

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

June 20, 2022

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 Merchant Transmission Facility Interconnection Agreement for the Champlain Hudson Power Express Project Among the New York Independent System Operator, Inc., New York Power Authority, and CHPE LLC; Request for Critical Energy Infrastructure Information Designation; and Request for Waiver of 60-Day Notice Period; Docket No. ER22-____-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 New York Power Authority ("NYPA") (together, the "Joint Filing Parties") hereby tender for filing an executed Merchant Transmission Facility Interconnection Agreement for the Champlain Hudson Power Express project (NYISO Queue Nos. 631 and 887) entered into by the NYISO, NYPA, as the Connecting Transmission Owner, and CHPE LLC ("Champlain") as the Developer (the "Interconnection Agreement").³ The Interconnection Agreement is labeled as Service Agreement No. 2710 under the NYISO's Open Access Transmission Tariff ("OATT").

The Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing. With the limited exceptions described in Part I of this letter, the Interconnection Agreement conforms to the NYISO's *pro forma* Large Generator Interconnection Agreement ("Pro Forma LGIA") that is contained in Attachment X to the OATT. Further, as described in Part II of this letter, the Joint Filing Parties respectfully request a

¹ 16 U.S.C. § 824d.

² 18 C.F.R. § 35.13 (2021).

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

waiver of the Commission's prior notice requirements⁴ to make the Interconnection Agreement effective as of June 3, 2022, which is the date of its full execution. Finally, as described in Part III of this letter, NYPA requests that the one-line diagrams included in the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information.

I. DISCUSSION

A. Background

The Interconnection Agreement governs the interconnection of Champlain's proposed merchant transmission facility ("Merchant Transmission Facility").⁵ The Merchant Transmission Facility is a 1,250 MW High Voltage Direct Current (AC input – DC conversion – AC output) transmission project that will run from the United States and Canada border to NYPA's Astoria Annex 345 kV Substation in Astoria, Queens, New York. Additional details regarding the Merchant Transmission Facility can be found in Appendix C of the Interconnection Agreement.

The Point of Interconnection for the Merchant Transmission Facility is located between existing Breakers 3 and 5 at the existing Astoria Annex Substation. Figure A-1 of Appendix A of the Interconnection Agreement provides a one-line diagram showing the Point of Interconnection.

The interconnection of the Merchant Transmission Facility will require System Upgrade Facilities at Consolidated Edison Company of New York, Inc.'s ("Con Edison") Rainey Substation. This work will be addressed through a separate agreement.

B. The Interconnection Agreement Substantially Conforms to the Pro Forma LGIA Contained in Attachment X of the NYISO OATT

The Interconnection Agreement was fully executed on June 3, 2022, by the NYISO, NYPA, and Champlain. The Interconnection Agreement substantially conforms to the language in the Pro Forma LGIA contained in Attachment X of the NYISO OATT with the limited exceptions described below in this Part I.B. The Joint Filing Parties submit that the changes specified below satisfy the Commission's standard for variations from the Pro Forma LGIA, because unique circumstances exist that require a non-conforming agreement.⁶ Therefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement with the limited non-conforming changes.

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 The Interconnection Agreement addresses the interconnection of the 1000 MW transmission facility included in NYISO Queue No. 631, along with the 250 MW uprate to the transmission facility included in NYISO Queue No. 887.

⁶ See, e.g., *PJM Interconnection, LLC*, 111 FERC ¶ 61,163 at PP 10-11, *reh'g denied*, 112 FERC ¶ 61,282 (2005).

1. Deviations to Reflect the Unique Characteristics of the Merchant Transmission Facility

The NYISO's Standard Large Facility Interconnection Procedures ("LFIP") apply to certain transmission projects⁷ as well as generation projects. However, the Pro Forma LGIA addresses the interconnection of a generation project, not a transmission project. For this reason, the parties have revised the Interconnection Agreement to address a transmission project.

First, the parties have inserted the term "Merchant Transmission Facility," which is defined in the Interconnection Agreement as "generally a merchant facility for the transmission of electricity, and specifically the Developer's facility for the transmission of electricity as described in this Agreement and the Appendices hereto." In addition, the parties have replaced the term "Large Generating Facility" with "Merchant Transmission Facility" throughout the Interconnection Agreement. Similarly, the parties have replaced the term "Standard Large Generator Interconnection Agreement" with "Merchant Transmission Facility Interconnection Agreement."

Second, the parties revised the Interconnection Agreement to account for the specific characteristics of a transmission facility, rather than a generating facility. For example, a Merchant Transmission Facility "transmits" power, whereas a Large Generating Facility "generates" or "produces" power. The parties, therefore, have revised the terminology in the Interconnection Agreement in line with a transmission project's capabilities.

The parties agreed to several other revisions from the generator-focused Pro Forma LGIA, including the following:

- Deleted the defined term "Retired" from the definitions section and clarified in Article 2.3.1 that the NYISO and NYPA may terminate the Interconnection Agreement when the transmission facilities permanently ceases Commercial Operation;
- Deleted Article 5.4 ("Power System Stabilizers") and the related reference in Article 6.4, which are inapplicable to a transmission facility;
- Modified the tax requirements in Article 5.17 to account for a transmission project;
- Inserted language regarding the right to observe testing of the Merchant Transmission Facility in Article 6.3 ("Right to Observe Testing"), which is limited to the testing of Attachment Facilities in the Pro Forma LGIA;

⁷ A transmission project is subject to the LFIP if it is a "proposed new transmission facility that will interconnect to the New York State Transmission System or a proposed upgrade—an improvement to, addition to, or replacement of a part of an existing transmission facility—to the New York State Transmission System, for which the Developer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures." OATT Section 30.1.

- Modified the metering requirements in the Interconnection Agreement to account for the metering requirements for a transmission facility; including: (i) modifying the definition of “Metering Equipment” in Article 1 to add a reference to the Point of Interconnection (as opposed to the “metering points”) as the location at which Metering Equipment shall be installed, and (ii) modifying Article 7 (“Metering”) to delete generator-specific language that is not comprehensible in the context of a transmission facility;
- Modified Article 9.5.1 (“Power Factor Design Criteria”) to remove inapplicable language for a transmission facility and to provide that the Merchant Transmission Facility will maintain an effective power delivery at maximum rated power of 0.95 inductive to 0.95 capacitive at the Point of Interconnection;
- Modified Article 9.5.4 (“Voltage Regulators”) to establish the underfrequency and overfrequency requirements for the Merchant Transmission Facility;
- Deleted Article 9.5.5 (“Primary Frequency Response”) to remove inapplicable language for a transmission facility;
- Modified Article 9.6.4 (“System Protection and Other Control Requirements”) to account for the potential tripping of not only the Merchant Transmission Facility, but also the Connecting Transmission Owner’s facilities;
- Modified Article 9.6.5 (“Requirements for Protection”) to delete language regarding load interrupting capability and equipment that is not applicable to a transmission facility; and
- Modified Article 24.4 (“Information Supplementation”) to delete references to voltage tests that are inapplicable to a Merchant Transmission Facility and to delete language regarding equipment to be tested, where such equipment is unique to generation facilities. The parties clarified that instead of voltage tests, Champlain shall provide NYISO and NYPA with validated test recordings showing the responses of the Merchant Transmission Facility.

2. Variations to Reflect NYPA’s Unique Legal Status

(1) Modifications to Ensure Compliance with New York’s Labor Laws

Article 5.2 of the Pro Forma LGIA lists the general conditions applicable to the Developer’s Option to Build. The parties have agreed to amend this list of conditions in the Interconnection Agreement by adding as a new Article 5.2.3 a requirement that the Developer must comply with Section 220 of New York’s labor law, which requires that for work performed on NYPA’s existing facilities, workman, laborers, and mechanics must be paid at least the prevailing wage set forth in that statute. Section 220 also addresses pay supplements, work

hours, and payroll findings. The Commission has previously accepted this change to the Pro Forma LGIA.⁸

(2) Modification to Address NYPA's Eminent Domain Authority

NYPA is a corporate municipal instrumentality and a political subdivision of the State of New York, organized under the laws of New York, and operating pursuant to Title 1 of Article 5 of the New York Public Authorities Law ("PAL"). Under Section 1007 of the PAL, NYPA has the right to take real property through eminent domain when the NYPA Trustees, in their discretion, deem an eminent domain taking necessary or convenient to acquire real property for the purposes described in this statute. The parties have agreed to modify Article 5.13 of the Interconnection Agreement to make it clear that NYPA can only use efforts to acquire property by eminent domain if and to the extent consistent with New York law (including PAL Section 1007). NYPA must retain the right to have its Trustees review, on a case-by-case basis, each request for NYPA to exercise its power of eminent domain and to exercise their discretion to approve or deny such request, consistent with the requirements of New York law. The Commission has previously accepted this change to the Pro Forma LGIA.⁹

3. Modifications to Address NYPA's Capability to Implement Phasor Measurement Unit Requirements

Article 9.10 of the Pro Forma LGIA requires Developers to install, at their expense, a phasor measurement unit ("PMU") on the low side of the step-up transformer, along with related PMU equipment, and to collect and transmit PMU data to the NYISO and to the Connecting Transmission Owner. The NYISO introduced the PMU requirements in the Pro Forma LGIA in 2017 to enhance the NYISO's ability to monitor the transmission grid for the New York Control Area and to determine real-time grid stability margins.¹⁰ The PMU requirements apply to certain Large Facilities that have completed a Class Year following Class Year 2017, including the Merchant Transmission Facility. As applied to the Merchant Transmission Facility, these rules would require that a Developer install a PMU on the low side of the transformer and then transmit the PMU data via NYPA's system. In light of NYPA's existing communications path capabilities and potential cybersecurity and other logistical concerns, the parties agreed that NYPA will install a PMU at Champlain's expense. The parties further agreed that NYPA will own and maintain the PMU on the high side of the Point of Interconnection, along with related communication equipment at NYPA's facilities. NYPA will be responsible for transmitting the PMU data to the NYISO. In addition, the parties agreed to revise the description of the location

⁸ See, e.g., *New York Independent System Operator, Inc. and New York Power Authority*, Letter Order, Docket No. ER15-1895-000 (July 16, 2015) (accepting NYPA-related revisions); *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2654-000 (February 9, 2011); *New York Independent System Operator, Inc. and New York Power Authority*, Letter Order, Docket No. ER08-1507-000 (November 4, 2008).

⁹ See *id.*

¹⁰ See *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER18-80-000 (December 7, 2017) (accepting NYISO's tariff revisions to improve its interconnection process, including the insertion of PMU requirements in Article 9.10 of the Pro Forma LGIA).

of the PMU and the types of PMU data that will be transmitted in line with a transmission project, rather than a generation project.

4. Modifications to Address Execution of Interconnection Agreement Prior to Completion of Class Year Study

The NYISO's Class Year Study is the final interconnection study in the NYISO's Large Facility Interconnection Procedures. The Class Year Study identifies the System Upgrade Facilities required for the reliable interconnection of all facilities participating in the Class Year and determines whether any System Deliverability Upgrades are required for the participating facilities to be fully deliverable at its requested level of Capacity Resource Interconnection Service ("CRIS"). Section 30.11.4 of Attachment X of the NYISO OATT permits a Developer with a project participating in the Class Year Study to enter into an interconnection agreement prior to the completion of the Class Year Study, subject to the Developer agreeing to accept the Project Cost Allocation and post Security for any System Upgrade Facilities identified and cost allocated in the Class Year Study. In addition, Section 30.11.4 limits the Developer's ability to participate as an Installed Capacity Supplier until its project is deemed deliverable and it accepts its deliverable megawatts or the Developer accepts its Project Cost Allocation and post Security for any required System Deliverability Upgrades.

The Merchant Transmission Facility is participating in Class Year 2021, which is not completed. Pursuant to Section 30.11.4, Champlain has elected to enter into the Interconnection Agreement prior to the completion of Class Year 2021. Accordingly, the parties have modified Article 4.1.1 of the Interconnection Agreement to provide that the NYISO's provision of Energy Resource Interconnection Service ("ERIS") and CRIS are subject to the requirements in Section 9 of Appendix A and Section 2(b) of Appendix C. These requirements incorporate the requirements for a Developer set forth in Section 30.11.4. Section 9 of Appendix A further provides that if the Connecting Transmission Owner's Attachment Facilities, Stand Alone System Upgrade Facilities, and Other System Upgrade Facilities identified in the Class Year Study differ in any material way from the facilities described in the Interconnection Agreement, the parties will amend the Interconnection Agreement to incorporate the results of the Class Year Study.

The Commission has previously accepted these types of changes to the Pro Forma LGIA where, as here, the parties agreed to execute the Interconnection Agreement prior to the completion of the Class Year Study in which the Developer was participating.¹¹

II. PROPOSED EFFECTIVE DATE AND REQUEST FOR WAIVER OF THE 60-DAY NOTICE PERIOD

The Joint Filing Parties request an effective date of June 3, 2022, for the Interconnection Agreement, which is the date of its full execution. The Joint Filing Parties respectfully request

¹¹ See, e.g., *New York Independent System Operator, Inc.*, Letter Order, Docket No. ER11-2199-000 (December 28, 2010) (accepting revisions to CRIS requirements in Pro Forma LGIA to reflect the timing of the execution of the interconnection agreement).

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.¹²

III. REQUEST FOR CEII TREATMENT

Pursuant to Sections 388.112 and 388.113 of the Commission's regulations,¹³ NYPA requests that the one-line diagrams included in Appendix A of the Interconnection Agreement be protected from disclosure as Critical Energy Infrastructure Information ("CEII").¹⁴

The diagrams in Appendix A, if disclosed, could pose a threat to the security and the reliability of the New York State bulk power system. The diagrams provide more than simply the general location of critical infrastructure. Unlike publicly available maps of power transmission lines and generation and substation facilities, the schematics show the exact nature and specific location of facilities used to maintain the reliability of the New York State bulk power system.

The diagrams, in NYPA's assessment, reveal such critical information related to the facilities depicted and described therein that, if disclosed, could be useful to a person seeking to disable the power grid. Therefore, the disclosure of such information 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 reveals CEII, which the Commission has determined to be exempt from mandatory disclosure under 5 U.S.C. § 552(b)(7)(F). The diagrams have 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 figures are included only in the non-public version of the Interconnection Agreement in the filing. The non-public diagrams are marked: "**FIGURE CONTAINS CEII – DO NOT RELEASE PURSUANT TO 18 C.F.R. §§ 388.112 and 388.113**" and "**SECTION II CONTAINS CEII – DO NOT RELEASE PURSUANT TO 18 C.F.R. §§ 388.112 and**

¹² 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).

¹³ 18 C.F.R. §§ 388.112 and 388.113 (2021).

¹⁴ As required by Section 388.113(d)(1)(i) of the Commission's regulations, NYPA has described in the filing letter how the diagrams Appendix A satisfy 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 pages of the Interconnection Agreement that contain critical energy infrastructure information are 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), NYPA requests that the Commission designate the CEII material submitted on [June 20, 2022], with the full five-year CEII designation provided for in Section 388.113(e)(1) as the information provided in the diagrams will continue to satisfy the definition of critical energy infrastructure information for this entire period.

388.113” The non-public information 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.**”¹⁵ A placeholder has been included in place of the non-public information in the public version of the Interconnection Agreement.

All communications relating to this request for privileged and confidential treatment should be addressed to NYPA’s Counsel listed below.

IV. COMMUNICATIONS AND CORRESPONDENCE

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

For the NYISO¹⁶

Robert F. Fernandez, Executive Vice
President & General Counsel
Karen Georgenson Gach, Deputy General
Counsel
*Sara B. Keegan, Senior Attorney
New York Independent System Operator, Inc.
10 Krey Boulevard
Rensselaer, NY 12144
Tel: (518) 356-6000
Fax: (518) 356-4702
skeegan@nyiso.com

*Ted J. Murphy
Hunton Andrews Kurth LLP
2200 Pennsylvania Avenue, NW
Washington, D.C. 20037
Tel: (202) 955-1500
Fax: (202) 778-2201
tmurphy@hunton.com

*Michael J. Messonnier Jr.
Hunton Andrews Kurth LLP
951 East Byrd Street
Richmond, VA 23219
Tel: (804) 788-8200
Fax: (804) 344-7999
mmessonnier@hunton.com

For NYPA

Lori A. Alesio, Interim Executive Vice President & General Counsel
*Nathan D. Markey, Principal Attorney
New York Power Authority
30 South Pearl Street
Albany, New York 12207
Tel: (518) 433-6731
Fax: (518) 433-6780
Nathan.Markey@nyopa.gov

¹⁵ See Notice of Document Labelling Guidance for Documents Submitted to or Filed with the Commission or Commission Staff (Apr. 14, 2017) (unreported).

¹⁶ The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2021) to permit service on counsel in both Washington, D.C. and Richmond, VA.

*Designated to receive service.

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);
- 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

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

VIII. CONCLUSION

Wherefore, the Joint Filing Parties respectfully request that the Commission accept the Interconnection Agreement for filing with an effective date of June 3, 2022.

Respectfully submitted,

/s/ Sara B. Keegan

Sara B. Keegan
*Counsel for the
New York Independent System Operator, Inc.*

/s/ Nathan D. Markey

Nathan D. Markey
*Counsel for
New York Power Authority*

cc:	Janel Burdick	Leanne Khammal	Douglas Roe
	Matthew Christiansen	Jaime Knepper	Eric Vandenberg
	Robert Fares	Kurt Longo	Gary Will
	Jignasa Gadani	David Morenoff	Adria Woods
	Jette Gebhart		