

THIS FILING LETTER DOES NOT CONTAIN ANY CEII. ATTACHMENTS I, II, AND IV DO NOT CONTAIN ANY PRIVILEGED OR CONFIDENTIAL INFORMATION. ATTACHMENT III INCLUDES A FIGURE FOR WHICH CEII DESIGNATION IS REQUESTED IN PART III BELOW, AND IS SUBMITTED SEPARATELY.

March 12, 2021

By Electronic Delivery

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Joint Filing of an Executed Transmission Project Interconnection Agreement Among the New York Independent System Operator, Inc., Central Hudson Gas & Electric Corporation, and New York Transco, LLC; Request for Critical Energy Infrastructure Information Designation; and Request for Waiver of 60-Day Notice Period; Docket No. ER21-____-000

Dear Ms. Bose:

Pursuant to Section 205 of the Federal Power Act¹ and Section 35.13 of the Commission's regulations,² the New York Independent System Operator, Inc. ("NYISO") and Central Hudson Gas & Electric Corporation ("Central Hudson") (together, the "Joint Filing Parties") hereby tender for filing an executed Transmission Project Interconnection Agreement entered into by the NYISO, Central Hudson, as the Connecting Transmission Owner, and New York Transco, LLC ("Transco"), as the Transmission Developer (the "Interconnection Agreement").³ The Interconnection Agreement is labeled as Service Agreement No. 2605 under the NYISO's Open Access Transmission Tariff ("OATT").

The Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing. Pursuant to Section 22.11.1 of Attachment P of the OATT, the Interconnection Agreement is based on and consistent with the *pro forma* Large Generator Interconnection Agreement ("Pro Forma LGIA") contained in Attachment X to the OATT, as modified to address a Transmission Project. The modifications are described in Part II of this letter. Further, as described in Part III of this letter, Central Hudson requests that Figure

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13 (2019).

³ Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in Attachment P of the NYISO OATT, and if not defined therein, in Attachments X or S of the NYISO OATT, or the NYISO OATT or NYISO Market Administration and Control Area Services Tariff ("Services Tariff").

A-1 in Appendix A of the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information. Finally, as described in Part IV of this letter, the Joint Filing Parties respectfully request a waiver of the Commission's prior notice requirements⁴ to make the Interconnection Agreement effective as of February 26, 2021, which is the date on which it was fully executed.

I. BACKGROUND

As part of the NYISO's Public Policy Transmission Planning Process ("Public Policy Process"), the New York Public Service Commission ("NYPSC") identified as transmission needs driven by Public Policy Requirements the needs to increase Central East transfer capability in New York by at least 350 MW ("Segment A") and UPNY/SENY transfer capability in New York by at least 900 MW ("Segment B") to provide additional capability to move power from upstate to downstate New York (together, the "AC Transmission Needs").⁵ On April 8, 2019, the NYISO selected in its Public Policy Process the New York Energy Solution Project proposed by Transco and Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid") as the more efficient or cost effective transmission solution to address Segment B of the AC Transmission Needs ("Transmission Project").⁶ Details regarding the Transmission Project are set forth in Appendix C of the Interconnection Agreement. On January 10, 2020, the NYISO, Transmission Developer, and National Grid entered into a Public Policy Transmission Planning Process Development Agreement for the Transmission Project ("Development Agreement").⁷ National Grid subsequently assigned its rights, duties, and obligations under the Development Agreement to Transmission Developer on March 10, 2020, giving Transmission Development sole rights to the development of the Transmission Project.⁸

In parallel with the NYISO's performance of its Public Policy Process to address the AC Transmission Needs, the NYISO evaluated the Transmission Project in its Transmission Interconnection Procedures located in Attachment P of the OATT. The Transmission Interconnection Studies identified Network Upgrade Facilities required for the Transmission

⁴ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, clarified, 65 FERC ¶ 61,081 (1993).

⁵ See NYPSC Case No. 12-T-0502, *et al.*, Order Finding Transmission Needs Driven by Public Policy Requirements (December 17, 2015).

⁶ See NYISO Board of Directors' Decision on Approval of AC Transmission Public Policy Transmission Planning Report and Selection of Public Policy Transmission Projects (April 8, 2019); available at: <https://www.nyiso.com/documents/20142/1390750/Board-Decision-AC-Transmission-2019-04-08.pdf/32323d32-f534-a790-1b03-2cb110033320>. In its report, the NYISO Board also selected the Double Circuit project proposed jointly by North America Transmission ("NAT") and the New York Power Authority ("NYPA") as the more efficient or cost-effective transmission solution to address Segment A of the AC Transmission Needs. This transmission project was also studied in the NYISO's Transmission Interconnection Procedures, and the NYISO will separately enter into interconnection agreements with NAT and NYPA in connection with the Segment A project.

⁷ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER20-865-000 (March 10, 2020) (accepting Development Agreement among NYISO, Transco, and National Grid).

⁸ The NYISO determined that the assignment satisfied the requirements under Article 10 of the Development Agreement and consented to the assignment in a letter dated March 10, 2020.

Project to connect reliably to the New York State Transmission System in a manner that meets the NYISO Transmission Interconnection Standard. The Transmission Project will interconnect to certain facilities of Central Hudson that are part of the New York State Transmission System at several Points of Interconnection, as described in Appendix C of the Interconnection Agreement. Details regarding the Network Upgrade Facilities for the Central Hudson facilities are set forth in Appendix A of the Interconnection Agreement.

The Transmission Project will also separately interconnect to the New York State Transmission System at existing transmission facilities owned and operated by the National Grid, New York State Electric & Gas Corporation, Consolidated Edison Company of New York, Inc., and Orange and Rockland Utilities, Inc. The NYISO will enter into separate Transmission Project Interconnection Agreements with these other Connecting Transmission Owners concerning the interconnection of the Transmission Project to their facilities and the related Network Upgrade Facilities. In addition, the Transmission Interconnection Studies for the Transmission Project identified certain other Affected Systems impacted by the Transmission Project and certain Network Upgrade Facilities required for these Affected Systems. This work will be performed in accordance with separate engineering, procurement, and construction agreements.

II. DESCRIPTION OF THE INTERCONNECTION AGREEMENT

The Interconnection Agreement was fully executed on February 26, 2021, by the NYISO, Central Hudson, and Transco. Section 22.11 of Attachment P of the OATT establishes the requirements in the NYISO's Transmission Interconnection Procedures for Transmission Project Interconnection Agreements. Pursuant to Section 22.11.1, a Transmission Project Interconnection Agreement shall be consistent with the NYISO's Commission-approved Standard Large Generator Interconnection Agreement located in Attachment X of the OATT, as modified to address a Transmission Project. Pursuant to these requirements, the Interconnection Agreement is based on and consistent with the Pro Forma LGIA, as modified to address the fact that the facility is a Transmission Project and the particular circumstances of the interconnection.

The Interconnection Agreement varies from the Pro Forma LGIA primarily as follows:

- The Interconnection Agreement concerns a Transmission Project and the related Network Upgrade Facilities determined pursuant to the NYISO's Transmission Interconnection Procedures located in Attachment P of the OATT, rather than a Large Generating Facility and the related Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades determined pursuant to the NYISO's Large Facility Interconnection Procedures in Attachments X and S of the OATT. For this reason, the Interconnection Agreement has been modified from the Pro Forma LGIA: (i) to reflect the Transmission Developer, Transmission Project, Network Upgrade Facilities, and other Transmission Interconnection Procedures terminology and rules used in Attachment P in place of the terminology concerning generation projects in the Pro Forma LGIA, (ii) to reflect that the Transmission Project is a transmission facility, which has different operating characteristics and requirements than is required for a generation facility under the Pro Forma LGIA, and (iii) to address the use of

Network Upgrade Facilities in place of Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades.

- Transco will be responsible for all of the work to design, construct, install, place in service, operate and maintain the Transmission Project. Central Hudson and Transco will each have responsibilities for the design, construction, installation, and placing in service of certain Network Upgrade Facilities, which responsibilities are detailed in Appendix A. Central Hudson will then own and be responsible for the operation and maintenance of all Network Upgrade Facilities, which will be incorporated into Central Hudson's system and operated and maintained by Central Hudson in the same manner as the rest of its transmission facilities.⁹ For this reason, the Interconnection Agreement specifies the parties' design, procurement, construction, operation, and maintenance responsibilities concerning the Transmission Project and Network Upgrade Facilities.¹⁰ The Interconnection Agreement does not include the requirements in the Pro Forma LGIA concerning a Developer's responsibilities concerning a Large Generating Facility or its options or responsibilities to perform work concerning Attachment Facilities or Stand Alone System Upgrade Facilities.
- The NYISO selected the Transmission Project in its Public Policy Process and, as described above, the NYISO, Transco, and National Grid have entered a Development Agreement for the Transmission Project. For this reason, the Interconnection Agreement has been amended to align its requirements with requirements in the Public Policy Process in Attachment Y of the OATT and in the Development Agreement. For example, the suspension and modification requirements in the Interconnection Agreement have been modified from the Pro Forma LGIA to account for related requirements in the Development Agreement and OATT.¹¹
- The NYISO's OATT and the Development Agreement establish the requirements for addressing the scenario in which the Transmission Developer is unable to complete the Transmission Project.¹² Under this scenario, the NYISO may elect to solicit bids for other developers to replace the Transmission Developer to complete the project and the Transmission Developer must work cooperatively with the new developer to transfer the project.¹³ For this reason, the parties agreed to revise the termination provisions in the Interconnection Agreement to provide for the parties to suspend, rather than terminate, the

⁹ Central Hudson and Transco agreed that Transco shall retain financial ownership of the Network Upgrade Facilities and recover the associated costs in accordance with Transco's Commission-approved formula rate under the NYISO OATT, as described in Appendix C of the Interconnection Agreement.

¹⁰ See Articles 5.1, 5.2, 10.1, 10.2, 11.1, 11.2.

¹¹ See Articles 5.11, 5.14.

¹² OATT Section 31.4.12.3.

¹³ OATT Section 31.4.12.3.1.3; 31.7 Appx. D (Public Policy Transmission Planning Process Development Agreement) Section 8.3.

agreement if the NYISO undertakes a process to solicit and select a new developer and to provide for the assignment of the agreement to the new developer.¹⁴

- Transco has executed an Operating Agreement with the NYISO concerning its transmission facilities in New York.¹⁵ For this reason, the parties state in the Interconnection Agreement that Transco will operate, maintain, and control its facilities and satisfy communication requirements in accordance with the Operating Agreement, the NYISO Tariffs, and the NYISO's procedures.¹⁶
- Central Hudson will perform the metering related requirements associated with the interconnection. The parties, therefore, clarified the metering requirements to make clear Central Hudson's responsibilities.¹⁷
- Section 22.11.1 of Attachment P of the OATT establishes that the Transmission Project Interconnection Agreement "shall provide the mechanism through which a Transmission Developer shall post Security for required Network Upgrade Facilities." Accordingly, the Interconnection Agreement has been modified to incorporate the standard Security and related cost allocation tariff requirements set forth in Attachment S of the NYISO OATT that are applicable to upgrades for Developers that are subject to the Pro Forma LGIA.¹⁸ The Commission has accepted the incorporation of these requirements in the NYISO's Transmission Project Interconnection Agreements.¹⁹ In particular, the Interconnection Agreement incorporates the OATT requirement that the Developer's Security is subject to forfeiture if it terminates or abandons its project and the Security is required to defray the costs of constructing the upgrades relied upon by subsequent projects.²⁰ In addition, the Interconnection Agreement incorporates the OATT requirements that address the allocation of costs that are less than or greater than the cost estimate amount determined in the interconnection studies.²¹ Transco and Central Hudson have agreed that Transco will be responsible for the costs that are greater than the estimated amount, except in cases were

¹⁴ See Article 2.3.1.

¹⁵ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER18-2015-000 (September 6, 2018) (accepting Amended and Restated Operating Agreement Between the NYISO and NY Transco); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER16-1785-001 (July 19, 2016) (accepting Operating Agreement Between the NYISO and NY Transco).

¹⁶ See Articles 8.1, 9.3.

¹⁷ See Article 7.

¹⁸ See Articles 2.4.1, 2.4.2, 11.4, 11.5, 11.6.

¹⁹ See *New York Independent System Operator Inc. and Niagara Mohawk Power Corporation*, Letter Order, Docket No. ER19-2645-000 (September 26, 2019) (accepting incorporation in Transmission Project Interconnection Agreement of NYISO's Security forfeiture and cost allocation rules for upgrades).

²⁰ See Article 11.5; *see also* OATT Attachment S Section 25.8.5. The parties agreed to supplement the tariff Security forfeiture rules to provide a process for the Connecting Transmission Owner to obtain the forfeited Security from Developer if Developer's Security provided pursuant to the Interconnection Agreement is not in a form that can be readily drawn on. *See* Article 11.5.

²¹ *See* Article 11.6; *see also* OATT Attachment S Section 25.8.6.

those costs resulted from the modification of other projects.²² In such case, the costs will be the responsibility of the developers of the modified projects or will be covered by drawing on the cash that has been paid and the Security that has been posted for terminated projects, depending on the factors that caused the additional cost.

- The parties agreed to use the insurance rules and amounts set forth in the Development Agreement for the Transmission Project for purposes of the Interconnection Agreement concerning the same Transmission Project.²³
- The Transmission Project was evaluated under the NYISO's Transmission Interconnection Procedures in Attachment P of the OATT. For this reason, the Interconnection Agreement incorporates defined terms from Attachment P, rather than the defined terms for Large Facilities from the Standard Large Facility Interconnection Procedures in Attachment X of the OATT.
- The Transmission Project will interconnect with Central Hudson's system at multiple Points of Interconnection. Accordingly, the Interconnection Agreement provides for multiple Points of Interconnection, which are described in Appendix C. In addition, the Network Upgrade Facilities and Transmission Project will enter into service across multiple dates. Accordingly, the Interconnection Agreement provides for these multiple dates.
- The Interconnection Agreement also includes minor additional clean-ups and revisions agreed upon among all of the parties that are consistent with the terms of the Interconnection Agreement.

III. REQUEST FOR CEII TREATMENT

Pursuant to Sections 388.112 and 388.113 of the Commission's regulations,²⁴ Central Hudson requests that Figure A-1 included in Appendix A of the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information ("CEII").²⁵ The figure contains details concerning the interconnection of the Transmission Project with substations in New York, which, if disclosed, could pose a threat to the security and the reliability of the New

²² See Articles 11.6.2 and 11.6.3.

²³ See Article 18.3.

²⁴ 18 C.F.R. §§ 388.112 and 388.113 (2019).

²⁵ As required by Section 388.113(d)(1)(i) of the Commission's regulations, Central Hudson has described in the filing letter how Figure A-1 in Appendix A satisfies the definition of critical energy infrastructure information as that term is defined in Section 388.113(c)(1). In addition, as required by Section 388.113(d)(1)(ii) the cover page of the filing letter and the relevant page of the Interconnection Agreement that contains critical energy infrastructure information is labelled as including CEII and marked DO NOT RELEASE, and a Public and CEII version of the Interconnection Agreement are being filed with this letter. The CEII material is redacted in the Public version. Finally, as required by Section 388.113(d)(1)(i), Central Hudson requests that the Commission designate the CEII material submitted on March 12, 2021, with the full five-year CEII designation provided for in Section 388.113(e)(1) as the information provided in the figure will continue to satisfy the definition of critical energy infrastructure information for this entire period.

York State bulk power system. The figure provides more than simply the general location of critical infrastructure. Unlike publicly available maps of power transmission lines and generation and substation facilities, the figure shows the exact nature and specific location of facilities used to maintain the reliability of the New York State bulk power system.

The figure, in Central Hudson's assessment, reveals such critical information related to the facilities depicted therein that, if disclosed, could be useful to a person seeking to disable the power grid. Therefore, the disclosure of the CEII diagram would pose a threat to the reliability of the New York State bulk power system and the health and safety of New York residents. Moreover, the information revealed in this schematic reveals CEII, which the Commission has determined to be exempt from mandatory disclosure under 5 U.S.C. § 552(b)(7)(F). The figure has been omitted from the Public version of the Interconnection Agreement included in this filing.

The Joint Filing Parties are electronically submitting a non-public version of this filing. The figure is included only in the non-public version of the Interconnection Agreement in the filing. The non-public figure is marked: "**FIGURE CONTAINS CEII – DO NOT RELEASE PURSUANT TO 18 C.F.R. §§ 388.112 and 388.113.**" The non-public figure should be treated as CEII reviewable by Commission Staff. In accordance with the Commission's April 14, 2017 notice on labeling of non-public information, each page of the non-public version of the filing is marked "**CUI//CEII.**"²⁶ A placeholder has been included in place of the non-public figure in the public version of the Interconnection Agreement.

All communications relating to this request for privileged and confidential treatment should be addressed to Central Hudson's Counsel listed below.

IV. Proposed Effective Date and Request for Waiver of the 60-Day Notice Period

The Joint Filing Parties request an effective date of February 26, 2021, for the Interconnection Agreement, which is the date of its full execution. The Joint Filing Parties respectfully request that the Commission waive its prior notice requirement to permit the requested effective date. The Commission has previously permitted interconnection agreements to become effective upon the date of execution.²⁷

²⁶ See Notice of Document Labelling Guidance for Documents Submitted to or Filed with the Commission or Commission Staff (Apr. 14, 2017) (unreported).

²⁷ See, e.g., *New York Independent System Operator, Inc. and New York State Electric & Gas Corporation*, Letter Order, Docket No. ER11-2953-000 (April 7, 2011) (accepting interconnection agreement effective as of date of execution); see also *New York Independent System Operator, Inc. and Niagara Mohawk Power Corp.*, Letter Order, Docket No. ER08-985-000 (June 26, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority*, Letter Order, Docket No. ER08-861-000 (May 27, 2008) (same); *New York Independent System Operator, Inc. and New York Power Authority*, Letter Order, Docket No. ER08-699-000 (May 16, 2008) (same).

V. COMMUNICATIONS AND CORRESPONDENCE

All communications and service in this proceeding should be directed to:

For the NYISO²⁸

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VI. DOCUMENTS SUBMITTED

The Joint Filing Parties submit the following documents with this filing letter:

- A clean Public version of the Interconnection Agreement (Attachment I);

²⁸ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2019) to permit service on counsel in both Washington, D.C. and Richmond, VA.

- A blacklined Public version of the Interconnection Agreement showing the changes from the Pro Forma LGIA (Attachment II);
- A clean CEII version of the Interconnection Agreement (Attachment III); and
- The signature pages for the Interconnection Agreement (Attachment IV).

VII. SERVICE

On behalf of the Joint Filing Parties, the NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the New York Public Service Commission, and to the New Jersey Board of Public Utilities. In addition, a complete copy of the documents included with this filing will be posted on the NYISO's website at www.nyiso.com.

VIII. CONCLUSION

Wherefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of February 26, 2021.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan

Counsel for the

New York Independent System Operator, Inc.

/s/ Paul A. Colbert

Paul A. Colbert

Counsel for Central Hudson Gas & Electric Corporation

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