

# Attachment I

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

**Question 1**

*Proposed section 31.1.8.7, Attachment Y states:*

*With the exception of the deadlines set forth in a development agreement entered into pursuant to this Attachment Y, the ISO may extend, at its discretion, a deadline applicable to another party under this Attachment Y for a reasonable period of time if the extension: (i) is applied equally to all parties that are required to meet the deadline, and (ii) will not result in a reliability violation.*

***Question 1(a):*** *Please list each deadline to which this provision would apply. For each applicable deadline, cite the Attachment Y provision that governs the deadline.*

**NYISO Response:**

The NYISO proposes in new Section 31.1.8.7 of its Open Access Transmission Tariff (“OATT”) to permit it, in its reasonable discretion, to extend the deadlines in Attachment Y applicable to other parties, except for those deadlines contained in a development agreement.<sup>1</sup> The purpose of this provision is to prevent the NYISO from having to disqualify or otherwise disadvantage a meritorious project in its process based on minor, acceptable delays or to impose an unnecessary burden on the Commission to address such delays through multiple waiver requests. Appendix A to this response sets forth the deadlines in Attachment Y applicable to parties other than the NYISO to which the proposed Section 31.1.8.7 would apply.

***Question 1(b):*** *Please explain how the extension of each deadline would be applied equally to all parties that are required to meet the deadline and how these parties would be notified of the extension.*

**NYISO Response:**

If the NYISO were to extend a deadline in Attachment Y pursuant to Section 31.1.8.7, the extension would apply equally to all similarly situated parties that are subject to that deadline, including all Developers,<sup>2</sup> whether incumbent transmission owners or new entrant transmission developers. For example, Section 31.4.4.3.1 of Attachment Y requires that the Developer of a proposed Public Policy Transmission Project or Other Public Policy Project submit its project information within sixty days of the NYISO’s request for solutions. If, for a given planning cycle, the NYISO were to extend this sixty-day deadline by fifteen days to

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<sup>1</sup> Section references included in the NYISO’s responses shall be to its Open Access Transmission Tariff, unless otherwise indicated.

<sup>2</sup> Except as otherwise indicated in the NYISO’s responses, the term “Developer” refers to both a Transmission Owner Developer and a non-Transmission Owner Developer sponsoring or proposing a project solution to Public Policy Transmission Needs. Capitalized terms that are not defined in the NYISO’s responses shall have the meaning specified in Attachment Y of the NYISO OATT or in the proposed revisions in the June 29, 2015, filing in this proceeding, and if not defined therein, in the NYISO OATT and the NYISO Market Administration and Control Area Services Tariff.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

provide for additional time for Developers to submit their project information, all Developers proposing a project would have the additional fifteen days to submit their information.

Following the NYISO's current practice for providing notices to all interested parties in its transmission planning processes, the NYISO would provide written notification of the deadline extension to all Developers, all stakeholders, and interested parties: (i) by submitting an e-mail to each Developer, and (ii) by posting notices to its Transmission Planning Advisory Subcommittee and Electric System Planning Working Groups lists and to its tie list, which covers all Market Participants and all interested parties that have signed up to receive NYISO notifications.

***Question 1(c):** Please explain to whom “another party” refers and explain which types of development agreements are subject to this provision. Please indicate whether NYISO intends to provide extensions for deadlines set forth in a development agreement entered into pursuant to Attachment Y.*

NYISO Response:

The term “another party” as used in Section 31.1.8.7 means any party other than the NYISO that is subject to a deadline in Attachment Y of the OATT, including all incumbent Transmission Owners and non-incumbent transmission Developers.<sup>3</sup>

Attachment Y of the OATT does not currently contain a development agreement. However, as directed by the Commission, the NYISO has filed a proposed development agreement for its reliability planning process to be located in Appendix C of Section 31.7 of Attachment Y, which filing is currently pending at the Commission.<sup>4</sup> In addition, as described in the NYISO's June 29, 2015, filing letter in this proceeding, the NYISO is also developing a similar development agreement for its Public Policy Transmission Planning Process for consideration by its stakeholders and filing with the Commission.

The proposed Section 31.1.8.7 explicitly precludes the NYISO from extending a deadline in these development agreements (*i.e.*, “With the exception of the deadlines set forth in a development agreement entered into pursuant to this Attachment Y . . .”). The NYISO inserted this language at stakeholders' behest to confirm that the NYISO would not be amending the terms of a development agreement that is executed by the NYISO and the Developer through this provision. Rather, the extension of deadlines contained in a development agreement are subject to the terms of the development agreement itself.

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<sup>3</sup> The deadlines applicable to the NYISO in Attachment Y are addressed in proposed Section 31.1.8.6, which provides for the NYISO to use Reasonable Efforts to satisfy deadlines applicable to the NYISO.

<sup>4</sup> See *New York Independent System Operator, Inc. and New York Transmission Owners*, Compliance Filing, Docket No. ER13-102-007 (May 18, 2015).

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

**Question 2**

*In Order No. 1000, the Commission required each public utility transmission provider to amend its OATT to describe a transparent and not unduly discriminatory process for evaluating whether to select a proposed transmission facility in the regional transmission plan for purposes of cost allocation.<sup>5</sup> Order No. 1000 required the public utility transmission providers in a transmission planning region to use the same process to evaluate a new transmission facility proposed by a nonincumbent transmission developer as it does for a transmission facility proposed by an incumbent transmission developer. Further, Order No. 1000 required public utility transmission providers to both explain and justify the nondiscriminatory evaluation process proposed in their compliance filings.<sup>6</sup> You indicate that NYISO proposes to insert certain interconnection and transmission expansion milestones within the Public Policy Process requirements in Attachment Y.*

*Please demonstrate how NYISO's proposal to insert certain interconnection and transmission expansion milestones within the Public Policy Process requirements is consistent with these requirements of Order No. 1000.*

**NYISO Response:**

The Commission has accepted in large measure the NYISO's Public Policy Transmission Planning Process ("Public Policy Process") as compliant with Order No. 1000.<sup>7</sup> The Public Policy Process requirements located in Section 31.4 of Attachment Y of the OATT establish a transparent and non-discriminatory process by which the NYISO evaluates transmission facilities proposed by incumbent Transmission Owners and non-incumbent Developers for purposes of selecting the more efficient or cost-effective solution to a Public Policy Transmission Need. The NYISO's compliance with Order No. 1000 did not alter its long-standing, Commission-accepted transmission expansion and interconnection processes, which establish the requirements for the reliable expansion or addition of a transmission facility on the New York State Transmission System.

The NYISO's proposed revisions to Section 31.4 in this proceeding also do not alter its existing transmission expansion and interconnection processes. Rather, as described below, the NYISO proposes to insert basic milestones in its Public Policy Process that reflect existing transmission expansion and interconnection milestones to ensure that each Developer's project

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<sup>5</sup> Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 328.

<sup>6</sup> Order No. 1000-A, 139 FERC ¶ 61,132 at P 268.

<sup>7</sup> The Commission has accepted in large measure the NYISO's Comprehensive System Planning Process as compliant with Order No. 1000. *See New York Independent System Operator, Inc.*, Order on Compliance Filing, 143 FERC ¶ 61,059 (2013), Order on Rehearing and Compliance, 148 FERC ¶ 61,044 (2014), Order on Rehearing and Compliance, 151 FERC ¶ 61,040 (2015). In its latest order in the NYISO's Order No. 1000 proceeding, the Commission directed the NYISO to file a *pro forma* development agreement for its reliability planning process and to make a small number of additional tariff revisions that are not related to the NYISO's transmission expansion or interconnection processes.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

will proceed in the transmission expansion or interconnection process, as applicable, in parallel with the Public Policy Process. The proposed revisions establish comparable requirements for incumbent Transmission Owners and non-incumbent Developers that maintain a non-discriminatory evaluation process and set forth a low threshold for any Developer to satisfy. As described below, the Developer need only provide its request to begin the applicable transmission expansion or interconnection process for its proposed project no later than when it submits its proposed project in the Public Policy Process. In addition, before its project can be evaluated for purposes of the NYISO's selection of a transmission solution in the Public Policy Process, the Developer must have executed the agreement for the performance of only its first transmission expansion or interconnection study.<sup>8</sup>

i. NYISO's Existing Transmission Expansion and Interconnection Requirements for Transmission Facilities

The NYISO's proposed tariff revisions reflect the NYISO's existing transmission expansion and interconnection requirements. The NYISO's OATT contains two distinct, long-standing processes for the reliable expansion or addition of a transmission facility on the New York State Transmission System – (1) the transmission expansion process set forth in Sections 3.7 and 4.5 of the OATT; and (2) the interconnection process set forth in Attachment X of the OATT.

The NYISO's transmission expansion process located in Sections 3.7 and 4.5 of the OATT has been a part of the NYISO's OATT since its start-up.<sup>9</sup> This process is used for proposals by Eligible Customers, including the New York Transmission Owners, to expand or reinforce the New York State Transmission System. This process provides for a System Impact Study ("SIS") and a Facilities Study. Details regarding this process are set forth in response to Question 3(a) below.

The NYISO's interconnection process located in Attachment X of the OATT, with related cost allocation requirements in Attachment S of the OATT, is used for the study and cost allocation of the interconnection of Large Generating Facilities and Merchant Transmission Facilities (as defined below). The Attachment X interconnection process provides for three interconnection studies: the (1) Interconnection Feasibility Study ("Feasibility Study"); (2) the System Reliability Impact Study ("SRIS"); and the (3) Class Year Interconnection Facilities Study. Details regarding this process are set forth in response to Question 3(c) below.

In response to Order No. 2003, the NYISO proposed to apply the interconnection process requirements set forth in Attachment X of the OATT to not only Large Generating Facilities

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<sup>8</sup> The Developer is not required to have completed this first study, but simply to have executed the study agreement.

<sup>9</sup> *Central Hudson Gas & Elec. Co.*, Order Denying in Part and Granting in Part Rehearing and Clarification and Conditionally Accepting Compliance Filing, 88 FERC ¶ 61,138 (1999) at [p. 12] ("We find . . . that the revised transmission expansion provisions are consistent with or superior to the pro forma terms and conditions.").

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

greater than 20 MW, but also to Merchant Transmission Facilities.<sup>10</sup> The Commission accepted this New York-specific, independent entity variation to the interconnection procedures established by Order No. 2003.<sup>11</sup>

Merchant Transmission Facilities are, therefore, addressed in the interconnection process in Attachment X of the OATT. A Merchant Transmission Facility is defined as:

Developer's device for the transmission of electricity identified in the Interconnection Request, proposing to interconnect to the New York State Transmission System, but shall not include Attachment Facilities, System Upgrade Facilities or System Deliverability Upgrades. Merchant Transmission Facilities shall be those transmission facilities developed by an entity that is not a Transmission Owner signatory to the ISO-Related Agreements. Merchant Transmission Facilities shall not include upgrades or additions to the New York State Transmission System made by a Transmission Owner signatory to the ISO-Related Agreements.<sup>12</sup>

Notwithstanding the use of “merchant” in the capitalized term, the definition of “Merchant Transmission Facility” clearly covers any transmission facility proposing to interconnect to the New York State Transmission System that is being developed by an entity other than a New York Transmission Owner. This is true regardless of the means by which the facilities will be financed. Consistent with its tariff requirement, the NYISO has treated all transmission projects proposed to be developed and owned by entities other than existing Transmission Owners as Merchant Transmission Facilities, which are subject to the interconnection requirements in Attachment X of the OATT and the cost allocation requirements in Attachment S of the OATT.

The Commission did not direct changes to these existing interconnection requirements in Order No. 1000. Rather, the Commission has explicitly stated that: “Order No. 1000 does not require an RTO to amend its interconnection procedures and in fact, it clearly states that Order No. 1000 proceedings are not the proper proceedings for parties to raise issues about the interconnection agreements and procedures under Order Nos. 2003, 2006, or 661.”<sup>13</sup>

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<sup>10</sup> In line with these requirements, the NYISO's transmission expansion requirements specifically exclude “new interconnections.” See OATT §§3.7 and 3.9, 4.5 and 4.5.8.

<sup>11</sup> *New York Independent System Operator, Inc. and New York Transmission Owners*, Order Conditionally Accepting Large Generator Interconnection Procedures and Large Generator Interconnection Agreement, 108 FERC ¶ 61,159 (2004) (accepting NYISO's Order Nos. 2003 and 2003-A compliance filings with certain required modifications that do not concern the expansion of NYISO interconnection process to include Merchant Transmission Facilities).

<sup>12</sup> See OATT Attachment X §30.1.

<sup>13</sup> *ISO New England Inc., et al.*, Order on Compliance Filing, 151 FERC ¶ 61,133 (2015) at P 109.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

ii. Proposed Tariff Revisions to Align Existing Transmission Expansion/Interconnection Requirements with Public Policy Process

The NYISO's proposed revisions to Section 31.4 of Attachment Y of the OATT in this proceeding do not alter existing transmission expansion and interconnection requirements. Rather, the proposed revisions simply include in the Public Policy Process minimal, comparable transmission expansion and interconnection related milestones to ensure that the Developer's project proceeds in the applicable study process in parallel with the Public Policy Process.

The NYISO's existing Public Policy Process requirements, as accepted by the Commission, already require the NYISO to review information derived from the transmission expansion/interconnection process for purposes of selecting the more efficient or cost-effective transmission solution. Specifically, Section 31.4.5.1 of Attachment Y currently requires that a Developer submit as part of the project information for its proposed Public Policy Transmission Project the "status of ISO interconnection studies and interconnection agreements." In addition, Section 31.4.8.1.1 includes as part of the cost metric the NYISO uses when evaluating a proposed project information derived from transmission expansion/interconnection studies, *i.e.*, the nature and costs of all major project components and work to be done at each substation and/or feeder to physically and electrically connect each facility to the existing system, including itemizing all equipment for interconnection facilities and network upgrades.

The NYISO's proposed revisions will ensure that Developers are making progress in the applicable study processes. Timely progress through the study process is important as the studies develop more detailed facility and cost information concerning the project, allowing the NYISO to select the more efficient or cost-effective transmission project using the best information available. The proposed milestones are as follows:

- The NYISO proposes in Section 31.4.4.3.1 to require a Developer to demonstrate that it has provided, as applicable, a valid Interconnection Request (for the interconnection process) or Study Request (for the transmission expansion process) at the same time that it submits its proposed Public Policy Transmission Project. This requirement will ensure that a Developer has begun the applicable study process no later than when it submits its project.
- The NYISO also proposes in Section 31.4.6.6 to establish a decision point in the Public Policy Process, by which the Developer of a Public Policy Transmission Project, determined by the NYISO to be viable and sufficient, can elect to proceed to have its project evaluated for purposes of the NYISO's selection of the more efficient or cost-effective transmission solution eligible for cost allocation and recovery under the NYISO's tariff. As part of its election to proceed, the Developer must demonstrate that it has executed a study agreement for the first study in the applicable process – an Interconnection Feasibility Study Agreement (for the interconnection process) or a System Impact Study agreement (for the transmission expansion process).

The proposed milestones establish comparable obligations in the study processes to maintain the NYISO's non-discriminatory evaluation of transmission projects proposed by

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

incumbent Transmission Owners and non-incumbent Developers. Each Developer – whether incumbent or non-incumbent – must begin the applicable study process when submitting its project. In addition, each Developer must execute the study agreement for the first study in the applicable study process at the same decision point in the Public Policy Process. Importantly, these milestones are primarily within the Developer’s own control – *e.g.*, the Developer’s execution of a study agreement rather than the completion of the study itself, which involves other parties. The NYISO did not adopt the request by certain stakeholders that it require the non-incumbent Developers to execute the agreement for its second study – the SRIS – at the process decision point or require the completion of all studies prior to the NYISO’s selection, which requirements could potentially have benefitted the incumbent Transmission Owners.

Notwithstanding these minimal milestones, the NYISO expects that Developers will act diligently to progress more quickly through the applicable study process than is required by the proposed milestones. It is in the Developer’s best interest to initiate the study process as soon as possible and to take diligent action to timely progress through the applicable process – the more progress that the Developer’s project makes in the study process, the more detailed and accurate the information available to the NYISO regarding the project in its selection process. As clarified by the NYISO in its proposed revision to Section 31.4.8, the NYISO will “give due consideration to the status of, and the results of any completed, interconnection or transmission expansion studies concerning the proposed Public Policy Transmission Project.”

The NYISO is in the middle of performing its first Public Policy Process. The NYISO will solicit on November 1, 2015, solutions to a Public Policy Transmission Need identified by the New York State Public Service Commission (“NYPSC”) concerning congestion in Western New York.<sup>14</sup> In addition, the New York State Department of Public Service has requested that NYPSC identify a second Public Policy Transmission Need later this year concerning upstate/downstate congestion.<sup>15</sup> For the time being, the NYISO has informed its stakeholders and interested parties that it will not apply the interconnection and transmission expansion request and study agreement requirements proposed in this proceeding pending approval by the Commission. Nevertheless, the NYISO is encouraging Developers to submit their interconnection and transmission expansion requests and proceed with their study agreements early in the Public Policy Process to have fully developed transmission projects ready for the NYISO’s selection process. As stated above, the NYISO expects to solicit two sets of transmission projects, one for Western New York transmission needs in November, with projects due at the end of 2015, and one for increasing transfer capability between upstate and downstate New York, with projects due in the first or second quarter of 2016. Timely acceptance of these milestones by the Commission would enhance the alignment of the NYISO’s transmission

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<sup>14</sup> See *Order for Addressing Public Policy Requirements for Transmission Planning Purposes*, In the Matter of New York Independent System Operator, Inc.’s Proposed Public Policy Transmission Needs for Consideration, NYPSC Case 14-E-0454 (July 20, 2015).

<sup>15</sup> See *Motion of DPS Trial Staff for Commission to Declare a Public Policy Need & Take Further Action Regarding Alternating Current Transmission Proposals*, Proceeding on Motion of the Commission to Examine Alternating Current Transmission Upgrades, NYPSC Case 12-T-0502, *et al.* (Sept. 22, 2015).

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

expansion and interconnection processes with the Public Policy Process in this and future planning process cycles.

**Question 3**

*Proposed section 31.4.4.3.1, Attachment Y provides that the “[d]eveloper must demonstrate to the ISO that it has submitted, as applicable, a valid Interconnection Request for the project pursuant to Section 30.3.3 of Attachment X of the ISO OATT or a Study Request for the project pursuant to Sections 3.7.1 or 4.5.1 of the ISO OATT.” Existing section 3 of NYISO’s OATT governs point-to-point transmission service, and section 3.7 (Additional Study Procedures for Firm Point to Point) governs the study procedures in response to transmission customer or Transmission Owner point-to-point transmission service requests. Likewise, section 4 of NYISO’s OATT governs requests for network integration transmission service, and section 4.5 (Additional Study Procedures for Network Integration Transmission Service Requests) governs the study procedures for transmission expansions associated with transmission customer or Transmission Owner network integration transmission service requests. They provide that an Eligible Customer proposing a transmission expansion, which may be a Transmission Owner, begins the process by requesting a System Impact Study in connection with their request for firm point to point transmission service or network integration service.*

***Question 3(a):*** *Please explain the transmission expansion and study process under sections 3.7.1 and 4.5.1 from the time that a transmission developer submits an initial transmission service request to the time that NYISO includes the transmission expansion or interconnection in its base transmission planning documents. Please explain in detail, and for each step in the transmission expansion and study process, who processes the request and who makes each decision. Please explain whether the timing of the interconnection and study process under sections 3.7.1 and 4.5.1 will be coordinated with the timing of the public policy transmission planning process and, if so, how. For each step in the transmission expansion process under sections 3.7.1 and 4.5.1 of NYISO’s OATT, and for each decision made as part of that transmission expansion process, please cite the governing provisions and procedures in NYISO’s OATT, agreements, and manuals.*

**NYISO Response:**

The NYISO’s transmission expansion process set forth in Sections 3 and 4 of the OATT is outlined below. An Eligible Customer<sup>16</sup> can request transmission expansion under these provisions, except for Merchant Transmission Facilities as described in response to Question 2. A request for Firm Transmission Service is not a prerequisite for submittal of a System Impact Study Request under Section 3.7.1 or Section 4.5.1 of the NYISO OATT.<sup>17</sup> That is, a

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<sup>16</sup> An Eligible Customer includes entities engaged in, or proposing to engage in, the wholesale electric power business.

<sup>17</sup> In addition, note that a request for transmission service under Sections 3 or 4 of the OATT does not trigger any sort of system expansion study work, unless the Developer specifically requests that such study work be performed to identify the system upgrades that could be constructed to address reliability, congestion or other operational issues associated with the existing transmission system.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

Developer<sup>18</sup> of a transmission facility that is required to use the transmission expansion process may initiate the process by submitting a System Impact Study Request for its proposed project. The transmission expansion process is described in Sections 3.7 or 4.5 of the NYISO OATT and also in chapter 2 of the NYISO Transmission Expansion and Interconnection Manual (the “Manual”). The process described in each section of the NYISO OATT and the Manual is the same, regardless of the type of transmission service taken by the Eligible Customer.

When the NYISO posts a request for proposed solutions to address Public Policy Transmission Needs, a Developer of a transmission facility that is subject to the transmission expansion process may elect to propose its project as a solution in accordance with the requirements set forth in Sections 31.4.4.3 and 31.4.3.1 of the OATT. To coordinate the development of the project with the Public Policy Process as the Developer’s project advances through the transmission expansion process described below, the Developer will notify the NYISO when it completes specified milestones in the transmission expansion process, and will provide the NYISO with related documentation, in accordance with Section 31.4.5 of the OATT.<sup>19</sup>

The specific steps of the process are as follows:

**A. Request for Transmission Service<sup>20</sup>**

1. The Developer submits an initial transmission service request to the NYISO as far as possible in advance, and at least sixty (60) days in advance, of the first day of the calendar month in which transmission service is to commence. (*§3.5.1 or §4.2.1*)
2. Within fifteen (15) days of step 1, the NYISO must determine the validity of the service application and notify the Developer. If there are deficiencies, the NYISO will work with the Developer to remedy the deficiencies. If such efforts are unsuccessful, the NYISO will terminate the application without prejudice. (*§3.5.4 or §4.2.2*)
3. The Developer may request that a System Impact Study be performed to identify system upgrades that could be constructed to address reliability, congestion or other operational issues associated with the existing transmission system.

**B. System Impact Study Request and Agreement**

4. The Developer submits its System Impact Study Request to the NYISO, with written notice of whether the Developer wishes to conduct all or part of the study itself. (*§3.7.1. or §4.5.1;*

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<sup>18</sup> For purposes of this response to Question 3(a), a Developer is an entity that is required to use the transmission expansion process as described in response to Question 2.

<sup>19</sup> As described in response to Question 2, the NYISO is proposing certain transmission expansion milestones in Section 31.4 of Attachment Y to enhance the alignment of this process with the Public Policy Transmission Planning Process.

<sup>20</sup> As described above, this step is not a pre-requisite for a Developer to submit a System Impact Study Request.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

*Manual §2.3*) The Developer may include in its request a specific transmission proposal it wishes to be evaluated in the System Impact Study. (*Manual §2.4.1*)

5. Following its receipt of a System Impact Study Request, the NYISO prepares a draft study scope and reviews it with the Developer and the Transmission Owner or Transmission Owners whose systems may be affected by any upgrades identified in the System Impact Study (the “affected Transmission Owner(s)”). (§3.7.1 or §4.5.1; *Manual §2.3 and §2.4.3*)

6. Following its review of the draft System Impact Study Scope with the Developer and affected Transmission Owner(s), the NYISO reviews the draft study scope with stakeholders at the next regularly scheduled meeting of the Transmission Planning Advisory Subcommittee of the Operating Committee (the “TPAS”). The TPAS normally meets monthly. (§3.7.1 or §4.5.1; *Manual §2.3 and §2.4.3*)

7. Following TPAS review of the draft System Impact Study Scope, the NYISO then submits the draft study scope for stakeholder review and approval at the next regularly scheduled meeting of the Operating Committee. That committee normally meets monthly. (§3.7.1 or §4.5.1; *Manual §2.3 and §2.4.3*)

8. If the Operating Committee does not approve the draft System Impact Study Scope, the NYISO will then work with the Developer and affected Transmission Owner(s) to revise the draft study scope to reflect the input of the Operating Committee. When this work is completed, the NYISO will then resubmit the revised study scope to the next regularly scheduled meeting of the TPAS and then the Operating Committee. (§3.7.1 or §4.5.1; *Manual §2.3 and §2.4.3*)

9. Within thirty (30) days of the date that the Operating Committee approves the scope of the System Impact Study, or within such other time as may be agreed upon by the NYISO and the Developer, the NYISO must tender a System Impact Study Agreement to the Developer. (§3.7.1 or §4.5.1; *Manual §2.3 and §2.4.3*)

10. Following the NYISO’s tender of the study agreement, the Developer must execute and return it to the NYISO within fifteen (15) days before the request can be evaluated. (§3.7.1 or §4.5.1; *Manual §2.3 and §2.4.3*)

11. Prior to executing a System Impact Study Agreement, the Developer may request that its study be clustered and conducted together with the System Impact Study for another Developer. The NYISO will accommodate study clustering requests that it concludes are reasonable, *i.e.*, each affected Developer supports the request, and the clustered study will produce results that meet the technical criteria for a System Impact Study. (§3.7.10 or §4.5.6)

12. If the NYISO is performing the study, the System Impact Study Agreement will specify the NYISO’s estimate of the cost of the study and the time needed to perform it. If the Developer is performing the study, the study agreement will specify the NYISO’s cost to provide input to and review of the study. The Developer is responsible for the actual study costs incurred by the NYISO and affected Transmission Owner(s) as applicable. If a Transmission Owner on behalf of the NYISO performs all or part of a study, the NYISO will reimburse the Transmission Owner

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

for cost incurred. (*§3.7.2 or §4.5.2; Manual §2.3.3 and §2.4.3*)

**C. System Impact Study**

13. The designated party or parties perform the study. If performing the study, the NYISO will coordinate with the affected Transmission Owner(s) in performing the System Impact Study. (*§3.7.3 or §4.5.3; Manual §2.3.5 and §2.4.3*)

14. When a draft of the System Impact Study Report has been completed, the NYISO will review it with the Developer and the affected transmission Owner(s). (*§3.7.3 or §4.5.3; Manual §2.3.5 and §2.4.3*)

15. Following this review with the Developer and the affected Transmission Owner(s), the NYISO will review the draft study report with stakeholders at the next regularly scheduled meeting of the TPAS. (*§3.7.3 or §4.5.3; Manual §2.3.5 and §2.4.3*)

16. Following TPAS review, the NYISO will then submit the draft study report for stakeholder review and approval at the next regularly scheduled meeting of the Operating Committee. (*§3.7.3 or §4.5.3; Manual §2.3.5 and §2.4.3*)

17. If the Operating Committee does not approve the draft System Impact Study Report, the NYISO will then coordinate with the Developer and the affected Transmission Owner(s) to revise the study to reflect the input of the Operating Committee. When this revision work is completed, the NYISO will then resubmit the revised study report to the next regularly scheduled meeting of the TPAS and then to the Operating Committee. (*§3.7.3 or §4.5.3; Manual §2.3.5 and §2.4.3*)

18. For study work performed by the NYISO and affected Transmission Owner(s), the NYISO will use due diligence to complete the System Impact Study, and obtain all necessary stakeholder approvals, within a one hundred and twenty (120) day period, or a different period agreed to by the NYISO and Developer, starting on the date that the NYISO receives an executed study agreement, or starting on an alternative date agreed to by the NYISO and the Developer. (*§3.7.3 or §4.5.3; Manual §2.3.4*)

19. If the System Impact Study Request specified that the Developer would perform all or part of the study work itself, then the NYISO will use due diligence to perform the parts of the study that the Developer is not performing, and obtain all necessary stakeholder approvals, within the time periods described herein in step C.18. The NYISO will use due diligence to review any study work, or revisions of study work, performed by the Developer within a thirty (30) day period or a different period agreed to by the Developer and the NYISO, starting on the date the NYISO receives the study work or revisions of study work, or starting on an alternative date agreed to by the Developer and the NYISO. (*§3.7.3 or §4.5.3; Manual §2.3.4*)

20. If, as described herein in step C.17, the Operating Committee directs the NYISO to modify a System Impact Study or to perform other study related work before granting its approval, then the deadline for completing the System Impact Study will be extended for an additional period

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

agreed to by the NYISO and the Developer or, if they cannot agree, the deadline for completing the study will be extended for sixty (60) days. (§3.7.3 or §4.5.3; *Manual* §2.3.4)

21. In the event that the NYISO is unable to complete the System Impact Study within the time periods specified in the OATT, the NYISO will notify the Developer and provide an estimated completion date along with an explanation of the reasons why additional time is needed. (§3.7.3 or §4.5.3; *Manual* §2.3.4)

22. The NYISO is required to file a notice with the Commission in the event that more than twenty (20) percent of System Impact Studies that it completes in any two consecutive calendar quarters are not completed within the study completion deadlines specified in the OATT. The NYISO is subject to an operational penalty if it completes ten (10) percent or more System Impact Studies outside the study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The penalty for each System Impact Study is \$500 for each day beyond the deadline that the NYISO takes to complete the study. (§3.7.10 or §4.5.5)

23. The NYISO will provide a copy of the completed System Impact Study and related work papers to the Developer. (§3.7.3 or §4.5.3)

24. When the System Impact Study has been completed and the study report has been approved by the Operating Committee, the Developer may decide whether or not to proceed further in the transmission expansion and study process.

#### **D. Facilities Study Agreement**

25. After a System Impact Study, the affected Transmission Owner(s) whose systems may be modified must tender a Facilities Study Agreement to the Developer within thirty (30) days of the later of (i) the completion of the System Impact Study, (ii) the date on which the Developer provides the affected Transmission Owner(s) with written notice of whether it intends to perform all or part of the Facilities Study itself, or (iii) such other time as is agreed upon by the affected Transmission Owner(s) and the Developer. The NYISO cooperates with the affected Transmission Owner(s) in performing any Facilities Studies. (§3.7.4 or §4.5.4; *Manual* §2.5)

26. The Developer is required to reimburse the affected Transmission Owner(s) and the NYISO for the cost of performing the Facilities Study. (§3.7.4 or §4.5.4; *Manual* §2.5)

27. Following its receipt of a Facilities Study Agreement, the Developer must execute the study agreement and return it to the affected Transmission Owner(s) within fifteen (15) days. (§3.7.4 or §4.5.4; *Manual* §2.5)

28. Prior to executing a Facilities Study Agreement, the Developer may request that its study be clustered and conducted together with the Facilities Study for another Developer. The affected Transmission Owner(s) will accommodate study clustering requests that are reasonable, *i.e.*, each affected Developer supports the request, and the clustered study will produce results that meet the technical criteria for a Facilities Study. (§3.7.10 or §4.5.6)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

**E. Facilities Study**

29. The affected Transmission Owner(s) shall use due diligence to complete the Facilities Study within a one hundred and twenty (120) day period, or a different period agreed to by the Developer and the affected Transmission Owner(s), starting on the date that the affected Transmission Owner(s) receive the executed Facilities Study Agreement, or starting on an alternative date agreed to by the Developer and the affected Transmission Owner(s). (§3.7.4 or §4.5.4; Manual §2.5)

30. If the Developer gave written notice to the affected Transmission Owner(s) that it would perform all or part of the Facilities Study itself, then the affected Transmission Owner(s) shall use due diligence to perform the portion of the study that the eligible Customer is not performing within the time periods described herein in step E. 29. The affected Transmission Owner(s) will use due diligence to review any study work, or revisions of study work, performed by the Developer within a thirty (30) day period or a different period agreed to by the Developer and the affected Transmission Owner(s), starting on the date the affected Transmission Owner(s) receive a complete draft of the study work or revisions of study work, or starting on an alternative date agreed to by the Developer and the affected Transmission Owner(s). (§3.7.4 or §4.5.4; Manual §2.5)

31. In the event that the affected Transmission Owner(s) are unable to complete the Facilities Study within the specified time period, the affected Transmission Owner(s) will notify the Developer and provide an estimated completion date along with an explanation of the reasons why additional time is needed. When completed, the Facilities Study will include a good faith estimate of the cost and time to construct the new facilities identified in the System Impact Study. (§3.7.4 or §4.5.4; Manual §2.5)

32. An affected Transmission Owner is required to file a notice with the Commission in the event that more than twenty (20) percent of the non-Affiliates' Facilities Studies that it completes in any two consecutive calendar quarters are not completed within the study completion deadlines specified in the OATT. The affected Transmission Owner is subject to an operational penalty if it completes ten (10) percent or more non-Affiliates' Facilities Studies outside the study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The penalty for each non-Affiliates' Facilities Study is \$500 for each day beyond the deadline that the affected Transmission Owner takes to complete the study. (§3.7.9 or §4.5.5)

**F. Facilities Construction**

33. After completion of the Facilities Study, the Developer may elect to proceed with the construction of the facilities identified in the study by entering into a construction contract with the affected Transmission Owner(s) and with the entity that will construct the facilities, if that is an entity other than the affected Transmission Owner(s). The Developer shall agree to compensate the affected Transmission Owner(s) and constructing entity for all costs associated with the construction of the facilities, and Developer shall provide each affected Transmission Owner with security for costs. (§3.7.4 or §4.5.4; Manual §2.6)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

34. Any significant change in the circumstances assumed in the Facilities Study that results from something beyond the control of the NYISO and the affected Transmission Owner(s) will require development of good faith revisions to the estimates contained in the Facilities Study. (§3.7.5; *Manual §2.5.3*)

35. Once transmission projects studied under Sections 3.7 or 4.5 have been designated as “firm” by the applicable affected Transmission Owner(s), the projects are included as part of the Existing System Representation for the NYISO’s next Class Year Annual Transmission Baseline Assessment (ATBA), and thereafter included in interconnection study base cases from that time forward. Firm proposed transmission projects are listed as such in the NYISO’s annual load and capacity data report referred to as the Gold Book.

***Question 3(b):** Please explain whether an Eligible Customer proposing a transmission expansion under sections 3.7.1 and 4.5.1 may include a transmission developer that is not a Transmission Owner. Please explain whether an Eligible Customer proposing a transmission expansion under sections 3.7.1 and 4.5.1 may include a Transmission Owner interconnecting to another Transmission Owner’s transmission facilities.*

NYISO Response:

As described in response to Question 2 above, a Developer proposing a Merchant Transmission Facility, as that term is defined in the Large Facility Interconnection Procedures in Attachment X of the OATT, will be subject to the interconnection process in Attachment X of the OATT, not the transmission expansion process in Sections 3 and 4 of the OATT. As described above, the term Merchant Transmission Facility includes all transmission facilities that are developed by Developers other than the New York Transmission Owners. (Attachment X, §30.1) Thus, the NYISO’s OATT clearly requires a transmission Developer that is not a Transmission Owner to submit its project proposal for evaluation as a Merchant Transmission Facility under the Large Facility Interconnection Procedures in Attachment X of the OAT.

For the same reason, Transmission Owners proposing transmission facilities are clearly excluded from the Large Facility Interconnection Procedures; they are only subject to the Large Facility Interconnection Procedures if they are proposing generation projects. They must submit their proposals for system expansion, including proposals to connect to the transmission facilities of another Transmission Owner, for evaluation under Sections 3 or 4 of the OATT.

In addition to Transmission Owners proposing transmission, other Eligible Customers may proceed through the transmission expansion process if they are requesting transmission service that may require modifications or upgrades to an existing Transmission Owner’s system that the existing Transmission Owner will own. For example, Queue No. 430 in the NYISO’s Interconnection Queue is an Eligible Customer requesting studies to determine the cost of upgrades it might fund on a New York Transmission Owner’s portion of the New York State Transmission System in order to increase transfer capability on a particular interface. However, if the entity is proposing to develop new transmission that it will own, it would fall under Attachment X in accordance with the definition of Merchant Transmission Facility.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

***Question 3(c):** Please explain the interconnection and study process under section 30.3.3 of Attachment X of NYISO's OATT from the time that a transmission developer submits an initial transmission service request to the time that NYISO includes the interconnection in its base transmission planning documents. Please explain in detail, and for each step in the interconnection and study process under section 30.3.3 of Attachment X of NYISO's OATT, who processes the request and who makes each decision. In addition, please explain whether the timing of the interconnection and study process will be coordinated with the timing of the public policy transmission planning process and, if so, how. For each step in the interconnection process under section 30.3.3 of Attachment X of NYISO's OATT, and for each decision made as part of that interconnection process, please cite the governing provisions and procedures in NYISO's OATT, agreements, and manuals.*

NYISO Response:

The NYISO's interconnection process set forth in Attachment X of the OATT is outlined below. The Developer,<sup>21</sup> the NYISO and the Connecting Transmission Owner(s) are the primary parties involved throughout the interconnection process. Each of the parties may hire consultants or other third parties to perform or assist in the parts of the process for which the party is responsible. Affected Transmission Owners and Affected System Operators may also be involved in the process. As described below, the TPAS and Operating Committee are involved in the System Reliability Impact Study and Class Year Facilities Study steps of the process.

When the NYISO posts a request for proposed solutions to address Public Policy Transmission Needs, an individual Developer may elect to propose a specific Merchant Transmission Facility (as the term is defined in the response to Question 2) as a solution in accordance with the requirements set forth in Section 31.4.4.3 of the OATT. (§31.4.3.1) To coordinate the development of the project with the Public Policy Transmission Planning Process as the Developer's project advances through the interconnection study process described below, the Developer will notify the NYISO when it completes specified milestones in the interconnection study process, and will provide the NYISO with related documentation, in accordance with Section 31.4.5 of the OATT.<sup>22</sup>

The specific steps of the process are as follows:

**A. Interconnection Request**

1. A Developer proposing to interconnect a new Large Generating Facility or Merchant Transmission Facility (each a "Large Facility") to the New York State Transmission System, or proposing to materially increase the capacity of or make a material modification to an existing

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<sup>21</sup> For purposes of the NYISO's response to Question 3(c), the term Developer refers to the non-incumbent Developer of a Merchant Transmission Facility (as defined in the response to Question 2) that is subject to the interconnection process in Attachment X of the NYISO OATT.

<sup>22</sup> As described in response to Question 2, the NYISO is proposing certain transmission expansion milestones in Section 31.4 of Attachment Y to enhance the alignment of this process with the Public Policy Transmission Planning Process.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

Large Facility, must submit a completed Interconnection Request to the NYISO, along with a non-refundable \$10,000 application fee, a refundable \$30,000 study deposit, and either demonstration of project Site Control or an additional refundable \$10,000 deposit. All deposits are applied to interconnection studies. (*§30.3.1 and §30.3.3.1; Manual §3.3.1 and §3.3.2*)

2. Within five (5) business days of the NYISO's receipt of the Developer's Interconnection Request, the NYISO must acknowledge its validity or notify the Developer of any deficiencies, and at the same time send a copy of the Interconnection Request and acknowledgement to the Connecting Transmission Owner(s). (*§30.3.3.2-.3; Manual §3.3.3.1*)

3. If notified of any deficiencies, the Developer must provide the additional information needed for a valid Interconnection Request to the NYISO within ten (10) business days. If the Developer fails to do so, the NYISO will deem the Interconnection Request to have been withdrawn. (*§30.3.3.3 and §30.3.6; Manual §3.3.3.1*)

**B. Feasibility Study**

4. The NYISO will provide a form Feasibility Study Agreement to the Developer and Connecting Transmission Owner(s) when it acknowledges receipt of a valid Interconnection Request. (*§30.6.1; Manual §3.3.3.1*)

5. Within ten (10) business days after its receipt of a valid Interconnection Request, the NYISO must establish a date agreeable to both the Developer and the Connecting Transmission Owner(s) for the Scoping Meeting to initiate the study process, and such date shall be no later than thirty (30) calendar days from the NYISO's receipt of a valid Interconnection Request, unless otherwise mutually agreed to by the parties. (*§30.3.3.4; Manual §3.3.3.1*)

6. The Scoping Meeting considers alternative interconnection options and determines potential feasible Points of Interconnection. On the basis of the meeting, the parties may agree to forego the Feasibility Study and proceed to the System Reliability Impact Study. (*§30.3.3.4 and §30.6.1; Manual §3.3.3.2*)

7. Within five (5) business days following the Scoping Meeting, the Developer must specify the Point(s) of Interconnection to be evaluated in the Feasibility Study. (*§30.6.1; Manual §3.3.3.2*)

8. Within five (5) business days following its receipt of the Developer's specification of Point(s) of Interconnection, the NYISO must tender a proposed Feasibility Study Agreement to the Developer, copying the Connecting Transmission Owner(s). The agreement will include a good faith estimate of study costs. (*§30.6.1; Manual §3.3.3.2*)

9. Within thirty (30) calendar days of its receipt of the Feasibility Study Agreement, the Developer must return an executed copy of the agreement, the required project technical data and, if the NYISO is to be responsible for performing the entire study, an additional \$30,000 study cost deposit. (*§30.6.1; Manual §3.3.3.3*)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

10. The NYISO must use Reasonable Efforts to complete the Feasibility Study within forty-five (45) calendar days of its receipt of a fully executed study agreement. If the NYISO is unable to complete the study within that time period, it must notify the Developer and provide an estimated completion date with an explanation of the reasons why additional time is required. (§30.6.3; *Manual §3.3.3.3*)

11. The Feasibility Study will provide a list of facilities needed for the interconnection, and a non-binding good faith estimate of the cost of the facilities and the time needed to construct them. Within ten (10) business days of providing the Feasibility Study to the Developer, the NYISO and the Connecting Transmission Owner(s) must meet with the Developer to discuss the results of the study. (§30.6.2 and §30.6.3.1)

**C. System Reliability Impact Study (SRIS)**

12. The NYISO will provide a form SRIS Agreement to the Developer and the Connecting Transmission Owner(s) when it delivers the Feasibility Study report. Within three (3) business days following the Feasibility Study results meeting, the NYISO must provide the Developer with a non-binding good faith estimate of the cost and timeframe for completing the SRIS. (§30.7.1; *Manual §3.3.3.4*)

13. Within thirty (30) calendar days of its receipt of the SRIS Agreement, the Developer must return an executed copy, the required project technical data, demonstration of Site Control and, if the NYISO is to be responsible for performing the entire study, an additional deposit of \$120,000. The additional deposit required is \$40,000 if the Developer is to perform the analytical portion of the SRIS. (§30.7.2; *Manual §3.3.3.4*)

14. If the Developer fails to provide all required project technical data, the NYISO must notify the Developer of this deficiency within five (5) business days of its receipt of the executed study agreement. The Developer will then have ten (10) business days to provide the required technical data. (§30.7.2; *Manual §3.3.3.4*)

15. Upon its receipt of a fully executed SRIS Agreement with study payment and technical data, the NYISO will prepare an SRIS Scope for review by the parties, then for review at the next regularly scheduled meeting of the TPAS. Following TPAS review, the NYISO will submit the SRIS Scope to the next regularly scheduled meeting of the Operating Committee for review and approval. (§30.7.4; *Manual §3.3.3.4*)

16. The NYISO must use Reasonable Efforts to complete the SRIS within ninety (90) calendar days of its receipt of a fully executed study agreement with study payment and technical data. The NYISO may elect to conduct a clustered SRIS for all the Interconnection Requests received within a specified Queue Cluster Window. If it so elects, the NYISO must use Reasonable Efforts to complete the clustered SRIS within ninety (90) calendar days of the close of the Queue Cluster Window. (§30.4.2; §30.7.4) If the NYISO is unable to complete the study within the specified time period, it must notify the Developer(s) and provide an estimated completion date with an explanation of the reasons why additional time is required. (§30.7.4)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

17. The SRIS will provide a list of facilities needed for the interconnection, and a non-binding good faith estimate of the cost of the facilities and the time needed to construct them. Within ten (10) business days of providing the SRIS to the Developer, the NYISO and the Connecting Transmission Owner(s) must meet with the Developer to discuss the results of the study. (§30.7.5; *Manual* §3.3.3.4)

18. Following the study results meeting of the parties, the NYISO will submit the SRIS to the next regularly scheduled meeting of the TPAS for review and consideration for recommendation for Operating Committee approval. Following TPAS review, the NYISO will submit the SRIS to the next regularly scheduled meeting of the Operating Committee for review and approval. (§30.7.4; *Manual* §3.3.3.4)

19. Upon initiation of the SRIS, the Developer may request that the NYISO perform a reasonable number of Optional Interconnection Studies concurrently with the SRIS to allow the Developer to continue to consider alternative Points of Interconnection during the SRIS step of the interconnection process. The NYISO must provide the Developer with an Optional Interconnection Study Agreement within five (5) business days of its receipt of the Developer's request. The Developer must return an executed study agreement, the required technical data, and a \$10,000 study deposit to the NYISO within ten (10) business days of its receipt of the agreement. The NYISO must use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period. The Optional Interconnection Study follows the same procedural steps as the SRIS up to the submittal of the study to the Operating Committee for approval. Following TPAS review, the Developer must designate which study, the SRIS or the Optional Interconnection Study, to submit to the Operating Committee for approval. (§30.10; *Manual* §3.3.3.5)

**D. Facilities Study**

20. As soon as practicable prior to the start of the next Class Year Facilities Study, or earlier upon request, the NYISO must provide a Facilities Study Agreement to any Developer confirmed by the NYISO to be eligible to participate in the upcoming Class Year Facilities Study. When providing a study agreement to an eligible Developer, the NYISO will at the same time provide one to that Developer's Connecting Transmission Owner(s). (§30.8.1; *Manual* §3.3.3.6)

21. By the later of (i) the start date of the Class Year Facilities Study or (ii) thirty (30) days following its receipt of the study agreement, the Developer must return to the NYISO an executed study agreement, the required project technical data, and a study deposit equal to the greater of \$100,000 or the project's share of the estimated monthly cost of conducting the study. At the same time the Developer delivers these items to the NYISO, the Developer must deliver an executed study agreement and the required project technical data to the Connecting Transmission Owner(s). (§30.8.1; *Manual* §3.3.3.6)

22. The NYISO and the Connecting Transmission Owner(s) must execute the Facilities Study Agreement within ten (10) business days of receiving an executed study agreement from the

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

Developer together with the required project technical data and study deposit. (§30.8.1; Manual §3.3.3.6)

23. The NYISO must coordinate the Class Year Facilities Study with Class Year Developers, Connecting Transmission Owners, and any Affected Transmission Owners or Affected System Operators. The NYISO must follow the facilities cost allocation procedures contained in Attachment S to the OATT, and must use Reasonable Efforts to complete the Class Year Facilities Study within the timeframe called for in Attachment S. If the NYISO is unable to complete the Class Year Facilities Study and issue a cost allocation report within the time required, the NYISO must notify the Class Year Developers and provide an estimated completion date together with an explanation of the reasons why additional time is required. (§30.8.2-.3; Manual §3.3.3.6)

24. Within ten (10) business days of providing a draft Class Year Facilities Study report to Class Year Developers, the NYISO, along with the Connecting Transmission Owners and any Affected Transmission Owners or Affected System Operators invited by the NYISO, must meet with the Class Year Developers to discuss the results of the study. (§30.8.4; Manual §3.3.3.6)

25. Upon completion of the Class Year Facilities Study, the NYISO will submit the study report and project cost allocations to the next regularly scheduled meeting of the TPAS for review, and then to the next regularly scheduled meeting of the Operating Committee for review and approval. (*Attachment S*, §25.6.2 and §25.7.7; Manual §3.3.3.6)

26. Within thirty (30) calendar days of the approval of the Class Year Facilities Study by the Operating Committee, each Class Year Developer must provide to the NYISO notification of the Developer's acceptance or non-acceptance of its Class Year project cost allocation. (*Attachment S*, §25.8.2)

27. If one or more Developer does not accept its project cost allocation, the NYISO will remove those projects from the Class Year, conduct a restudy of the remaining projects and communicate the results of that restudy to the remaining Class Year Developers as soon as practicable within fourteen (14) calendar days. The NYISO will conduct successive rounds of restudy until all remaining Class Year Developers have accepted their project cost allocations and posted the required security. (*Attachment S*, §25.8.2-.4) When all Developers have accepted their cost allocations, their projects will be added to the base case existing system representation to be used in the next Class Year Facilities Study. (*Attachment S*, §25.5.5)

28. As soon as practicable after all Class Year Developers have accepted their project cost allocations and posted security, the NYISO must tender to each Class Year Developer and its Connecting Transmission Owner a standard Interconnection Agreement with draft technical appendices and begin negotiations. Provided, however, if a Class Year Developer requests, the NYISO and Connecting Transmission Owner will begin Interconnection Agreement negotiations earlier, at any time after the Class Year Developer executes the Facilities Study Agreement referenced herein in step D. 21 above. (§30.11.1-.2)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

***Question 3(d):** Please explain whether a Transmission Owner proposing to interconnect to another Transmission Owner's transmission facilities will follow the interconnection and study processes under section 30.3.3 of Attachment X of NYISO's OATT.*

NYISO Response:

Please see the NYISO's response to Question 3(b), above.

***Question 3(e):** With respect to (1) a Transmission Owner proposing to interconnect to another Transmission Owner's transmission facilities, compared with (2) a transmission developer, which is not a Transmission Owner, proposing to interconnect to a Transmission Owner's transmission facilities, please explain in detail how each step in the applicable process and procedures for interconnection is the same or different. For each difference in process or procedure, cite to the NYISO OATT, agreements, and manuals governing this difference.*

NYISO Response:

If a Transmission Owner proposes to develop a transmission project that will interconnect to the transmission facilities of another Transmission Owner, then the project of the Transmission Expansion Developer ("TED") will be evaluated under the transmission system expansion and study process contained in Section 3.7 or Section 4.5 of the OATT. Each step in that process is described in detail in the NYISO's response to Question number 3(a), above.

If a project Developer that is not a Transmission Owner proposes to develop a transmission project that will interconnect to the transmission facilities of a Transmission Owner, then the Merchant Transmission Facility of the Interconnection Developer ("ID") will be evaluated under the Large Facility Interconnection Procedures contained in Attachment X to the OATT. Each step in that process is described in detail in the NYISO's response to Question number 3(c), above.

The two processes are largely comparable and include similar requirements to provide for the interconnection of new transmission facilities to the New York State Transmission System in a safe and reliable manner. Specifically:

- Both processes are initiated at the election of the project Developer and involve the same principle parties, *i.e.*, the NYISO, the project Developer and the Transmission Owner(s) whose system(s) will be impacted by the proposed project.
- Both processes use a series of incrementally more detailed technical studies to provide increasing amounts of more refined information regarding the impacts of the proposed project on the reliable operation of the New York State Transmission System and the costs of the upgrades required to address those impacts.
- Both processes include specified time periods within which the party required to act must do so. The consequences following a party's failure to meet a given deadline are

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

specified in each case. Both processes provide the Developer with a number of mechanisms to expedite the evaluation of its proposed interconnection.

- Both processes provide for substantial stakeholder involvement, acting through the Transmission Planning Advisory Subcommittee and the Operating Committee.
- Both processes allocate the actual cost of the interconnection study work and interconnection facilities required for a project to the Developer of the project on a cost causation basis.
- Both processes include a specified mechanism to resolve disputes that may arise among the NYISO, the Developer and/or the affected Transmission Owner(s).<sup>23</sup>

The differences between the processes reflect the New York Transmission Owner's existing system knowledge, their role in performing technical studies, and their unique responsibilities under the interconnection process.

For example, the NYISO performs in most cases a Feasibility Study for an ID's project in the interconnection process, whereas a similar study is not required for a TED. The Feasibility Study plays an important role in the NYISO's interconnection process, as it involves the following technical analyses: (i) the fundamental step of designing how the project will connect to the existing system; (ii) identification of "fatal flaws" with regard to preliminary engineering, mechanical and geographical feasibilities; and (iii) thermal, voltage and short circuit analyses that indicate potential overloads that the project may cause. The larger and more complex a project is, the more critical the Feasibility Study is before the NYISO can move forward to the analysis required in the System Reliability Impact Study phase. This feasibility evaluation is not required of a Transmission Owner's project in the transmission expansion process because the Transmission Owner performs such analysis itself, often as part of its Local Transmission Planning Process, before it elects to submit a System Impact Study Request and initiate the transmission expansion process for its proposed project.

In addition, the New York Transmission Owners are responsible in the same manner as non-incumbent Developers for the study costs associated with their proposed projects. However, they do not have the same study deposit requirements because their study costs are largely incurred by themselves in performing the System Impact Study or Facilities Study. There is, therefore, not the same need to ensure that the NYISO will be reimbursed for significant study costs.

Finally, the New York Transmission Owners have a role and responsibility in the interconnection process, particularly with regard to the baseline system used for the Class Year Interconnection Facilities Study, that other Developers do not have.

The comparable phases in each process are detailed below:

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<sup>23</sup> See OATT §§2.16 and 30.13.5.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

**Interconnection/Study Request**

- Both the TED and the ID initiate the respective process by submitting a request to the NYISO – a System Impact Study Request for the TED as described in Section B in response to Question 3(a) and an Interconnection Request for the ID as described in Section A in response to Question 3(c) (§3.7.1 or §4.5.1; §30.3.1 and §30.3.3.1; Manual §2.4.1, 3.3.1, 3.3.2).
- As the TED does not submit an Interconnection Request, it is not responsible for the service application fee for the processing of that request. (*Application fee described in §3.5.3; §30.3.1 and §30.3.3.1; Manual §3.3.1 and §3.3.2*).
- As the TED may elect to perform its own study work at its own expense, the TED does not provide the refundable study deposit of \$30,000 that the ID provides with the Interconnection Request to be applied against the costs of later project studies. (*ID deposit requirements §30.3.1 and §30.3.3.1; Manual §3.3.1 and §3.3.2* )
- The NYISO does not require the TED to demonstrate project site control. The NYISO does require that the ID demonstrate project site control or submit an additional refundable deposit of \$10,000. (*§30.3.1 and §30.3.3.1; Manual §3.3.1 and §3.3.2*)

**Interconnection Feasibility Study**

- The first step in the evaluation of the ID’s project is a Feasibility Study conducted by the NYISO with input from the ID, Connecting Transmission Owner(s) and stakeholders, as described in Sections B. 4-11 in the NYISO’s response to Question number 3(c).
- The purpose of the Feasibility Study stage of the process is to consider alternative interconnection options, determine potential feasible Points of Interconnection, conduct a preliminary evaluation of the project’s overall feasibility and system impact, and provide a good faith non-binding identification of the interconnection facilities required, the cost of those facilities and the time needed to construct them. (*§30.6; Manual §3.3.3.3*)
- The ID is responsible for the actual cost of the Feasibility Study, and must provide a \$30,000 study cost deposit with its executed study agreement unless the ID has elected to perform the Feasibility Study itself. (*§30.6.1; Manual §3.3.3.3*)
- The NYISO, ID and Connecting Transmission Owner(s) may agree to forego the Feasibility Study and to proceed with the more detailed System Impact Study. In practice, the Feasibility Study has been waived only under limited and infrequent circumstances such as small uprates to existing facilities and cases where the technical work needed for subsequent studies has already been completed. (*§30.6.1; Manual §3.3.3.2*)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

- The first step in the evaluation of the TED's project is a System Impact Study conducted by the NYISO with input from the TED, affected Transmission Owner(s) and stakeholders, as described in Sections B. 4 – C. 24 in the NYISO's response to Question number 3(a).
- No Feasibility Study is expressly included as a part of transmission expansion and study process for TED projects contained in Section 3.7 and in Section 4.5 of the OATT. The system analysis regularly performed by Transmission Owners as a part of their Local Transmission Planning Process already provides information needed to make a preliminary determination of the feasibility of a possible transmission expansion project. (*Attachment Y, §31.2.1*)

### **System Impact Study**

- All TED and ID projects are subject to a system impact study conducted by the NYISO under a formal study agreement with input from the project Developer, the Connecting or affected Transmission Owner(s) and stakeholders acting through the shared governance process. The impact study process for TED projects is described in Sections B. 4 – C. 24 of the NYISO's response to Question number 3(a). The impact study process for ID projects is described in Sections C. 12 – 19 of the NYISO's response to Question number 3(c).
- For both TED projects and ID projects the overall purpose of the impact study is to technically evaluate the electrical impact of the Developer's project on the pre-existing transmission system, to identify the facilities needed to ensure the reliable interconnection of the project, and to provide a good faith, non-binding estimate of the cost of those facilities and the time needed to construct them. (*§3.7.1 or §4.5.1; §30.7.3; Manual §2.4.3; §3.3.3.3*)
- Each TED and ID is responsible for the actual cost of its project impact study. When an ID submits an executed study agreement and required project technical data to the NYISO, the ID must also demonstrate project site control and provide a study cost deposit of \$120,000 if the NYISO is to perform the study work, or \$40,000 if the ID is to perform the analytical portion of the impact study. The TED is not required to demonstrate project site control or provide a study cost deposit with its executed impact study agreement. Actual study costs incurred by the affected Transmission Owner(s) will be minimal if the TED elects to perform the study work itself. (*§30.7.2; Manual §3.3.3.4; §3.7.2 or §4.5.2; Manual §2.3.3; §2.4.3*)
- In the case of a TED impact study, the NYISO is obligated to use due diligence to complete the study and obtain stakeholder approvals within the time frames specified. In the case of an ID impact study, the NYISO is obligated to use Reasonable Efforts to complete the study and obtain stakeholder approvals within the time frames specified. (*§3.7.3 or §4.5.3; Manual §2.3.4; §30.7.4*)

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

- In the case of a TED impact study, the TED may request that its study be clustered and conducted together with the impact study for another TED. The NYISO will accommodate impact study clustering requests that it concludes are reasonable, *i.e.*, each affected TED supports the request, and the clustered study will produce results that meet the technical criteria for an impact study. In the case of ID impact studies, the NYISO may elect to cluster and conduct together the impact studies for all the Interconnection Requests received within a period of time not to exceed one hundred and eighty (180) calendar days. (*§3.7.10 or §4.5.6; §30.4.2 and §30.7.4*)
- In the case of a TED impact study, the TED may expedite the study process by electing to perform some or all of the study work itself. In the case of an ID impact study, if the NYISO fails to meet a specified deadline, the ID may, to maintain or accelerate the processing of its project, ask the NYISO to have the study work completed under the direction of the NYISO by a third party reasonably acceptable to the ID and NYISO. (*§3.7.3 or §4.5.3; Manual §2.3.4 and §2.4.3; §30.7.4; §30.13.4*)
- In the case of TED impact studies, the NYISO must file notice with the Commission if more than twenty (20) percent of the impact studies it completes in any two consecutive calendar quarters are not completed within the specified time periods. The NYISO is subject to an operational penalty if it completes ten (10) percent or more TED impact studies outside the specified time periods in each of the two calendar quarters immediately following the quarter that triggered the notification filing to the Commission. The penalty for each TED impact study is \$500 for each day beyond the deadline that the NYISO takes to complete the study. In the case of ID impact studies, no such notice requirement or potential penalty applies if the NYISO fails to complete the studies within the time periods specified. (*§3.7.10 or §4.5.5*)

**Facilities Study**

- All TED and ID projects are subject to a Facilities Study, the purpose of which is to identify, in greater detail than the impact study, the facilities needed for a reliable interconnection, and to provide a good faith estimate of the cost of those facilities and the time needed to construct them. (*§3.7.4 or §4.5.4; §30.8.2; Manual §2.5 and §3.3.3.6*)
- The NYISO conducts the Facilities Study for ID projects under a formal study agreement with input from the project ID, the Connecting Transmission Owner(s). Stakeholders acting through the TPAS and Operating Committee review and approve study scopes and study reports. (*§30.8.3; Manual §3.3.3.6*) The affected Transmission Owner(s) conduct the Facilities Study for TED projects under a formal study agreement. The NYISO cooperates in the study. There is no stakeholder review or approval of the Facilities Studies conducted by affected Transmission Owners. (*§3.7.4 or §4.5.4*)
- The NYISO conducts the Facilities Study for ID projects on a clustered basis for a Class Year of projects that have satisfied the eligibility criteria for inclusion in the current Class Year. (*Attachment S, §25.5.9*) The affected Transmission Owner(s) conduct the Facilities Study for each TED project individually. Prior to executing a Facilities Study

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

Agreement, a TED may request that its study be clustered and conducted together with the Facilities Study of another TED. The affected Transmission Owner(s) will accommodate such study clustering requests that are reasonable, *i.e.*, each affected TED supports the request, and the clustered study will produce results that meet the technical criteria for a Facilities Study. (§3.7.10 or §4.5.6)

- Each TED and ID is responsible for the actual cost of its Facilities Study. When an ID submits an executed study agreement and required project technical data to the NYISO, the ID must provide a study cost deposit equal to the greater of \$100,000 or the project's share of the estimated monthly cost of conducting the study. (§30.8.1; Manual §3.3.3.6) The TED is not required to provide a study cost deposit when it submits its executed study agreement to the affected Transmission Owner(s). Actual study costs incurred by the affected Transmission Owner(s) will be minimal if the TED elects to perform the study work itself. (§3.7.4 or §4.5.4; Manual §2.5)
- In the case of a TED Facilities Study, the affected Transmission Owner(s) must use due diligence to complete the study within the time frames specified. (§3.7.4 or §4.5.4; Manual §2.5) In the case of the Class Year Facilities Study for ID projects, the NYISO must use Reasonable Efforts to complete the study and obtain stakeholder approval of the study report within the time frames specified. (§30.8.3)
- In the case of a TED Facilities Study, the TED may expedite the study process by electing to perform some or all of the study work itself. (§3.7.4 or §4.5.4) In the case of the Class Year Facilities Study for ID projects, if the NYISO fails to meet a specified deadline, the Class Year IDs may, to maintain or accelerate the processing of their projects, ask the NYISO to have the study work completed under the direction of the NYISO by a third party consultant reasonable acceptable to the IDs and the NYISO. (§30.8.3; §30.13.4)
- In the case of TED Facilities Studies, the affected Transmission Owner(s) must file notice with the Commission if more than twenty (20) percent of the non-Affiliates' Facilities Studies it completes in any two consecutive calendar quarters are not completed within the study completion time periods specified in the OATT. An affected Transmission Owner is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' Facilities Studies outside the study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The penalty for each non-Affiliates' Facilities Study is \$500 form each day beyond the deadline that the affected Transmission Owner takes to complete the study. (§3.7.9 or §4.5.5) In the case of Class Year Facilities Studies for ID projects, no such notice requirement or potential penalty applies if the NYISO fails to complete the study within the study completion time periods specified in the OATT.

**Interconnection Agreement and Construction of Facilities**

- In the case of ID projects, the Class Year Facilities Study will include for each project a schedule showing the estimated time required to complete the engineering, procurement,

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

construction and commissioning phases of the Class Year projects. Following commencement of the activities described in the schedule for a project, the ID and its Connecting Transmission Owner(s) must report on the progress of their respective activities to each other and to the NYISO, reporting and explaining any material schedule variances. (§30.8.2) The NYISO is not involved in the arrangements made between a TED and its affected Transmission Owner(s) for the construction of the facilities identified in the Facilities Study for the TED's project. (§3.7.4 or §4.5.4)

- As soon as practicable after the completion of the Class Year Facilities Study process, the NYISO must tender to each Class Year ID and its Connecting Transmission Owner(s) a *pro forma* three-party Interconnection Agreement with draft technical appendices and begin negotiations of the agreement. (§30.11.1) The NYISO is not a party to, or involved in the negotiation of, the interconnection and operating agreements between Transmission Owners.

#### **Question 4**

*Section 3.7 explains how transmission expansion and interconnection studies will be prioritized: "Section 19C addresses prioritization of network and point-to-point transmission expansion and interconnection studies." Staff finds that no "Section 19C" exists in NYISO's OATT.*

*Please explain the prioritization of transmission expansions and interconnection studies and address the following questions: How will transmission expansions and interconnection studies be prioritized? What is the typical timeline for prioritization? At each step of the process, who performs the study and makes the decisions? Please cite the provisions and procedures in NYISO's OATT, agreements, and manuals that govern the interconnection process under sections 3.7.1 and 4.5.1 of NYISO's OATT.*

#### **NYISO Response:**

The approach that the NYISO follows to prioritize transmission expansion and interconnection studies is described in Section 3.10 of the OATT. The reference to "Section 19C" noted by the Commission should instead be a reference to Section 3.10. When the NYISO renumbered the sections of its Tariffs in June 2010<sup>24</sup> in connection with Order No. 714,<sup>25</sup> the NYISO inadvertently failed to update the numbering used in this particular reference. The NYISO proposes to correct this typographical error through a compliance filing in this docket. Section 4.5 of the OATT correctly refers to Section 3.10.

As Section 3.10 explains, the NYISO prioritizes the study of all transmission expansion and interconnection projects generally on the basis of the project proposal's date of submittal to the NYISO, either as a request for a System Impact transmission study under Section 3.7 or 4.5

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<sup>24</sup> *Compliance Filing of the New York Independent System Operator, Inc.*, Docket No. ER10-1657 (June 30, 2010).

<sup>25</sup> Electronic Tariff Filings, Order No. 714, 124 FERC ¶ 61,270 (Sept.19, 2008).

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

of the OATT, or as an Interconnection Request under the Large Facility Interconnection Procedures in Attachment X to the OATT.

The NYISO maintains a single consolidated study queue for Interconnection Requests and transmission expansion projects.<sup>26</sup> The individual steps in the study process, the applicable time periods for each step, the parties involved in the study process, and the decision makers at each step are all described in detail in the NYISO's responses to Questions number 3(a) and 3(c). Once a transmission expansion or interconnection project is on the NYISO's consolidated study queue, the Developer's advancement through its study process is largely driven by its own project development and not the progress, or lack thereof, made by other projects with higher Queue Positions. While the NYISO takes Queue Position into account in determining the order of performing studies, it is only one factor taken into account. To the extent practicable, the NYISO evaluates projects in parallel, not sequentially. This queue management approach allows projects to proceed on a first ready, first served basis.

**Question 5**

*NYISO's Transmission Services Manual provides that the broader purpose of sections 3.7 and 4.5 of NYISO's OATT is to cover, in relevant part, the study procedures for transmission expansions, which are additions or modifications of facilities of the New York State Transmission System owned by incumbent Transmission Owners, proposed to create incremental transfer capability or to address reliability or other operational concerns. NYISO's Transmission Expansion and Interconnection Manual describes the main purpose and objective of the System Impact Study as the identification of facilities that could be constructed to meet an objective defined by the Customer requesting the study and confirm that all applicable reliability criteria would be met.*

*Please explain how the "Customer" requesting the studies will be identified in the public policy transmission planning process. Please cite to NYISO's OATT, agreements, and manuals that govern the interconnection process under sections 3.7.1 and 4.5.1 of NYISO's OATT.*

For its project to be selected as a solution to a Public Policy Transmission Need for purposes of cost allocation under the NYISO OATT, the "customer," as with any other Developer, will have to propose its project to the NYISO in response to a solicitation for solutions to a Public Policy Transmission Need. The "customer" requesting a study for its proposed project under the transmission expansion process under Section 3.7.1 or 4.5.1 of the NYISO's OATT is listed on the NYISO's Interconnection Queue in the "Owner/Developer" column. In addition, the customer proposing a Public Policy Transmission Project is required to submit as part of its project information the status of its interconnection studies, which includes its request for a study under the transmission expansion process and the status of any conducted

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<sup>26</sup> Available at

[http://www.nyiso.com/public/webdocs/markets\\_operations/services/planning/Documents\\_and\\_Resources/Interconnection\\_Studies/NYISO\\_Interconnection\\_Queue/NYISO%20Interconnection%20Queue.xls](http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Documents_and_Resources/Interconnection_Studies/NYISO_Interconnection_Queue/NYISO%20Interconnection%20Queue.xls).

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

studies.<sup>27</sup> Finally, as proposed in this proceeding, the customer would have to demonstrate when it provides it project information that it has submitted a Study Request for the project pursuant to Section 3.7.1 or 4.5.1 of the OATT.<sup>28</sup>

**Question 6**

*Proposed section 31.4.4.4, Attachment Y states:*

*Within sixty (60) days of the ISO's request for solutions to a Public Policy Transmission Need, a Developer that proposes a Public Policy Transmission Project shall, at the same time that it provides project information pursuant to Section 31.4.4.3.1, (i) execute a study agreement with the ISO for purposes of the ISO's evaluation of the proposed Public Policy Transmission Project under Sections 31.4.7, 31.4.8, 31.4.9, and 31.4.10. . . .*

*Please explain the purpose of and the provisions that would be included in the required study agreement.*

**NYISO Response:**

Section 31.4.4.4 of Attachment Y of the NYISO OATT establishes that the NYISO will recover from a Developer the actual costs incurred by the NYISO in its evaluation of the Developer's proposed transmission project for purposes of the NYISO's selection of the more efficient or cost-effective transmission solution to satisfy a Public Policy Transmission Need. The requirements apply equally whether the Developer is an incumbent Transmission Owner or a non-incumbent transmission developer. The Developer of a proposed Public Policy Transmission Project is required to pay a \$10,000 non-refundable application fee and provide a \$100,000 study deposit in connection with this evaluation when its submits its proposed project.

The NYISO developed a "Study Agreement for Evaluation of Public Policy Transmission Projects" ("Agreement") as a mechanism for implementing the requirements of Section 31.4.4.4 and recovering its actual study costs from Developers. The Agreement is consistent with the agreements used by the NYISO in connection with its performance of interconnection studies. The Agreement was reviewed by NYISO stakeholders and revisions were made to the Agreement to incorporate stakeholder input. The final version of the Agreement was included as an appendix to the NYISO's Public Policy Transmission Planning Process Manual.<sup>29</sup> The form Agreement is attached as Appendix B to this letter for the Commission's reference. As part of its proposed enhancements to the tariff provisions for the NYISO's Public Policy Transmission

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<sup>27</sup> OATT Attachment Y §31.4.5.

<sup>28</sup> Proposed OATT Attachment Y §31.4.4.3.1.

<sup>29</sup> NYISO Public Policy Transmission Planning Manual (July 2015), *available at*: [http://www.nyiso.com/public/webdocs/markets\\_operations/documents/Manuals\\_and\\_Guides/Manuals/Planning/M-36\\_Public%20Policy%20Manual\\_v1\\_0\\_Final.pdf](http://www.nyiso.com/public/webdocs/markets_operations/documents/Manuals_and_Guides/Manuals/Planning/M-36_Public%20Policy%20Manual_v1_0_Final.pdf).

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

Planning Process,<sup>30</sup> the NYISO proposed in its June 29, 2015 filing to make explicit in Section 31.4.4.4 the requirement that a Developer enter into this Agreement.

The terms of the Agreement are consistent with the underlying tariff language in the Public Policy Transmission Planning Process. Key terms of the agreement include:

- The Developer elects, and the NYISO will cause to be performed, an evaluation of the Developer's proposed transmission project for purposes of the NYISO's selection of the more efficient or cost-effective transmission solution to satisfy the identified Public Policy Transmission Need.<sup>31</sup>
- Upon executing the study agreement, the Developer will provide the NYISO with its required project information and its \$100,000 study deposit.<sup>32</sup>
- The NYISO will not commence its evaluation of Developer's transmission project until it has submitted its study deposit and satisfied the required milestones in the Public Policy Transmission Planning Process.<sup>33</sup>
- The NYISO will invoice, and Developer will pay, the NYISO's actual costs in performing its evaluation in accordance with the requirements in Section 31.4.4.4.<sup>34</sup>
- The NYISO will use the project information provided by the Developer, additional information requested by the NYISO from the Developer, and analysis from the NYISO's independent subcontractor consultants in evaluating the transmission project in accordance with the selection metrics set forth in the NYISO OATT.<sup>35</sup>
- As part of its evaluation, the NYISO will provide the Developer with a summary of its findings and will meet with the Developer to discuss its findings and address any questions.<sup>36</sup> The final study results will be included in the NYISO's Public Policy Transmission Planning Process Report.<sup>37</sup>
- The Agreement will terminate upon the completion of the NYISO's evaluation of the

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<sup>30</sup> The NYISO's proposed tariff revisions were approved without objection by the NYISO's stakeholders.

<sup>31</sup> Agreement § 2.0.

<sup>32</sup> Agreement §§ 3.0, 4.0.

<sup>33</sup> Agreement §§ 2.0, 4.0.

<sup>34</sup> Agreement § 4.0.

<sup>35</sup> Agreement § 5.0.

<sup>36</sup> Agreement § 7.0.

<sup>37</sup> Agreement § 7.0.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

transmission project, which will be the later of: (i) the date on which the NYISO Board's approval of the Public Policy Transmission Planning Report is final, and (ii) the date on which the NYPSC issuing an Article VII certification for a regulated transmission solution to satisfy the Public Policy Transmission Need.<sup>38</sup> The Developer or NYISO may also end the evaluation and terminate the agreement upon: (i) the Developer's withdrawal of its project, (ii) the NYISO's rejection of the project from further consideration under the relevant tariff provisions, or (iii) any changes by the NYPSC to the Public Policy Transmission Need that eliminates the need for the transmission project.<sup>39</sup>

**Question 7**

*Proposed section 31.4.5.1.5, Attachment Y states:*

*Upon the completion of any interconnection or transmission expansion study of a proposed Public Policy Transmission Project that is performed under Sections 3.7 or 4.5 of the ISO OATT or Attachment X of the ISO OATT, the Developer of the proposed project shall notify the ISO that the study has been completed and, at the ISO's request, shall submit to the ISO any study report and related materials prepared in connection with the study.*

*Please explain under what circumstances the Developer would conduct the study or under what circumstances NYISO would not participate in the study process. Provide scenarios as examples. Where NYISO does not participate in the study process, under each scenario, please explain why.*

**NYISO Response:**

The NYISO will, in most cases, already possess the study report and related materials prepared for an interconnection or transmission expansion study. However, in the event the NYISO does not already have access to this material, the proposed information requirement in Section 31.4.5.1.5 simply provides that the NYISO can obtain the relevant supporting material to assist in its review of a Developer's project information for purposes of determining whether the project is viable and sufficient and for purposes of selecting the more efficient or cost-effective transmission solution that is eligible for cost allocation and recovery under the NYISO OATT. As described above, the NYISO plays a supportive role in the Facilities Study performed under the transmission expansion process, and, for this reason, may require the relevant Transmission Owner to submit certain study and supporting materials in connection with that study. In addition, as described in the responses to Questions 3(a) and 3(c), study work may be performed under certain circumstances in the interconnection and transmission expansion processes by a third party consultant or by a New York Transmission Owner.

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<sup>38</sup> Agreement § 8.5.

<sup>39</sup> Agreement § 8.5.

# Appendix A

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

NYISO Response to Question 1(a):

The following deadlines in Attachment Y of the NYISO OATT would be subject to the extension provision in Section 31.1.8.7:

No.	Section	Deadline
1	31.2.4.1.1.2	Thirty (30) day deadline for Developer to submit additional Developer qualification information at the NYISO's request.
2	31.2.5.1	Sixty (60) day deadline for an interested Developer to propose a solution in response to the NYISO's solicitation for solutions to a Reliability Need.
3	31.2.5.1	Thirty (30) day deadline for Developer that has not yet been determined to be qualified to submit its qualification information in response to the NYISO's solicitation for solutions to a Reliability Need.
4	31.2.5.1	Fifteen (15) day deadline for Developer to submit additional project information or Developer qualification information at the NYISO's request.
5	31.2.5.6	Thirty (30) day deadline for Other Developer or Transmission Owner that has proposed an alternative regulated transmission solution to address any deficiencies identified by the NYISO.
6	31.2.5.6	Thirty (30) day deadline for Responsible Transmission Owner to make necessary changes to its proposed regulated backstop solution to address deficiencies identified by the NYISO.
7	31.2.6.1	Thirty (30) day deadline for Developer of viable and sufficient transmission solution to submit additional project information in response to NYISO request. [Note: This provision already provides deadline flexibility: "within (30) days or such additional period as the ISO determines is reasonable."]
8	31.2.6.1	Fifteen (15) day deadline for Developer to submit additional project information in response to NYISO request.
9	31.2.6.2	Thirty (30) calendar day deadline for Developer to pay invoiced amount following NYISO's issuance of monthly invoice.
10	31.2.6.2	Thirty (30) day deadline for Developer to make payments to the NYISO to restore full study deposit amount following NYISO's notice to the Developer that it must draw on study deposit.
11	31.2.6.2	Thirty (30) day deadline for Developer to pay any amounts, with interest, due after the resolution of a dispute over invoiced amounts.
12	31.2.6.3	Thirty (30) day deadline for Developer to submit adjustments to address its project's significant adverse impacts on the reliability of the New York State Transmission System following the NYISO's notice to the Developer.
13	31.2.6.5.2	Thirty (30) day deadline for the Other Developer or Transmission Owner of a selected alternative regulated transmission solution to submit a proposed schedule and scope of work to the NYISO following the NYISO's selection of the project.

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

14	31.2.8.1.6	Three (3) months for the Developer to execute the Development Agreement following NYISO's tendering of the agreement. [Note: This provision already provides for additional flexibility: " <i>Unless otherwise agreed by the ISO and the Developer, the Developer must execute the Development Agreement within three (3) months . . .</i> "]
15	31.2.8.3.6	A reasonable period (not more than two weeks) for a Developer to respond to the NYISO's intended determination, including an opportunity to provide additional information to the NYISO to support the continued viability of the proposed solution.
16	31.3.2.4.1.1.2	Thirty (30) day deadline for Developer to submit additional Developer qualification information at the NYISO's request.
17	31.3.2.4.1.3	Fifteen (15) day deadline for Developer to submit additional project information or Developer qualification information at the NYISO's request.
18	31.4.2	Sixty (60) day deadline for stakeholders/interested parties to submit proposed transmission needs in response to NYISO solicitation for proposed needs.
19	31.4.3.1	Sixty (60) day deadline for Developers to propose solutions to a Public Policy Transmission Need in response to NYISO solicitation for solutions.
20	31.4.4.1.2	Thirty (30) day deadline for Developer to submit additional Developer qualification information at the NYISO's request.
21	31.4.4.3.1	Sixty (60) day deadline for Developers to propose solutions to a Public Policy Transmission Need in response to NYISO solicitation for solutions.
22	31.4.4.3.3	Thirty (30) day deadline for Developer that has not yet been determined to be qualified to submit its qualification information in response to the NYISO's solicitation for solutions to a Public Policy Transmission Need.
23	31.4.4.3.4	Fifteen (15) day deadline for Developer to submit additional Developer qualification information or project information in response to NYISO request.
24	31.4.4.4	Sixty (60) day deadline for a Developer of a Public Policy Transmission Projects to execute study agreement, provide study deposit, and provide application fee in response to the NYISO's solicitation for solutions.
25	31.4.4.4	Thirty (30) calendar day deadline for Developer to pay invoiced amount following NYISO's issuance of monthly invoice.
26	31.4.4.4	Thirty (30) day deadline for Developer to make payments to the NYISO to restore full study deposit amount following NYISO's notice to the Developer that it must draw on study deposit.
27	31.4.4.4	Thirty (30) day deadline for Developer to pay any amounts, with interest, due after the resolution of a dispute over invoiced amounts.
28	31.4.6.6	Thirty (30) day deadline for Developer to inform ISO that it intends for its viable and sufficient transmission project to proceed to be evaluated by the NYISO for purposes of selection, including satisfying the

**NYISO Responses to Deficiency Letter**  
**Docket No. ER15-2059-000**  
**October 27, 2015**

		requirements to proceed in Section 31.4.6.6, following the NYISO's presentation of the Viability and Sufficiency Assessment.
29	31.4.12.2	Three (3) months for the Developer to execute the Development Agreement following NYISO's tendering of the agreement. [Note: This provision already provides for additional flexibility: " <i>Unless otherwise agreed by the ISO and the Developer, the Developer must execute the Development Agreement within three (3) months . . .</i> "]
30	31.5.4.6.5	Thirty (30) day deadline for beneficiaries voting against approval of project to submit their rationale for their vote, following the date the vote was taken.
31	31.5.5.4.2	Thirty (30) day deadline for Developer to submit to the NYPSC for its consideration a proposed cost allocation methodology, following the NYISO's selection of a Public Policy Transmission Project.
32	31.5.5.4.2.1	One hundred fifty (150) day deadline for NYPSC to review the Developer's proposed cost allocation methodology.
33	31.5.5.4.2.2	Thirty (30) day deadline for Developer to file the cost allocation methodology following NYPSC's informing Developer it supports methodology.
34	31.5.5.4.2.3	Sixty (60) day deadline for Developer to take reasonable steps with NYPSC to develop a mutually agreeable cost allocation methodology following NYPSC's informing Developer that it does not support the methodology.
35	31.5.5.4.2.4	Thirty (30) day deadline for Developer to file a mutually acceptable cost allocation methodology following the conclusion of discussion period with the NYPSC.
36	31.5.5.4.2.5	Thirty (30) day deadline for Developer to file a cost allocation methodology in the absence of a mutually acceptable cost allocation methodology following the conclusion of discussion period with the NYPSC.

# Appendix B

# *Public Policy Transmission Planning Process Manual Attachments*

**Attachment E Study Agreement for Evaluation of Public Policy Transmission Projects**  
*07/31/2015*

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This document was prepared by:  
*System & Resource Planning*

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**STUDY AGREEMENT FOR EVALUATION OF PUBLIC POLICY TRANSMISSION PROJECTS**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ (“Developer”), and the New York Independent System Operator, Inc., a not-for-profit corporation organized and existing under the laws of the State of New York (“NYISO”). Developer and NYISO each may be referred to as a “Party,” or collectively as the “Parties.”

**RECITALS**

**WHEREAS**, Developer is proposing to develop a Public Policy Transmission Project to satisfy one or more identified Public Policy Transmission Needs (“Transmission Project”);

**WHEREAS**, pursuant to Sections 31.4.3.1, 31.4.4.3, and 31.4.4.4 of Attachment Y to the ISO OATT, the NYISO has requested that all entities interested in proposing a Transmission Project submit specific solutions to the Public Policy Transmission Need, including: (i) submitting their project information and an application fee for purposes of being evaluated in the NYISO’s Public Policy Transmission Planning Process, and (ii) executing this Agreement and submitting a study deposit for purposes of the NYISO’s evaluation and selection of the more efficient or cost-effective transmission solution to the identified Public Policy Transmission Need(s);

**WHEREAS**, Developer has requested the NYISO to evaluate its Transmission Project for the purpose of selecting the more efficient or cost-effective transmission solution to the identified Public Policy Transmission Need(s);

**WHEREAS**, pursuant to Sections 31.4.3.1, 31.4.4.3, and 31.4.4.4 of Attachment Y to the ISO OATT, Developer will submit, together with the execution of this Agreement, its project information, application fee, and study deposit for the purpose of the NYISO evaluating its Transmission Project.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified but not otherwise defined herein shall have the meanings indicated in Section 31.1.1 of Attachment Y to the ISO OATT, or if not defined therein, in the ISO OATT.
- 2.0 Developer elects, and the NYISO shall cause to be performed, an evaluation of the Transmission Project in accordance with Sections 31.4.7, 31.4.8, 31.4.9, and 31.4.10 of Attachment Y to the ISO OATT, along with any required additional evaluation or re-evaluation of the Transmission Project, for the purpose of the NYISO’s selection of the

- more efficient or cost-effective transmission solution to satisfy the identified Public Policy Transmission Need(s) (“Evaluation”). The terms of Sections 31.4.7, 31.4.8, 31.4.9, and 31.4.10 of Attachment Y to the ISO OATT, as applicable, are hereby incorporated by reference herein. The NYISO will not commence its Evaluation of the Transmission Project prior to determining that: (i) Developer’s Transmission Project is viable and sufficient in accordance with Section 31.4.6 of Attachment Y to the ISO OATT, and (ii) Developer has provided to the NYISO the required notification to proceed with the Evaluation of the Transmission Project in accordance with Section 31.4.6.6 of Attachment Y to the ISO OATT.
- 3.0 Upon the execution of this Agreement, Developer shall provide the NYISO with the project information for its Transmission Project in accordance with Section 31.4.4.3 of Attachment Y to the ISO OATT. Developer shall provide the project information required under Section 31.4.5.1 of Attachment Y to the ISO OATT.
  - 4.0 Upon the execution of this Agreement, Developer shall also provide the NYISO with a deposit of \$100,000 in accordance with Section 31.4.4.4 of Attachment Y to the ISO OATT to secure Developer’s payment of the NYISO’s expenses incurred in performing the Evaluation. The NYISO will not commence its Evaluation of the Transmission Project prior to its receipt of Developer’s study deposit. The NYISO shall invoice, and Developer shall pay to the NYISO, the actual costs of the Evaluation in accordance with Section 31.4.4.4 of Attachment Y to the ISO OATT. Upon settlement of the final invoice, the NYISO will return to Developer any remaining portion of the study deposit, including any accrued interest, in accordance with Section 31.4.4.4 of Attachment Y to the ISO OATT.
  - 5.0 The NYISO will use the project information provided by Developer as described in Section 3.0 above as an input for its Evaluation; *provided, however*, that pursuant to Section 31.4.8 of Attachment Y to the ISO OATT, the ISO may engage an independent subcontractor consultant to review the reasonableness and comprehensiveness of the project information provided by Developer and may rely on the independent subcontractor consultant’s analysis of the project information in performing its Evaluation. The NYISO reserves the right to request additional project information from Developer as may become necessary in accordance with Section 31.4.4.3.1 of Attachment Y to the ISO OATT, and Developer shall submit such additional information within 15 days of the NYISO’s request as required under Section 31.4.4.3.4 of Attachment Y to the ISO OATT. Developer shall meet with the NYISO, as the NYISO deems necessary, to discuss Developer’s project information.
  - 6.0 The scope of the Evaluation shall be subject to the study purposes and criteria set forth in Attachment Y to the ISO OATT and to the assumptions set forth in Attachment A to this Agreement.
  - 7.0 As part of the NYISO’s Evaluation of the Transmission Project and prior to identifying the more efficient or cost-effective transmission solution to meet the Public Policy

Transmission Need(s), the NYISO will provide Developer with a summary of its findings regarding the project information submitted by Developer and will meet with Developer to discuss its findings and to address any questions regarding the project information. After completing the required analysis of all of the proposed regulated transmission solutions and identifying the more efficient or cost-effective transmission solution, the NYISO will provide all stakeholders with the results of its analysis, including which regulated transmission solution has been identified as the more efficient or cost-effective transmission solution to the Public Policy Transmission Need(s), in the Public Policy Transmission Planning Report pursuant to Section 31.4.11 of Attachment Y to the ISO OATT.

8.0 Miscellaneous.

- 8.1 Accuracy of Information. Except as Developer may otherwise specify in writing when it provides information to the NYISO under this Agreement, Developer represents and warrants that the information it has provided or subsequently provides to the NYISO is and shall be accurate and complete as of the date the information is provided. Developer shall promptly provide the NYISO with any additional information needed to update information previously provided.
  
- 8.2 Disclaimer of Warranty. In performing the Evaluation, the NYISO and any subcontractor consultants engaged by the NYISO will have to rely on information provided by Developer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither the NYISO nor any subcontractor consultant engaged by the NYISO makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content, or conclusions of the Evaluation performed pursuant to this Agreement and the ISO OATT. Developer acknowledges that it has not relied on any representations or warranties by the NYISO or its subcontractor consultants not specifically set forth herein and that no such representations or warranties have formed the basis of its bargain hereunder.
  
- 8.3 Limitation of Liability. The NYISO or any subcontractor consultants engaged by the NYISO shall not be liable for direct damages, including money damages or other compensation, for actions or omissions by the NYISO or a subcontractor consultant in performing its obligations under this Agreement, except to the extent such act or omission by the NYISO or a subcontractor consultant is found to result from its gross negligence or

willful misconduct. In no event shall either Party or its subcontractor consultants be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement and the ISO OATT or any reliance on the Evaluation by any Party or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall either Party or its subcontractor consultants be liable for any delay in delivery or for the non-performance or delay in performance of its obligations under this Agreement.

- 8.4 **Third-Party Beneficiaries.** Without limitation of Sections 8.2 and 8.3 of this Agreement, Developer further agrees that subcontractor consultants hired by NYISO to conduct or review, or to assist in the conducting or reviewing, the Evaluation of the Transmission Project shall be deemed third party beneficiaries of these Sections 8.2 and 8.3.
- 8.5 **Term and Termination.** This Agreement shall be effective from the date hereof and, unless earlier terminated in accordance with this Section 8.5, shall continue in effect until completion of the Evaluation, which shall be the later of: (i) the date on which the NYISO Board of Directors' approval of the Public Policy Transmission Planning Process report for the planning cycle is final and not the subject of dispute resolution or a challenge before a court or regulatory body, and (ii) the date on which the New York State Public Service Commission issues the Article VII certification for a regulated transmission solution that satisfies the identified Public Policy Transmission Need(s). Developer or NYISO may end the Evaluation and terminate this Agreement upon: (i) the withdrawal by Developer of its Transmission Project, including its failure to provide the required notification to proceed under Section 31.4.6.6 of Attachment Y to the ISO OATT; (ii) the rejection by the NYISO of the Transmission Project from further consideration during the planning cycle in accordance with the ISO OATT; or (iii) any changes by the New York State Public Service Commission to the identified Public Policy Transmission Need(s), including withdrawal of the Public Policy Transmission Need(s), that eliminate the need for the Transmission Project.
- 8.6 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

- 8.7 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 8.8 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.
- 8.9 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 8.10 Survival. All warranties, limitations of liability and confidentiality provisions provided herein and the payment obligations provided under Section 4.0 shall survive the expiration or termination of this Agreement.
- 8.11 Independent Contractor. NYISO shall at all times be deemed to be an independent contractor for purposes of this Agreement and none of its employees or the employees of its subcontractors shall be considered to be employees of Developer as a result of this Agreement.
- 8.12 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 8.13 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.
- 8.14 Confidentiality. NYISO shall maintain the project information submitted by Developer under this Agreement in accordance with the requirements set forth in Sections 31.4.15 of Attachment Y to the ISO OATT.

**IN WITNESS THEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents and to be effective from the day and year first above written.

**NYISO**

**[Insert name of Developer]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_