

FERC rendition of the electronically filed tariff records in Docket No. ER20- 000

Filing Data:

CID: C000038

Filing Title: Engineering Fees Reimbursement Agreement between NYSEG and Greenidge Generation

Company Filing Identifier: 1538

Type of Filing Code: 10

Associated Filing Identifier: [if applicable]

Tariff Title: NYISO Agreements

Tariff ID: 58

Payment Confirmation: N

Suspension Motion:

Tariff Record Data:

Record Content Description: Agreement No. 2492

Tariff Record Title: Engineering Fees Reimbursement Agreement - NYSEG & Greenidge

Record Version Number: 0.0.0

Option Code: A

Tariff Record ID: 257

Tariff Record Collation Value: 8086300

Tariff Record Parent Identifier: 2

Proposed Date: 2019-10-18

Priority Order: 500

Record Change Type: New

Record Content Type: 2

Associated Filing Identifier: [Source - if applicable]

CUI//CEII - REDACTED VERSION

CUI//CEII - REDACTED VERSION

Service Agreement No. _____

ENGINEERING FEES

REIMBURSEMENT AGREEMENT

By and Between

NEW YORK ELECTRIC & GAS CORPORATION

AND

GREENIDGE GENERATION LLC

ENGINEERING FEES REIMBURSEMENT AGREEMENT

THIS ENGINEERING FEES REIMBURSEMENT AGREEMENT (this "**Agreement**"), is effective as of October 18, 2019 (the "**Effective Date**"), and made by and between **NEW YORK STATE ELECTRIC & GAS CORPORATION** ("**NYSEG**"), a New York corporation with offices at 18 Link Drive, Binghamton, New York 13904 and **GREENIDGE GENERATION LLC** ("**Greenidge**"), a New York limited liability company, with offices at 590 Plant Road, Dresden, New York 14441 (NYSEG and Greenidge, each, individually, a "**Party**," and, collectively, the "**Parties**").

RECITALS

A. Greenidge is the owner of the Greenidge Station, a 106MW naturally gas fired facility (the "**Generation Facility**"), which is connected to electric facilities owned by NYSEG that provide an interconnection to the wider transmission grid operated by the New York Independent System Operator ("**NYISO**" and "**the NYISO System**") pursuant to a Large Generation Interconnection Agreement by and among Greenidge, NYSEG and the NYISO dated October 21, 2016 (the "**LGIA**").

B. Greenidge is pursuing the development of an onsite data mining facility utilizing power generated at the Greenidge Facility (the "**Project**") and, in connection with the Project, created an isolation plan for the behind the meter net generation ("**BTM:NG**").

C. To determine: (i) the sufficiency and the appropriateness of Greenidge's proposed isolation plan for the BTM:NG to eliminate the possibility that the Project will draw energy from the NYISO System via NYSEG's electric facilities and (ii) the coordination of the isolation plan with the completion of various required attachment facilities, systems upgrades and or other facilities improvements all as defined in the appendices to the LGIA (collectively, "**Greenidge's Isolation Plan**"), NYSEG's engineers will review and analyze Greenidge's Isolation Plan. Additional specifications of Greenidge's Isolation Plan are set forth on Exhibit A attached hereto.

D. Greenidge shall provide NYSEG a copy of its completed detailed engineering proposal for Greenidge's Isolation Plan and a signed version of this Reimbursement Agreement. Thereafter, NYSEG will review the detailed design and confer with Greenidge's engineers to ask clarifying questions and identify issues/concerns about the proposed design.

E. Greenidge's engineering team will respond to NYSEG's clarifying questions with the updated design.

F. Provided that all outstanding issues have been satisfactorily addressed, NYSEG will use commercially reasonable efforts to complete its review of Greenidge's Isolation Plan within thirty (30) business days, but failure to complete its review within this time shall not constitute a waiver of NYSEG's rights or breach of this Agreement.

G. At the completion of NYSEG's review of Greenidge's Isolation Plan, NYSEG shall either (i) certify that the engineering design is acceptable, or (ii) reject the proposed engineering design, providing comments and direction regarding what is needed for NYSEG's

H. Greenidge will reimburse NYSEG for the costs and expenses NYSEG incurs during NYSEG engineers' review and analysis of Greenidge's Isolation Plan.

I. The Parties acknowledge and agree that NYSEG's review and certification of Greenidge's Isolation Plan shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or Greenidge's Isolation Plan. Greenidge shall make such changes to Greenidge's Isolation Plan as may reasonably be required by the NYISO, in accordance with Good Utility Practice, to ensure it is compatible with the technical specifications, operational control, and safety requirements of NYSEG and the NYISO.

J. Each of the Parties, having done all things necessary to constitute this Agreement a valid and binding agreement by and between them, and in all respects, having duly authorized the creation, execution, and delivery of this Agreement, agrees to the terms and conditions of this Agreement.

DEFINITIONS

1. **“Appropriate Fees”** means all reasonable engineering costs and expenses incurred by NYSEG to review Greenidges Isolation Plan and invoiced to Greenidge in compliance with this Agreement.

2. **“Authorized Signatory”** means the individual designated by NYSEG and the individual designated by Greenidge to sign this Agreement on behalf of NYSEG and Greenidge, respectively.

3. **“Force Majeure Event”** means any event outside the commercially reasonable control of the Parties that prevents a Party from timely fulfilling its obligations pursuant to this Agreement.

4. **“Repayment Period”** means the sixty (60)-calendar day period immediately following Greenidge's receipt of a written invoice sent to Greenidge by NYSEG via by first class, United States mail seeking payment of accrued Appropriate Fees.

ARTICLE I. REIMBURSEMENT OF ENGINEERING FEES

Section 1.01 The Recitals and Definitions, by reference, are part of this Agreement.

Section 1.02 NYSEG will provide proper documentation, including, but not limited to, receipts and descriptions of services rendered, with each invoice for Appropriate Fees.

Section 1.03 Greenidge acknowledges and accepts its obligation to reimburse NYSEG for any and all Appropriate Fees.

_____ - _____

Section 1.04 Greenidge's obligation to reimburse NYSEG for Appropriate Fees is not and will not be contingent or dependent on approval of or success of the Project.

Section 1.05 Greenidge will reimburse NYSEG for Appropriate Fees within the Repayment Period.

Section 1.06 If Greenidge fails to reimburse NYSEG for the Appropriate Fees within the Repayment Period, Greenidge is responsible for any collection fees incurred by NYSEG.

Section 1.07 Prior to referring any past due Appropriate Fees for collection, NYSEG must give Greenidge thirty (30)-days' prior written notice, which notice must clearly state the amount of past due Appropriate Fees. If the past due Appropriate Fees remain outstanding after the expiration of such thirty (30)-day period, NYSEG may refer the amounts for collection.

ARTICLE II. TERM

This Agreement is effective as of the Effective Date and will remain in effect, unless terminated earlier by written consent of the Parties, until NYSEG completes its review of Greenidge's Isolation Plan and no Appropriate Fees are outstanding.

ARTICLE III. FORCE MAJEURE EVENT

Section 3.01 Neither Party will be in breach of this Agreement or liable for any delay in or failure of its performance under this Agreement to the extent such delay or failure is due to a Force Majeure Event as long as:

(a) The Party claiming Force Majeure provides the other Party written notice as soon as practicable after the claiming Party becomes aware of the Force Majeure Event; and

(b) The Party claiming Force Majeure proceeds with commercially reasonable efforts to overcome the Force Majeure Event, and, within a reasonable time after giving notice of the Force Majeure Event, which may not exceed ten (10)-calendar days', provides the non-claiming Party written notice of those efforts and the estimated time for performance.

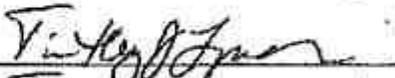
Section 3.02 Any breach or other non-performance will be excused only for the duration of the Force Majeure Event plus seven (7) calendar days'.

[There is no further text on this page. The signature page follows.]

IN WITNESS WHEREOF, NYSEG and Greenidge, by their respective Authorized Signatories, executed this Agreement as of the Effective Date.

**NEW YORK STATE ELECTRIC
& GAS CORPORATION**

GREENIDGE GENERATION, LLC

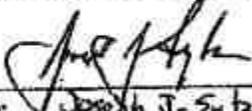
By: 
Name: TIMOTHY J. LYNCH
Title: DIRECTOR - TRANS SVCS
Date: 10/18/2019

By: _____
Name: _____
Title: _____
Date: _____

IN WITNESS WHEREOF, NYSEG and Greenidge, by their respective Authorized Signatories, executed this Agreement as of the Effective Date.

**NEW YORK STATE ELECTRIC
& GAS CORPORATION**

GREENIDGE GENERATION, LLC

By: 
Name: Joseph J. Syta
Title: VP, Controller & Treasurer

By: 
Name: Timothy Rainey
Title: CEO

EXHIBIT A
TO
REIMBURSEMENT AGREEMENT
Between
New York State Electric and Gas
And
Greenidge Generation LLC

19105566.1

"Exhibit A of this Engineering Fees Agreement Contains Critical Energy Infrastructure Information - Do Not Distribute to Unauthorized Individuals"

Greenidge Generation: "Behind The Meter" Onsite Data Center

BACKGROUND

[REDACTED]

The Greenidge Generation LLC ("Greenidge") plant located in Dresden, New York is a single unit, 107MW natural gas generator. Greenidge Generation ("Greenidge") has proposed to [REDACTED] for the purpose of supplying additional, new onsite data center loads under the NYISO Behind the Meter Program.

The New York Independent System Operator (NYISO) has requested written confirmation from NYSEG concerning Greenidge's electrical system. NYISO would like NYSEG to approve of the Greenidge isolation plan, where the plant would never operate the Behind the Meter Load with power from the grid. This summary document is provided to NYSEG to explain the protection and control applications in this modification that impact the NYSEG system. A Plant One Line drawing depicting the Relay and Metering setup is provided along with this summary.

THE CONCEPTUAL PLAN

[REDACTED]

[REDACTED]

[REDACTED]

"Exhibit A of this Engineering Fees Agreement Contains Critical Energy Infrastructure Information - Do Not Distribute to Unauthorized Individuals"

The following logic depicts how the onsite load data center is prevented from drawing power from the NYSEG grid.

[REDACTED]

[REDACTED]

[REDACTED]

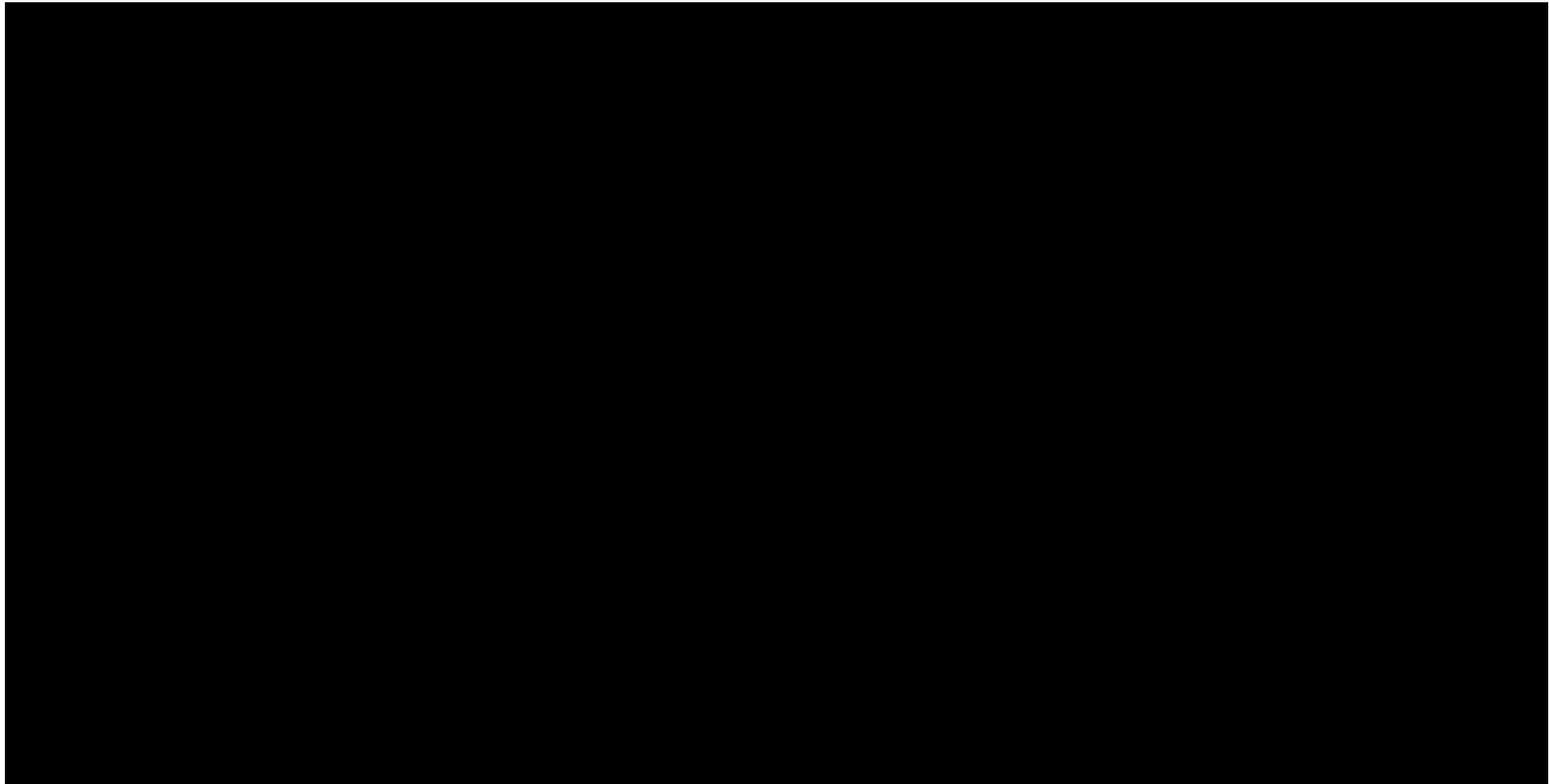
"Exhibit A of this Engineering Fees Agreement Contains Critical Energy Infrastructure Information - Do Not Distribute to Unauthorized Individuals"

It should be noted that while the Greenidge “Behind The Meter” (“BTM”) project and the NYSEG Relaying and Metering project are intended to be constructed within the same timeframe, the two (2) projects are considered as separate except for the afore mentioned aspects.

In terms of the Behind-The-Meter project, two new meters will be installed. One will be installed on the high side of the existing station service transformer and the other will be installed on the switchgear feeder bus. From the NYSEG Interconnection project, a new meter was installed on the high side of the GSU. This metering scheme falls into the Option 2 category found in the NYISO Revenue Metering Requirements manual where the meter installed on the high side of the GSU is the net facility revenue meter and the meter installed on the station service and the new feeder bus will meter the gross load.

The meters that will be installed in the Behind-The-Meter project will be matched to the meter that will be installed in the interconnection project, a TransData Mark V. These meters, along with all CTs and VTs, were found in the New York State Public Service Commission (NYS PSC) approved metering equipment manual. All equipment used for metering in this project will fall under the revenue grade category as determined by the NYISO Revenue Metering Requirements manual as well the NYS PSC approved metering equipment manual.

The metering scheme can be found in the figures below.



"Exhibit A of this Engineering Fees Agreement Contains Critical Energy Infrastructure Information - Do Not Distribute to Unauthorized Individuals"

The highlighted sections in Figure 2 are the new meters installed for the interconnection project and the Behind-The-Meter project. The meter highlighted on the left of Figure 2 is the meter installed on the new gross load, the meter highlighted at the top is the meter installed on the high side of the station service transformer, and the meter highlighted on the right is the new meter installed on the high side of the GSU, confirming that the Behind-The-Meter project falls within Option 2 of the NYISO Revenue Metering Requirements.

