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January 8, 2010

**By Hand Delivery**

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

**Re: *New York Independent System Operator, Inc.*, Docket No. ER10-\_\_\_\_  
Proposed Tariff Revisions to Perform the Class Years 2009 and 2010  
Interconnection Facilities Studies on a Combined Basis, Request for  
Waiver of the Prior Notice Requirements, and Request for Expedited  
Consideration; and Proposed Tariff Sheets To Clarify the Process of  
Tendering Interconnection Facilities Study Agreements**

Dear Secretary Bose:

In accordance with Section 205 of the Federal Power Act and Part 35 of the Commission's regulations, the New York Independent System Operator, Inc. ("NYISO") respectfully submits proposed revisions to Attachment S of its Open Access Transmission Tariff ("OATT") to combine the Class Year<sup>1</sup> 2009 and 2010 Interconnection Facilities Studies in such a way that allows the studies to be completed largely in parallel, while maintaining the separation of the Class Years for cost allocation purposes. The NYISO submits that the revisions proposed herein are just and reasonable because they will allow the NYISO to address the schedule delay that currently exists in the Class Year process. The NYISO also requests expedited consideration to the extent required to allow the Commission to issue an order by February 26, 2010, in advance of the commencement of Class Year 2010 on March 1, 2010. Additionally, the NYISO requests waiver of the prior notice requirements to allow the proposed tariff modifications to become effective on February 26, 2010.

The NYISO also submits proposed modifications to Attachment X of the OATT that will clarify the section addressing the tendering of Interconnection Facilities Study Agreements, as further explained in section III below.

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<sup>1</sup> Capitalized terms not otherwise defined have the meaning ascribed to them in Article I and Attachments S, X, or Z of the NYISO OATT.

**I. Documents Submitted**

1. This filing letter;
2. A clean version of the proposed revisions to OATT Attachment S (“Attachment I”);
3. A blacklined version of the proposed revisions to OATT Attachment S (“Attachment II”);
4. A clean version of the proposed revisions to OATT Attachment X (Attachment III”); and
5. A blacklined version of the proposed revisions to OATT Attachment X (“Attachment IV”).

**II. Proposed Tariff Sheets to Perform the Class Years 2009 and 2010 Interconnection Facilities Studies on a Combined Basis**

**A. Background**

The interconnection procedures administered by the NYISO for Large Generating Facilities and Merchant Transmission Facilities are contained in Attachment X of the NYISO OATT.<sup>2</sup> These procedures provide for a series of Interconnection Studies, the last of which is the Class Year Interconnection Facilities Study. Attachment S of the NYISO OATT establishes the procedures by which the costs of System Upgrade Facilities (“SUFs”) and System Deliverability Upgrades (“SDUs”) are allocated to proposed interconnection projects. Under Attachment S, these costs are allocated according to the results of the Interconnection Facilities Study, which is performed annually on a consolidated basis for a group, or “Class Year,” of projects. Each project in a Class Year shares in the then currently available electrical capability of the transmission system and each shares in the cost of SUFs and SDUs required to interconnect its respective project based on the pro rata electrical impact of its project.

The Class Year includes two primary studies performed on a group basis: (1) the Annual Transmission Reliability Assessment (“ATRA”) which determines the SUFs required for each generation and merchant transmission project included in the Class Year; and (2) the Class Year Deliverability Study (“Deliverability Study”) which determines the SDUs required

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<sup>2</sup> The Small Generator Interconnection Procedures are contained in Attachment Z of the NYISO OATT.

for each generation and merchant transmission project included in a Class Year.<sup>3</sup> Cost allocation for SUFs and SDUs are calculated based on the incremental impact of the relevant Class Year projects over the defined baseline system for that Class Year. Under Attachment S, the baseline is defined, for the Minimum Interconnection, as the Annual Baseline Transmission Assessment (“ATBA”).<sup>4</sup> The ATRA for a given Class Year is compared with the ATBA for that Class Year in order to identify the incremental impacts of the Class Year projects.<sup>5</sup> A similar process is followed in the Class Year Deliverability Study.

Pursuant to Attachment S of the NYISO OATT, the Class Year cycle begins March 1 of each year. To be included in a Class Year, projects must meet certain developmental milestones by March 1, when the NYISO begins the Class Year Interconnection Facilities Study. Once the Class Year Interconnection Facilities Study is complete, it is presented to several stakeholder groups for discussion and the Operating Committee for approval. Once Operating Committee approval has been obtained, the Project Cost Allocation decision and settlement process begins, through which Developers and Interconnection Customers decide whether to accept their Project Cost Allocation and the NYISO modifies the study to remove any projects that do not to accept their Project Cost Allocation. This decisional and settlement process can take approximately two or more months to complete. Under the Attachment S process, the current Class Year Interconnection Facilities Study process must be finalized before the subsequent Class Year’s ATBA can be completed. This is because projects in a Class Year that accept their Project Cost Allocation and post required Security are modeled in the ATBA for the subsequent Class Year.

Due to a variety of circumstances, the completion of Class Year Interconnection Facilities Studies is now approximately one year behind the schedule anticipated by Attachment S.<sup>6</sup> The Operating Committee approved the Class Year 2008 Interconnection Facilities Study in November of 2009 and Class Year 2008 is currently in the final stages of the Project Cost Allocation decision and settlement process. Because of the timing of the

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<sup>3</sup> Attachment Facilities and local SUFs required to accommodate an interconnection are studied on an individual project basis.

<sup>4</sup> The ATBA identifies the SUFs that Transmission Owners are expected to need to ensure reliability.

<sup>5</sup> The ATRA is created by adding the Class Year projects to the ATBA.

<sup>6</sup> For example, litigation regarding an earlier Class Year and the resulting settlement agreement led to two successive Class Years studies commencing mid-year instead of March 1. *KeySpan Energy Development Corp. v. New York Independent System Operator, Inc.*, 101 FERC ¶ 61,099 (2002); *New York Independent System Operator, Inc.*, 114 FERC ¶ 61,207 at PP 2-6 (2006). Additionally, the filing and acceptance of tariff modifications to implement and interconnection deliverability standard pursuant to Order No. 2003, impacted the completion schedules for Class Years 2007 and 2008. See *New York Independent System Operator, Inc.*, 126 FERC ¶ 61,046 (2009) (accepting final modifications to the relevant tariff provisions).

completion of Class Year 2008, the creation of the ATBA for Class Year 2009 has been necessarily delayed.<sup>7</sup>

## **B. Justification of Proposed Tariff Revisions**

The NYISO is committed to improving the efficiency of its interconnection process and works on a continuing basis with its Market Participants and other stakeholders to identify and implement improvements. These proposed tariff revisions, which seek to return the Class Year process to the annual schedule contemplated in Attachment S of the NYISO OATT, are the latest result of these ongoing efforts.<sup>8</sup>

The proposed tariff sheets contain a one-time mechanism that will allow the NYISO to proceed with both Class Years 2009 and 2010 in a largely parallel manner, but preserve the separation of the Class Years for cost allocation purposes. This approach will provide for significant time savings for completion of the Class Years with the goal of returning to the annual March 1 Class Year schedule. Under this proposal, Class Year 2010 may be completed up to a full year earlier than it would be under the current schedule. That would allow both Class Years 2009 and 2010 to be completed by March 1, 2011, and allow the Class Year process in 2011 and after to proceed under the annual schedule contemplated in Attachment S. While the actual Class Year schedule can be impacted by unanticipated events, the structure of the combined Class Year 2009-2010 process will achieve significant benefits for the schedule of Class Year 2010 and subsequent Class Years.

At the same time, this approach seeks to protect the interests of the Class Year 2009 projects by preserving the cost allocation priority that Class Year 2009 has under existing tariff provisions and providing safeguards that will prevent the completion of Class Year 2009 from being materially delayed by the status of Class Year 2010. Without these modifications, delays for projects in Class Years 2010 and beyond would occur, because the Operating Committee approval for the 2009 and 2010 Class Years would likely be obtained in the fourth quarter of 2010 and 2011, respectively.

The tariff revisions provide for a one-time modified process which will allow the Class Year 2009 and Class Year 2010 studies to be processed in parallel. Attachment S describes in

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<sup>7</sup> The NYISO has been proceeding with certain work associated with Class Year 2009 to the extent possible and will continue to do so. For example, the study of Attachment Facilities and local SUFs for the individual projects has been able to begin prior to the completion of Class Year 2008.

<sup>8</sup> See *New York Independent System Operator, Inc., Proposed Tariff Revisions Improving the Interconnection Queue Study Process*, Docket No. ER10-290 (filed November 18, 2009).

detail the vintage of data to be used by the NYISO in creating the ATBA. For example, Attachment S specifies that the NYISO Load and Capacity Report for the current year be used.<sup>9</sup> Under the modified process, a single ATBA would be developed using data that would have been used under the current process to create the ATBA for Class Year 2010. Using a single ATBA saves significant time since, under the current process, the NYISO would have to wait until the Class Year 2009 decisional process was final before completing the ATBA for Class Year 2010.

Specifically, the NYISO's proposed section X.B provides the process for the "Combined Study of Class Years 2009 and 2010." Proposed subsection X.B.1 provides that a "single ATBA under the Minimum Interconnection Standard will be developed using the 2010 NYISO Load and Capacity Data Report," which would be the ATBA that would have been developed for the 2010 Class Year Interconnection Facilities Study. The proposed modifications also provide that the single ATBA will be "the starting point for a single deliverability baseline used under the Deliverability Interconnection Standard for Class Year 2009 and Class Year 2010" which is referred to as the "ATBA-Deliverability."

While the modified process allows the Class Year studies to proceed in parallel, the separation of the Class Year for cost allocation purposes is maintained. Proposed subsections X.B.2 and X.B.3 set forth the process for determining the cost allocation for the individual Class Years. Pursuant to the proposed revisions, the cost allocation will be calculated by creating a separate ATRA for each Class Year. The ATRA for Class Year 2009 will be developed using the single ATBA as the baseline and adding the Class Year 2009 projects. The ATRA for Class Year 2010 will be developed using the ATRA for Class Year 2009 and adding the Class Year 2010 projects. An ATRA-Deliverability for each Class Year will be developed in a similar manner.

Under this proposal, the cost allocation for Class Year 2009 will be determined by comparing the ATBA with the Class Year 2009 ATRA. This comparison will identify the incremental impacts of the Class Year 2009 projects over the baseline system. Proposed section X.B.3.a provides that the cost allocation for Class Year 2010 will be determined by comparing the Class Year 2009 ATRA with the Class Year 2010 ATRA. This comparison will identify the incremental impact of the Class Year 2010 projects over the baseline system and Class Year 2009 projects. The proposal provides a process that will adjust the Class Year 2010 cost allocation to account for any Class Year 2009 projects that decide not to accept their Class Year 2009 cost allocation.

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<sup>9</sup> See OATT Attachment S at Section V.E.1.

Under the modified process the Class Year 2009 and Class Year 2010 study reports would be separately presented to the Operating Committee. Proposed subsection X.B.4 provides the process for Operating Committee approval of the Class Year Interconnection Facilities Study for each Class Year and the Project Cost Allocation decision process and Class Year settlement process for each Class Year. The proposed tariff modifications provide that if the Operating Committee approves both studies within the same time frame (*i.e.*, at the same meeting or at the next meeting), Class Year 2009 and Class Year 2010 would proceed to a parallel Project Cost Allocation decision and settlement process. Proposed subsection X.B.4.e sets forth the procedures for the parallel decision process, which provides that Developers and Interconnection Customers in both Class Years will have thirty days from the date of the applicable Operating Committee approval to provide a Project Cost Allocation Acceptance Notice or Non-Acceptance Notice. A revised Class Year Interconnection Facilities Report will be prepared in the event that a Developer or Interconnection Customer provides a Non-Acceptance Notice or commits a Security Posting Default.

The proposed revisions, however, will not materially delay Class Year 2009 in the event that the Class Year 2010 is delayed. Proposed subsection X.B.4.d provides the process to be followed in the event that the Operating Committee approves Class Year 2009, but does not approve Class Year 2010. It provides that if Class Year 2010 is not approved by the Operating Committee at the same meeting or the subsequent meeting in which Class Year 2009 is approved, the Project Cost Allocation decision process for Class Year 2009 will begin and will follow the standard Project Cost Allocation decision process provided for in Sections VIII.A through VIII.D of Attachment S to the NYISO OATT.

### **C. Effective Date and Request for Waiver of the Prior Notice Requirements**

The NYISO respectfully requests that the Commission waive the 60-day notice requirement<sup>10</sup> and permit the proposed tariff revisions to become effective on February 26, 2010. The Commission has discretion to waive the sixty day notice period and make tariff revisions effective at an earlier date when “good cause” is shown.<sup>11</sup> Good cause for such a waiver exists because allowing a February 26, 2010 effective date will ensure that the NYISO can implement these changes to the Attachment S process by March 1, 2010. This will allow for the tariff modifications to produce the desired result of accelerating the Class Year process with the goal of returning subsequent Class Years to the standard Attachment S Class Year schedule.

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<sup>10</sup> 18 C.F.R. § 35.3(a)(1).

<sup>11</sup> See, e.g., *California Independent System Operator Corp.*, 113 FERC ¶ 61,187 at PP 48-50 (2005); *Brownsville Power I, L.L.C.*, 111 FERC ¶ 61,398 at PP 13-14 (2005).

**D. Request for Shortened Comment Period and Expedited Consideration**

The NYISO respectfully requests that the Commission shorten the comment period and act expeditiously to the extent necessary to allow the Commission to issue an order in this proceeding by February 26, 2010, the last business day prior to March 1, 2010, which marks the beginning of the Class Year 2010 process.

No party will be adversely affected if the Commission shortens the comment period and takes prompt action with respect to this filing. All affected parties have already had ample opportunity to consider and formulate positions on the issues addressed in this filing. The NYISO has discussed these issues extensively with its stakeholders at several NYISO committee meetings, beginning at a joint Interconnection Issues Task Force and Transmission Planning Advisory Subcommittee meeting on October 30, 2009. Additionally, stakeholders have known that the NYISO would file this proposal since the December 22, 2009 Management Committee meeting. Issuance of an order by February 26, 2010, will provide Developers and Interconnection Customers in Class Year 2009 and 2010 with certainty regarding the Class Year Interconnection Facilities Study process applicable to their projects.

**E. Requisite Stakeholder Approval**

These amendment were unanimously approved with abstentions by the Operating Committee on December 10, 2009. Additionally, the Management Committee unanimously approved these revisions with abstentions on December 22, 2009.

**III. Proposed Tariff Sheets To Clarify Process of Tendering Interconnection Facilities Study Agreements**

The NYISO also submits proposed modifications to Attachment X of the OATT that will clarify the section addressing the tendering of Interconnection Facilities Study Agreements. This section describes when the NYISO is required to send a Developer the study agreement for the Class Year Interconnection Facilities Study. The proposed modifications are intended to modify this section so that is consistent with the revisions pending before the Commission in Docket No. ER10-290-000.

On November 18, 2009, the NYISO submitted proposed tariff revisions to OATT Attachments S, X, and Z to improve the queue study process ("November 18 Filing").<sup>12</sup> The

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<sup>12</sup> *New York Independent System Operator, Inc.*, "Proposed Tariff Revisions Improving the Interconnection Study Queue Process, Docket No. ER10-290-000 (filed November 18, 2009).

Ms. Kimberly D. Bose, Secretary  
January 8, 2010  
Page 8

November 18 Filing proposed to revise the tariff so that once a project qualifies for inclusion in a Class Year Interconnection Facilities Study it would be permitted to enter any two of the next three Class Years.

The modification proposed herein will provide clarity to Developers and the NYISO as to when the NYISO is obligated to provide the study agreement. Specifically, the NYISO proposes to modify Attachment X, section 8.1 as follows:

For purposes of this Section only, the term Eligible Developer shall mean a Developer of a project that (1) ~~has not been in a prior Class Year and~~ satisfies the criteria for inclusion in the Annual Transmission Reliability Assessment for the next Class Year, as those criteria are specified in Section VI.B.3 of Attachment S, ~~or and~~ (2) ~~has been in a prior Class Year and the~~ either (a) the NYISO determines must enter assigns the project to the next Class Year pursuant to Section VI.B.3.a-d of Attachment S, or (b) or the project elects to enter the next Class Year pursuant to Section VII.B.3.a-d of Attachment S by providing notice to the NYISO by the study start date of the Annual Transmission Reliability Assessment.

This proposed modification is only necessary and appropriate once the modified Class Year entry and re-entry rules, pending in Docket No. ER10-290-000, are effective. The NYISO, therefore, requests that the Commission accept this revised tariff sheet effective the same date as the other tariff revisions submitted in the November 18 Filing.

The amendments to Attachment X of the NYISO OATT were unanimously approved with abstentions on December 10, 2009 by the Operating Committee. Additionally, the NYISO Management Committee approved these proposed revisions, unanimously with abstentions, on December 22, 2009

#### **IV. Communications and Correspondence**

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

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Ms. Kimberly D. Bose, Secretary  
January 8, 2010  
Page 9

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## **V. Service**

This filing will be posted on the NYISO's website at [www.nyiso.com](http://www.nyiso.com). In addition, the NYISO will email 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 electric utility regulatory agencies of New Jersey and Pennsylvania. The NYISO will also make a paper copy available to any interested party that requests one.

## **VI. Conclusion**

Wherefore, for the foregoing reasons, the New York Independent System Operator, Inc. respectfully requests that the Commission accept for filing the proposed tariff revisions as specified herein.

Respectfully Submitted,

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Ted J. Murphy  
Counsel to the  
New York System Operator, Inc.

# Attachment I

D.	Transfer of Deliverability Rights - Same Location.....	688.01(b)
E.	Transfer of Deliverability Rights - Different Locations .....	688.02
F.	Transfer of External CRIS Rights.....	688.05
X.	Miscellaneous Provision .....	688.05(a)
A.	Non-financial Settlement of 2004 .....	688.05(a)
B.	Combined Study of Class Years 2009 and 2010 .....	688B
C.	NYISO Data Requirements.....	688B.10
D.	Rights Under the Federal Power Act .....	688B.10
E.	Transmission Service Customer Rights .....	688C
	Appendix One - Allocation of Overage Cost.....	689

4. The NYISO shall represent the NYPA Poletti project in the ATBA and ATRA for the Catch Up Class Year as connected to the Astoria West Substation.
5. Once all Developers in the Catch Up Class Year have either (i) accepted their Project Cost Allocation, or (ii) dropped out of the class, the NYISO shall resume annual cost allocations with respect to individual Class Years in accordance with the time frames set out in these rules.
6. All Developer projects in the Catch Up Class Year who do not accept their Project Cost Allocation shall be included in the ATRA in the next Class Year cost allocation process.
7. The NYISO shall finalize the results of the Class Year 2002 cost allocation (including headroom issues) in accordance with the provisions of the Non-Financial Settlement.

**B. Combined Study of Class Years 2009 and 2010**

Notwithstanding any foregoing provisions to the contrary, the following special provisions apply to the Interconnection Facilities Studies for Class Year 2009 and Class Year 2010. These provisions provide that Class Year 2009 and Class Year 2010 will be performed on a combined basis. However, cost allocation for these two Class Years will be calculated separately, as described herein. All provisions of this Attachment S that are not inconsistent with

the special provisions of this Section X.B shall apply as they normally do to projects in Class Year 2009 and Class Year 2010.

1. A single ATBA under the Minimum Interconnection Standard for the Class Year 2009 and Class Year 2010 will be developed using the 2010 NYISO Load and Capacity Data Report and will be the same ATBA as would otherwise be developed for the 2010 Class Year Interconnection Facilities Study absent the combination of Class Year 2010 with Class Year 2009. This ATBA will be the starting point for a single deliverability baseline used under the Deliverability Interconnection Standard for Class Year 2009 and Class Year 2010. For purposes of this Section X.B, “ATBA-Deliverability” refers to the deliverability baseline developed for Class Year 2009 and Class Year 2010 pursuant to this Section, and “ATRA-Deliverability” refers to the ATBA-Deliverability with the relevant Class Year projects added, as described below.
2. There will be two ATRAs and two ATRAs-Deliverability in the combined Class Year study: an ATRA and ATRA-Deliverability for Class Year 2009, as well as an ATRA and ATRA-Deliverability for Class Year 2010.
  - a. The ATRA and ATRA-Deliverability for Class Year 2009 will be the ATBA and ATBA-Deliverability, respectively, developed pursuant to Section X.B.1. above, plus the projects that qualified

for Class Year 2009 on or before March 1, 2009 and entered Class Year 2009.

- b. The ATRA and ATRA-Deliverability for Class Year 2010 will be the ATRA and ATRA-Deliverability for Class Year 2009, plus the projects that qualified for Class Year 2010 on or before March 1, 2010 and entered Class Year 2010.

3. Cost Allocation for the Two Class Years

- a. The cost allocation for Class Year 2009 System Upgrade Facilities and System Deliverability Upgrades will be calculated based on the incremental impact of the Class Year 2009 projects (i.e., the 2009 ATRA and ATRA-Deliverability) over the ATBA and ATBA-Deliverability, respectively, developed pursuant to Section X.B.1 above.
- b. The cost allocation for Class Year 2010 System Upgrade Facilities and System Deliverability Upgrades will be calculated based on the incremental impact of the Class Year 2010 projects (i.e., the 2010 ATRA and ATRA-Deliverability) over the Class Year 2009 ATRA and ATRA-Deliverability, respectively, as described fully below.

- c. If Class Year 2010 projects use Headroom on System Upgrade Facilities or System Deliverability Upgrades identified for Class Year 2009 projects, the Class Year Interconnection Facilities Study for Class Year 2010 will identify the Headroom use payments that must be made by Class Year 2010 projects to Class Year 2009 projects.
  - d. In the event that a System Upgrade Facility or System Deliverability Upgrade identified for Class Year 2009 is replaced in the Class Year Interconnection Facilities Study for Class Year 2010 by a more capable System Upgrade Facility or System Deliverability Upgrade required for projects in Class Year 2010, the cost allocation for Class Year 2009 will be based on the System Upgrade Facility or System Deliverability Upgrade identified for Class Year 2009, and the cost allocation to Class Year 2010 will be based on the more capable replacement System Upgrade Facility or System Deliverability Upgrade.
- 4. Operating Committee Approval, Project Cost Allocation Decision Process and Class Year Settlement.
  - a. The initial Project Cost Allocation contained in the ATRA and Class Year Deliverability Study for Class Year 2009 will be based

upon all projects in Class Year 2009. The initial Project Cost Allocation contained in the ATRA and Class Year Deliverability Study for Class Year 2010 will be based upon all projects in Class Year 2009 and Class Year 2010, except as described below in Section X.B.4.d.iii.

- b. The NYISO will undertake to complete the Class Year Interconnection Facilities Study Report for Class Year 2009 and the Class Year Interconnection Facilities Study Report for Class Year 2010 in parallel so that both study reports are ready to be presented at the same Operating Committee meeting. However, if at any time, the NYISO determines that the Class Year Interconnection Facilities Study Report for Class Year 2009 is ready for presentation to the Operating Committee (following applicable working group and subcommittee review), the NYISO will present that study report to the Operating Committee regardless of the status of the Class Year Interconnection Facilities Study Report for Class Year 2010. The Operating Committee will separately vote to approve the study report for Class Year 2009 and the study report for Class Year 2010, even if both study reports are presented at the same Operating Committee meeting.



- c. If the Class Year Interconnection Facilities Study Reports for Class Year 2009 and Class Year 2010 are both approved at the same Operating Committee meeting, the Project Cost Allocation decision process will commence at that time and be conducted in parallel for the projects in both Class Years, as described in Section X.B.4.e below.
- d. If the Class Year Interconnection Facilities Study Report for Class Year 2009 is approved at an Operating Committee meeting where either (1) the study report for Class Year 2010 is not presented for approval, or (2) the study report for Class Year 2010 is presented for approval but not approved, the following process will be followed:
  - i. The Project Cost Allocation decision process for Class Year 2009 will not commence until the following Operating Committee meeting (“Second Operating Committee Meeting”), held not more than forty-five (45) days after the Operating Committee meeting where the study report for Class Year 2009 was approved.
  - ii. If the Class Year Interconnection Facilities Study Report for Class Year 2010 is approved at the Second Operating Committee Meeting, the Project Cost Allocation

decision process for the projects in both Class Year 2009 and Class Year 2010 will commence at that time and be conducted in parallel for the projects in both Class Years as described in Section X.B.4.e below.

- iii. If the Class Year Interconnection Facilities Study Report for Class Year 2010 is not approved at the Second Operating Committee Meeting, the Project Cost Allocation decision process for the projects in Class Year 2009 will commence immediately upon the Second Operating Committee Meeting and will follow the existing Project Cost Allocation decision process described in Sections VIII.A-D of Attachment S, with initial Acceptance Notices and/or Non-Acceptance Notices due 30 days after the Second Operating Committee Meeting. When the Project Cost Allocation decision process for the projects in Class Year 2009 is completed, and the Class Year Interconnection Facilities Study Report for Class Year

2010 has been revised to reflect the final settlement of Class Year 2009 and is otherwise complete, the Class Year Interconnection Facilities Study Report for Class Year 2010 will be presented to the Operating Committee meeting for approval. Upon Operating Committee approval of the Class Year Interconnection Facilities Study Report for Class Year 2010, the Project Cost Allocation decision process for the projects in Class Year 2010 will begin.

- iv. Only in the event that the Class Year Interconnection Facilities Study Report for Class Year 2010 is not approved at the Second Operating Committee Meeting, as described immediately above in Section X.B.4.d.iii, a Developer or Interconnection Customer in Class Year 2009 providing a Non-Acceptance Notice for its System Upgrade Facility Project Cost Allocation may, by the due date for providing such notice, elect to enter Class Year 2010, and its project will be placed in Class Year 2010, provided that (a) the project is otherwise eligible under the Class Year re-entry rules, (b) it submits to the NYISO an executed Interconnection Facilities Study Agreement,

together with the required deposit and data, within ten (10) days of its receipt of the Interconnection Facilities Study Agreement, and (c) cures any deficiency in its submittal within five (5) Business Days after receiving notice from the NYISO about such deficiency. A project in Class Year 2009 committing a Security Posting Default may not enter Class Year 2010. Other than as described in this Section X.B.4.d.iv, projects in Class Year 2009 may not enter Class Year 2010.

- e. If both Class Year Interconnection Facilities Study Reports are approved by the Operating Committee, either at the same meeting or by the Second Operating Committee Meeting, as described above in Sections X.B.4.b-d, the Developers and Interconnection Customers in both Class Year 2009 and Class Year 2010 will have thirty (30) days from the date of Operating Committee approval of the Interconnection Facilities Study Report for Class Year 2010 to provide an Acceptance Notice(s) or Non-Acceptance Notice(s) in accordance with Sections VIII.A-D of Attachment S. If any Developer or Interconnection Customer in either Class Year 2009 or Class Year 2010 provides a Non-Acceptance Notice or commits a Security Posting Default, the NYISO will prepare a revised Class Year Interconnection Facilities Report by the following process:

- i. If any Developer or Interconnection Customer in Class Year 2009 provides a Non-Acceptance Notice(s) and/or commits a Security Posting Default, the NYISO will notify all Developers and Interconnection Customers in both Class Years as required by Section VIII.B of Attachment S, and will prepare (1) a revised ATRA and/or Class Year Deliverability Study for Class Year 2009 to reflect impact of the Non-Acceptance Notice(s) and/or Security Posting Default(s) from Class Year 2009 projects, and (2) a revised ATRA and/or Class Year Deliverability Study for Class Year 2010 to reflect the impact of the Non-Acceptance Notice(s) and/or Security Posting Default(s) from Class Year 2009 project and Class Year 2010 projects. The NYISO will prepare and publish the required ATRAs and/or Class Year Deliverability Study(ies) for both Class Years within four (4) weeks of its receipt of the last Non-Acceptance Notice or its receipt of notice of the last Security Posting Default, whichever is later.
- ii. If any Developer or Interconnection Customer in Class Year 2010 provides a Non-Acceptance Notice(s)

and/or commits a Security Posting Default, but no Developer or Interconnection Customer in Class Year 2009 does so, the NYISO will notify all Developers and Interconnection Customers in both Class Years as required by Section VIII.B of Attachment S, and will prepare and publish a revised ATRA and/or Class Year Deliverability Study for Class Year 2010 within two (2) weeks of its receipt of the last Non-Acceptance Notice or its receipt of notice of the last Security Posting Default, whichever is later. The NYISO will not revise the ATRA or the Class Year Deliverability Study for Class Year 2009 as a result of a Non-Acceptance Notice from or a Security Posting Default by a Developer or Interconnection Customer in Class Year 2010.

- iii. The process described in the foregoing Sections X.B.4.e.i and/or X.B.4.e.ii will be repeated until either (1) none of the remaining eligible Class Year Developers or Interconnection Customers provides a Non-Acceptance Notice or commits a Security Posting Default, or (2) all Developers or Interconnection Customers have dropped out of their respective Class Years.

5. Except for projects in Class Year 2009 that elect to enter Class Year 2010 pursuant to the procedures described above in Section X.B.4.d.iv, Class Year 2009 and Class Year 2010 will be considered as a single Class Year for purposes of calculating the number of Class Years a project may enter pursuant to Section VIII.B.3 of Attachment S. A project that was in Class Year 2009 but elects to enter Class Year 2010 under Section X.B.4.d.iv that subsequently provides a Non-Acceptance Notice or commits a Security Posting Default related to its System Upgrade Facilities for Class Year 2010 will be deemed to have withdrawn its Interconnection Request in accordance with Section 3.6 of the Large Facility Interconnection Procedures in Attachment X of the OATT, or in accordance with Attachment Z of the OATT, as applicable.

**C. NYISO Data Requirements**

Developers and Transmission Owners shall provide the NYISO with all data necessary to make the determinations contemplated by these rules.

**D. Rights Under the Federal Power Act**

Nothing in these rules restricts the rights of any person under the OATT, or the right of any person to file a complaint with the Federal Energy Regulatory Commission under the relevant provisions of the Federal Power Act.

**E. Transmission Service Customer Rights**

Nothing in these rules precludes any transmission service customer from receiving transmission service charge credits to the extent the customer is entitled to such credits under FERC policy and precedent.



## Attachment II

D.	Transfer of Deliverability Rights - Same Location.....	688.01(b)
E.	Transfer of Deliverability Rights - Different Locations .....	688.02
F.	Transfer of External CRIS Rights.....	688.05
X.	Miscellaneous Provision .....	688.05(a)
A.	Non-financial Settlement of 2004 .....	688.05(a)
<u>B.</u>	<u>Combined Study of Class Years 2009 and 2010</u> .....	<u>688B</u>
<del>B</del> <u>C.</u>	NYISO Data Requirements.....	688B <u>.10</u>
<del>C</del> <u>D.</u>	Rights Under the Federal Power Act .....	688B <u>.10</u>
<del>D</del> <u>E.</u>	Transmission Service Customer Rights .....	688C
Appendix One - Allocation of Overage Cost.....		689

4. The NYISO shall represent the NYPA Poletti project in the ATBA and ATRA for the Catch Up Class Year as connected to the Astoria West Substation.
5. Once all Developers in the Catch Up Class Year have either (i) accepted their Project Cost Allocation, or (ii) dropped out of the class, the NYISO shall resume annual cost allocations with respect to individual Class Years in accordance with the time frames set out in these rules.
6. All Developer projects in the Catch Up Class Year who do not accept their Project Cost Allocation shall be included in the ATRA in the next Class Year cost allocation process.
7. The NYISO shall finalize the results of the Class Year 2002 cost allocation (including headroom issues) in accordance with the provisions of the Non-Financial Settlement.

**B. Combined Study of Class Years 2009 and 2010**

Notwithstanding any foregoing provisions to the contrary, the following special provisions apply to the Interconnection Facilities Studies for Class Year 2009 and Class Year 2010. These provisions provide that Class Year 2009 and Class Year 2010 will be performed on a combined basis. However, cost allocation for these two Class Years will be calculated separately, as described herein. All provisions of this Attachment S that are not inconsistent with

the special provisions of this Section X.B shall apply as they normally do to projects in Class Year 2009 and Class Year 2010.

1. A single ATBA under the Minimum Interconnection Standard for the Class Year 2009 and Class Year 2010 will be developed using the 2010 NYISO Load and Capacity Data Report and will be the same ATBA as would otherwise be developed for the 2010 Class Year Interconnection Facilities Study absent the combination of Class Year 2010 with Class Year 2009. This ATBA will be the starting point for a single deliverability baseline used under the Deliverability Interconnection Standard for Class Year 2009 and Class Year 2010. For purposes of this Section X.B, “ATBA-Deliverability” refers to the deliverability baseline developed for Class Year 2009 and Class Year 2010 pursuant to this Section, and “ATRA-Deliverability” refers to the ATBA-Deliverability with the relevant Class Year projects added, as described below.
2. There will be two ATRAs and two ATRAs-Deliverability in the combined Class Year study: an ATRA and ATRA-Deliverability for Class Year 2009, as well as an ATRA and ATRA-Deliverability for Class Year 2010.
  - a. The ATRA and ATRA-Deliverability for Class Year 2009 will be the ATBA and ATBA-Deliverability, respectively, developed pursuant to Section X.B.1. above, plus the projects that qualified

for Class Year 2009 on or before March 1, 2009 and entered Class Year 2009.

- b. The ATRA and ATRA-Deliverability for Class Year 2010 will be the ATRA and ATRA-Deliverability for Class Year 2009, plus the projects that qualified for Class Year 2010 on or before March 1, 2010 and entered Class Year 2010.

3. Cost Allocation for the Two Class Years

- a. The cost allocation for Class Year 2009 System Upgrade Facilities and System Deliverability Upgrades will be calculated based on the incremental impact of the Class Year 2009 projects (i.e., the 2009 ATRA and ATRA-Deliverability) over the ATBA and ATBA-Deliverability, respectively, developed pursuant to Section X.B.1 above.
- b. The cost allocation for Class Year 2010 System Upgrade Facilities and System Deliverability Upgrades will be calculated based on the incremental impact of the Class Year 2010 projects (i.e., the 2010 ATRA and ATRA-Deliverability) over the Class Year 2009 ATRA and ATRA-Deliverability, respectively, as described fully below.

- c. If Class Year 2010 projects use Headroom on System Upgrade Facilities or System Deliverability Upgrades identified for Class Year 2009 projects, the Class Year Interconnection Facilities Study for Class Year 2010 will identify the Headroom use payments that must be made by Class Year 2010 projects to Class Year 2009 projects.
    - d. In the event that a System Upgrade Facility or System Deliverability Upgrade identified for Class Year 2009 is replaced in the Class Year Interconnection Facilities Study for Class Year 2010 by a more capable System Upgrade Facility or System Deliverability Upgrade required for projects in Class Year 2010, the cost allocation for Class Year 2009 will be based on the System Upgrade Facility or System Deliverability Upgrade identified for Class Year 2009, and the cost allocation to Class Year 2010 will be based on the more capable replacement System Upgrade Facility or System Deliverability Upgrade.
  - 4. Operating Committee Approval, Project Cost Allocation Decision Process and Class Year Settlement.
    - a. The initial Project Cost Allocation contained in the ATRA and Class Year Deliverability Study for Class Year 2009 will be based

upon all projects in Class Year 2009. The initial Project Cost Allocation contained in the ATRA and Class Year Deliverability Study for Class Year 2010 will be based upon all projects in Class Year 2009 and Class Year 2010, except as described below in Section X.B.4.d.iii.

- b. The NYISO will undertake to complete the Class Year Interconnection Facilities Study Report for Class Year 2009 and the Class Year Interconnection Facilities Study Report for Class Year 2010 in parallel so that both study reports are ready to be presented at the same Operating Committee meeting. However, if at any time, the NYISO determines that the Class Year Interconnection Facilities Study Report for Class Year 2009 is ready for presentation to the Operating Committee (following applicable working group and subcommittee review), the NYISO will present that study report to the Operating Committee regardless of the status of the Class Year Interconnection Facilities Study Report for Class Year 2010. The Operating Committee will separately vote to approve the study report for Class Year 2009 and the study report for Class Year 2010, even if both study reports are presented at the same Operating Committee meeting.

- c.     If the Class Year Interconnection Facilities Study Reports for Class Year 2009 and Class Year 2010 are both approved at the same Operating Committee meeting, the Project Cost Allocation decision process will commence at that time and be conducted in parallel for the projects in both Class Years, as described in Section X.B.4.e below.
- d.     If the Class Year Interconnection Facilities Study Report for Class Year 2009 is approved at an Operating Committee meeting where either (1) the study report for Class Year 2010 is not presented for approval, or (2) the study report for Class Year 2010 is presented for approval but not approved, the following process will be followed:

  - i.     The Project Cost Allocation decision process for Class Year 2009 will not commence until the following Operating Committee meeting (“Second Operating Committee Meeting”), held not more than forty-five (45) days after the Operating Committee meeting where the study report for Class Year 2009 was approved.
  - ii.    If the Class Year Interconnection Facilities Study Report for Class Year 2010 is approved at the Second Operating Committee Meeting, the Project Cost Allocation



decision process for the projects in both Class Year 2009  
and Class Year 2010 will commence at that time and be  
conducted in parallel for the projects in both Class Years as  
described in Section X.B.4.e below.

- iii. If the Class Year Interconnection Facilities Study Report  
for Class Year 2010 is not approved at the Second  
Operating Committee Meeting, the Project Cost Allocation  
decision process for the projects in Class Year 2009 will  
commence immediately upon the Second Operating  
Committee Meeting and will follow the existing Project  
Cost Allocation decision process described in Sections  
VIII.A-D of Attachment S, with initial Acceptance Notices  
and/or Non-Acceptance Notices due 30 days after the  
Second Operating Committee Meeting. When the Project  
Cost Allocation decision process for the projects in Class  
Year 2009 is completed, and the Class Year  
Interconnection Facilities Study Report for Class Year

2010 has been revised to reflect the final settlement of Class Year 2009 and is otherwise complete, the Class Year Interconnection Facilities Study Report for Class Year 2010 will be presented to the Operating Committee meeting for approval. Upon Operating Committee approval of the Class Year Interconnection Facilities Study Report for Class Year 2010, the Project Cost Allocation decision process for the projects in Class Year 2010 will begin.

- iv. Only in the event that the Class Year Interconnection Facilities Study Report for Class Year 2010 is not approved at the Second Operating Committee Meeting, as described immediately above in Section X.B.4.d.iii, a Developer or Interconnection Customer in Class Year 2009 providing a Non-Acceptance Notice for its System Upgrade Facility Project Cost Allocation may, by the due date for providing such notice, elect to enter Class Year 2010, and its project will be placed in Class Year 2010, provided that (a) the project is otherwise eligible under the Class Year re-entry rules, (b) it submits to the NYISO an executed Interconnection Facilities Study Agreement,

together with the required deposit and data, within ten (10)  
days of its receipt of the Interconnection Facilities Study  
Agreement, and (c) cures any deficiency in its submittal  
within five (5) Business Days after receiving notice from  
the NYISO about such deficiency. A project in Class Year  
2009 committing a Security Posting Default may not enter  
Class Year 2010. Other than as described in this Section  
X.B.4.d.iv, projects in Class Year 2009 may not enter Class  
Year 2010.

- e. If both Class Year Interconnection Facilities Study Reports are  
approved by the Operating Committee, either at the same meeting  
or by the Second Operating Committee Meeting, as described  
above in Sections X.B.4.b-d, the Developers and Interconnection  
Customers in both Class Year 2009 and Class Year 2010 will have  
thirty (30) days from the date of Operating Committee approval of  
the Interconnection Facilities Study Report for Class Year 2010 to  
provide an Acceptance Notice(s) or Non-Acceptance Notice(s) in  
accordance with Sections VIII.A-D of Attachment S. If any  
Developer or Interconnection Customer in either Class Year 2009  
or Class Year 2010 provides a Non-Acceptance Notice or commits  
a Security Posting Default, the NYISO will prepare a revised Class  
Year Interconnection Facilities Report by the following process:

- i. If any Developer or Interconnection Customer in Class Year 2009 provides a Non-Acceptance Notice(s) and/or commits a Security Posting Default, the NYISO will notify all Developers and Interconnection Customers in both Class Years as required by Section VIII.B of Attachment S, and will prepare (1) a revised ATRA and/or Class Year Deliverability Study for Class Year 2009 to reflect impact of the Non-Acceptance Notice(s) and/or Security Posting Default(s) from Class Year 2009 projects, and (2) a revised ATRA and/or Class Year Deliverability Study for Class Year 2010 to reflect the impact of the Non-Acceptance Notice(s) and/or Security Posting Default(s) from Class Year 2009 project and Class Year 2010 projects. The NYISO will prepare and publish the required ATRAs and/or Class Year Deliverability Study(ies) for both Class Years within four (4) weeks of its receipt of the last Non-Acceptance Notice or its receipt of notice of the last Security Posting Default, whichever is later.
- ii. If any Developer or Interconnection Customer in Class Year 2010 provides a Non-Acceptance Notice(s)

and/or commits a Security Posting Default, but no  
Developer or Interconnection Customer in Class Year 2009  
does so, the NYISO will notify all Developers and  
Interconnection Customers in both Class Years as required  
by Section VIII.B of Attachment S, and will prepare and  
publish a revised ATRA and/or Class Year Deliverability  
Study for Class Year 2010 within two (2) weeks of its  
receipt of the last Non-Acceptance Notice or its receipt of  
notice of the last Security Posting Default, whichever is  
later. The NYISO will not revise the ATRA or the Class  
Year Deliverability Study for Class Year 2009 as a result of  
a Non-Acceptance Notice from or a Security Posting  
Default by a Developer or Interconnection Customer in  
Class Year 2010.

- iii. The process described in the foregoing Sections X.B.4.e.i  
and/or X.B.4.e.ii will be repeated until either (1) none of  
the remaining eligible Class Year Developers or  
Interconnection Customers provides a Non-Acceptance  
Notice or commits a Security Posting Default, or (2) all  
Developers or Interconnection Customers have dropped out  
of their respective Class Years.

5. Except for projects in Class Year 2009 that elect to enter Class Year 2010 pursuant to the procedures described above in Section X.B.4.d.iv, Class Year 2009 and Class Year 2010 will be considered as a single Class Year for purposes of calculating the number of Class Years a project may enter pursuant to Section VIII.B.3 of Attachment S. A project that was in Class Year 2009 but elects to enter Class Year 2010 under Section X.B.4.d.iv that subsequently provides a Non-Acceptance Notice or commits a Security Posting Default related to its System Upgrade Facilities for Class Year 2010 will be deemed to have withdrawn its Interconnection Request in accordance with Section 3.6 of the Large Facility Interconnection Procedures in Attachment X of the OATT, or in accordance with Attachment Z of the OATT, as applicable.

**BC. NYISO Data Requirements**

Developers and Transmission Owners shall provide the NYISO with all data necessary to make the determinations contemplated by these rules.

**ED. Rights Under the Federal Power Act**

Nothing in these rules restricts the rights of any person under the OATT, or the right of any person to file a complaint with the Federal Energy Regulatory Commission under the relevant provisions of the Federal Power Act.

**~~D~~E. Transmission Service Customer Rights**

Nothing in these rules precludes any transmission service customer from receiving transmission service charge credits to the extent the customer is entitled to such credits under FERC policy and precedent.

## Attachment III



of the Point of Interconnection pursuant to Section 7.2, NYISO shall notify Developer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of re-study shall be borne by the Developer being re-studied.

## **SECTION 8. INTERCONNECTION FACILITIES STUDY.**

### **8.1 Interconnection Facilities Study Agreement.**

Beginning thirty (30) Calendar Days prior to the study start date of the Annual Transmission Reliability Assessment called for by Attachment S of the NYISO OATT, the NYISO shall provide an Interconnection Facilities Study Agreement for the next Class Year in the form of Appendix 4 to these Large Facility Interconnection Procedures to each Developer who has not previously received an agreement for the next Class Year, upon confirmation by the NYISO that the Developer is an Eligible Developer. Prior to this 30-day period, the NYISO shall tender an Interconnection Facilities Study Agreement to any Developer, confirmed by the NYISO to be an Eligible Developer, that so requests. For purposes of this Section only, the term Eligible Developer shall mean a Developer of a project that (1) satisfies the

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Effective:

criteria for inclusion in the Annual Transmission Reliability Assessment, for the next Class Year, as those criteria are specified in Section VI.B.3 of Attachment S, and (2) either (a) the NYISO determines must enter the next Class Year pursuant to Section VI.B.3.a-d of Attachment S, or (b) elects to enter the next Class Year pursuant to Section VI.B.3.a-d of Attachment S by providing notice to the NYISO by the study start date of the Annual Transmission Reliability Assessment. When the NYISO provides an Interconnection Facilities Study Agreement to a Developer, the NYISO shall, at the same time, also provide one to that Developer's Connecting Transmission Owner. The Interconnection Facilities Study Agreement shall provide that the Developer shall compensate the NYISO and Connecting Transmission Owner for the actual cost of the Interconnection Facilities Study. When the NYISO provides the Interconnection Facilities Study Agreement to the Developer, the NYISO shall provide to Developer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. The Developer shall execute the Interconnection Facilities Study Agreement and

## Attachment IV

of the Point of Interconnection pursuant to Section 7.2, NYISO shall notify Developer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of re-study shall be borne by the Developer being re-studied.

## **SECTION 8. INTERCONNECTION FACILITIES STUDY.**

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criteria for inclusion in the Annual Transmission Reliability Assessment, for the next Class Year, as those criteria are specified in Section VI.B.3 of Attachment S, ~~or and~~ (2) ~~has been in a prior Class Year and the~~ either (a) the NYISO ~~assigns the project to~~ determines must enter the next Class Year pursuant to Section VI.B.3.a-d of Attachment S, or (b) or the project elects to enter the next Class Year pursuant to Section VI.B.3.a-d of Attachment S by providing notice to the NYISO by the study start date of the Annual Transmission Reliability Assessment. When the NYISO provides an Interconnection Facilities Study Agreement to a Developer, the NYISO shall, at the same time, also provide one to that Developer's Connecting Transmission Owner. The Interconnection Facilities Study Agreement shall provide that the Developer shall compensate the NYISO and Connecting Transmission Owner for the actual cost of the Interconnection Facilities Study. When the NYISO provides the Interconnection Facilities Study Agreement to the Developer, the NYISO shall provide to Developer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. The Developer shall execute the Interconnection Facilities Study Agreement and