted under long-term agreements remain well positioned to contribute to reliability needs by providing dispatchable capacity and support the state's broader clean energy objectives. As a result, the New Build BESS: 10 Year Tenor product continues to reflect a market instrument that aligns with the types of resources being developed to meet California's forward capacity procurement requirements.

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