

186 FERC ¶ 61,188
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

March 19, 2024

In Reply Refer To:
New York Independent System
Operator, Inc.
Docket No. ER24-951-000

New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144

Attention: Sara B. Keegan
Counsel for New York Independent System Operator, Inc.

Dear Sara Keegan:

1. On January 19, 2024, the New York Independent System Operator, Inc. (NYISO), pursuant to section 205 of the Federal Power Act (FPA),¹ and Part 35 of the Commission's regulations,² submitted proposed revisions to its Open Access Transmission Tariff (OATT) to enhance the coordination of its Class Year Interconnection Facilities Study (Class Year Study)³ and Large Facility Interconnection Procedures (LFIP) in Attachment X of the OATT⁴ with the facilities study for Transmission Projects under the Transmission

¹ 16 U.S.C. § 824d.

² 18 C.F.R. pt. 35 (2023).

³ Capitalized terms used but not otherwise defined in this order have the meanings ascribed to them in the NYISO OATT.

⁴ NYISO states that the Class Year Study is the final study in the LFIP, which studies the collective impact of a cluster of projects that have satisfied the Class Year Study entry requirements. Transmittal Letter at 3.

Interconnection Procedures (TIP) in Attachment P of the OATT. NYISO also filed proposed revisions to the Base Case⁵ inclusion rules in the Small Generator Interconnection Procedures (SGIP) in Attachment Z of the OATT and for generating facilities that are not subject to NYISO's interconnection procedures. As discussed below, we accept the proposed tariff revisions, effective March 20, 2024, as requested.

2. NYISO states that the proposed revisions to the LFIP and TIP will reduce the potential that Transmission Projects being studied under the TIP may be evaluated in isolation from interconnection requests being studied in the LFIP.⁶ NYISO explains that the Class Year Study is a clustered facilities study for Large Facilities and certain Small Generating Facilities⁷ that identifies and allocates the costs of the upgrade facilities needed to reliably interconnect all of the projects in a Class Year.⁸ NYISO states that Attachment P of the OATT contains the procedures for processing the interconnection of Transmission Projects, with the exception of Class Year Transmission Projects or a project contained in a Local Transmission Owner Plan that is not subject to the NYISO's competitive selection process under the OATT.

3. NYISO states that, due to the separate study processes, it is possible for projects to proceed in the Class Year Study without accounting for the impact of Transmission Projects being studied under the TIP.⁹ Similarly, NYISO states that the TIP Facilities Study may not reflect the Class Year Projects. NYISO states that it has worked to address these issues on a case-by-case basis, as such projects could directly impact each other or result in the need for upgrades that will not be addressed because of the

⁵ Attachment S of the NYISO OATT uses "Existing System Representation" or "Annual Transmission Baseline Assessment" to refer to the baseline case used to evaluate the addition of the proposed interconnections. Attachments P and Z use the term "Base Case" to refer to the baseline case used for the various studies. NYISO states that for the purpose of its filing, the terms, "Existing System Representation" and "Base Case," may be used interchangeably. *Id.* at 1, n.4.

⁶ *Id.* at 1.

⁷ *Id.* at 4, n. 13. Under the current inclusion rules, Small Generating Facilities that are Class Year Projects are included in the Existing System Representation once they accept their cost allocation and post security. *Id.* at 11.

⁸ *Id.* at 4.

⁹ *Id.* at 5.

timing of when a study starts and/or because the studies are progressing in parallel. NYISO states that the likelihood of this occurrence has increased because of the influx of interconnection requests entering the NYISO interconnection queue.

4. NYISO states that, to reduce the occurrence of the processes not fully accounting for each other, the proposed tariff revisions seek to achieve two main objectives: (1) clarifying and enhancing the coordination of interconnection studies for Transmission Projects and Class Year Projects; and (2) further enhancing the Base Case inclusion rules for interconnection studies across the processes.¹⁰ NYISO explains that the proposed new process would require NYISO, at the start of a TIP Facilities Study, to evaluate whether there are any potential interactions between the proposed Transmission Project and any Class Year Projects in an ongoing Class Year Study.

5. NYISO states that the proposed revisions to Attachment P of the NYISO OATT detail the process by which any interaction among a Transmission Project and a Class Year Project, or Class Year Projects, in an ongoing Class Year will be handled in the TIP Facilities Study.¹¹ NYISO explains that, if an interaction is identified, NYISO will perform the standard studies under the TIP against the Base Case and will also perform applicable sensitivities during the TIP Facilities Study to account for the identified Class Year Projects and their System Upgrade Facilities/System Deliverability Upgrades. NYISO explains that, because it is unknown during the TIP Facilities Study which Class Year Projects will accept their cost allocation and move forward, NYISO will perform each sensitivity on a Base Case that is revised to reflect a specific combination of the Class Year Projects that interact with the proposed Transmission Project. NYISO further explains that, once the interconnection customers have accepted or rejected the Class Year Project allocations and posted the required security, NYISO will perform a “true-up” evaluation of the TIP Facilities Study and update the already-identified Network Upgrade Facilities or identify any new Network Upgrade Facilities based on the results of the Class Year Study and issue a Facilities Study report to the transmission developer.

6. NYISO also proposes to change the security posting requirements for Transmission Projects, including the timing and process for a transmission developer to post security and the details of the forfeiture of any such security.¹² NYISO states that, under the current process, a transmission developer is required to post security following execution of a

¹⁰ *Id.* at 6.

¹¹ *Id.* at 7.

¹² *Id.* at 8-9.

Transmission Project Interconnection Agreement. NYISO states that, under the proposed process, the transmission developer will be required to post security following the identification of the Network Upgrade Facilities and NYISO's issuance of the final TIP Facilities Study report before executing a Transmission Project Interconnection Agreement. NYISO explains that this change in timing will reduce the potential need for restudy. NYISO adds that, as discussed below, a Transmission Project that accepts its cost allocation and posts security will be included in the Existing System Representation for the next Class Year Study.

7. NYISO states that the proposed revisions will also update the inclusion rules for the Existing System Representation used in NYISO's transmission expansion and interconnection studies. NYISO states that changes to the inclusion rules will apply to Transmission Projects studied under the TIP, Small Generating Facilities that are not studied in the Class Year Study, and proposed generating facilities that are studied outside of NYISO's interconnection procedures.¹³ NYISO explains that the proposed revisions remove the requirement for Transmission Projects to have a determination pursuant to Article VII of New York Public Service Law before being included in the Existing System Representation for the Class Year Study.¹⁴ NYISO states that, because of the greater level of certainty provided by NYISO's selection of a Transmission Project in NYISO's competitive selection process, as well as the revisions to the security posting requirements for Transmission Projects not selected by NYISO, the Article VII determination is no longer a necessary prerequisite for Transmission Projects to be included in the Existing System Representation.

8. NYISO further explains that the proposed revisions change the inclusion rules for Small Generating Facilities that are not studied in the Class Year Study.¹⁵ NYISO states that those rules currently provide that such facilities are added to the Existing System Representation once they execute a facilities study agreement under the SGIP. NYISO explains that the proposed revisions to Attachment Z of the NYISO OATT would adjust the rules governing the timing of the posting of security by Small Generating Facilities to increase the likelihood that they are ready and will move forward following the completion of the facilities study. Under the new process, NYISO states that developers of Small Generating Facilities will have 30 days following the issuance of the final SGIP facilities study report to notify NYISO whether it accepts the cost allocation for the System Upgrade Facilities identified in the report, and five business days from the date of that notice to post security. NYISO states that the proposed revisions adjust the inclusion rules to be based

¹³ *Id.* at 10.

¹⁴ *Id.*

¹⁵ *Id.* at 11.

on the posting of security, similar to the rules associated with Large Facilities. Once the developer of a Small Generating Facility notifies NYISO that it accepts its cost allocation and posts security, the facility would be included in the Existing System Representation for future interconnection studies.¹⁶ The proposed revisions also add details on the forfeiture of any such security.

9. NYISO states that the proposed revisions would also add a specific Base Case inclusion rule for generating facilities that are studied through the New York State's Standardized Interconnection Requirements (NYSSIR) or through a Connecting Transmission Owner's distribution-level interconnection processes, and not subject to NYISO's interconnection procedures.¹⁷ NYISO explains that such facilities will be included in the Existing System Representation where they have been "identified as firm in accordance with ISO Procedures."¹⁸ NYISO states that the applicable Connecting Transmission Owner will provide the criteria that it uses in determining whether it considers a distribution-level generating facility that was studied through the NYSSIR or its individual interconnection procedures to be a part of its system representation. NYISO states that it will reference the Connecting Transmission Owners' criteria through NYISO procedures.

10. NYISO adds that, to improve clarity, the proposed revisions to Attachment Z of the NYISO OATT specify that studies performed under the SGIP will use the current Base Case that is being used by the ongoing Class Year Interconnection Study.¹⁹ NYISO explains that, while this clarification does not result in any substantive change to the NYISO's administration of studies under the SGIP, the explicit language improves the ease of access for Interconnection Customers seeking to interconnect a Small Generating Facility.²⁰ NYISO states that it is proposing another clarification to the definition of "Base Case" to reference the rules set forth in section 25.5.5.1 of Attachment S of the NYISO OATT.

11. Finally, NYISO proposes certain ministerial corrections.²¹

¹⁶ *Id.* at 12.

¹⁷ *Id.* at 13.

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.* at 13-14.

²¹ *Id.* at 14.

12. Notice of NYISO's filing was published in the *Federal Register*, 89 Fed. Reg. 4937 (Jan. 25, 2024), with interventions and protests due on or before February 9, 2024. Calpine Corporation and New York Transmission Owners²² filed timely motions to intervene. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2023), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

13. The Commission applies an independent entity variation standard to evaluate regional transmission organization and independent system operator proposals for deviations from the Commission's *pro forma* LGIP and SGIP requirements established in Order Nos. 2003,²³ 845,²⁴ 2006,²⁵ and 2023.²⁶ Under the independent entity variation standard, NYISO must demonstrate that its proposed variations are just and reasonable

²² The New York Transmission Owners are: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Power Authority, New York Power Authority, New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

²³ *Standardization of Generator Interconnection Agreements & Procs.*, Order No. 2003, 104 FERC ¶ 61,103, at P 825 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

²⁴ *See Reform of Generator Interconnection Procs. & Agreements*, Order No. 845, 163 FERC ¶ 61,043, at P 43 (2018), *errata notice*, 167 FERC ¶ 61,123, *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137 (2019), *errata notice*, 167 FERC ¶ 61,124, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

²⁵ *Standardization of Small Generator Interconnection Agreements & Procs.*, Order No. 2006, 111 FERC ¶ 61,220, *order on reh'g*, Order No. 2006-A, 113 FERC ¶ 61,195 (2005), *order granting clarification*, Order No. 2006-B, 116 FERC ¶ 61,046 (2006).

²⁶ *Improvements to Generator Interconnection Procs. & Agreements*, Order No. 2023, 184 FERC ¶ 61,054, at P 1764 & n.3, 345 (2023). We note that, because the proposed tariff revisions were filed after the November 6, 2023 effective date of Order No. 2023, NYISO's proposed revisions in Attachment X of the OATT (LFIP) and in Attachment Z of the OATT (SGIP) are reviewed here under the independent entity variation standard with respect to the Order No. 2023. *See* Order No. 2023, 184 FERC ¶ 61,054 at P 1769 (explaining that Order No. 2023 is effective 60 days after publication in the Federal Register); 88 Fed. Reg. 61,104 (Sept. 6, 2023).

and not unduly discriminatory or preferential and accomplish the purposes of, as relevant here, Order No. 2023.²⁷ We find that NYISO's proposed deviations from the *pro forma* LGIP in Attachment X of the OATT and SGIP in Attachment Z of the OATT are just and reasonable and meet the independent entity variation standard because we find that they would accomplish the purposes of Order No. 2023 by improving the efficiency of NYISO's interconnection request process and the accuracy of the models used in NYISO's interconnection studies.²⁸ This will contribute to increasing the overall efficiency of the interconnection process, which will help ensure that interconnection customers are able to interconnect to the transmission system in a reliable, efficient, transparent, and timely manner.

14. We find NYISO's proposed TIP revisions in Attachment P of the OATT are just and reasonable. We agree with NYISO that the proposed TIP tariff revisions will enhance the coordination of NYISO's Class Year Study and the TIP Facilities Study processes. We also find that the proposed TIP tariff revisions will enable the studies under NYISO's transmission expansion and interconnection processes to evaluate the collective impact of various types of interconnection requests and further increase the clarity of the rules for establishing the Existing System Representation for each study.

15. For these reasons, we accept NYISO's proposed revisions, effective March 20, 2024, as requested.

By direction of the Commission.

Debbie-Anne A. Reese,
Acting Secretary.

²⁷ See, e.g., *Sw. Power Pool, Inc.*, 183 FERC ¶ 61,215, at P 30 (2023) ("Under the independent entity variation standard, SPP must demonstrate that its proposed variations are just and reasonable and not unduly discriminatory or preferential, and accomplish the purposes of the Commission's rulemakings establishing the *pro forma* generator interconnection procedures and agreements . . .").

²⁸ Order No. 2023, 184 FERC ¶ 61,054 at P 1. NYISO states that the tariff provisions proposed in the filing complement the compliance tariff revisions NYISO will propose in its future compliance filing under Order No. 2023. Transmittal Letter at 3. The Commission will address NYISO's compliance with Order No. 2023 when that filing is made.

