

July 18, 2025

By Electronic Delivery

Honorable Debbie-Anne A. Reese, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

**Re: Filing of an Executed Third Amended and Restated Development Agreement
Between the New York Independent System Operator, Inc. and New York
Transco LLC; Docket No. ER25-____-000**

Dear Ms. Reese:

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") hereby tenders for filing an executed Third Amended and Restated Development Agreement between the NYISO and New York Transco LLC ("Transco") (hereinafter the "Third Amended Agreement").³ The Third Amended Agreement modifies and restates Service Agreement No. 2510 under the NYISO's Open Access Transmission Tariff ("OATT"), which amends and restates previous amendments and restatements of the agreement originally filed and accepted by the Commission in Docket No. ER20-856-000.⁴

The NYISO respectfully requests that the Commission accept the executed Third Amended Agreement for filing. As described in Part I of this letter, the Third Amended Agreement includes a modification to the Required Project In-Service Date and related updates to the milestone schedule to complete the development of a remaining portion of the New York Energy Solution project ("Project"). While the majority of the Project is already in service, the modification to the Required Project In-Service Date is needed to accommodate the completion of a substation and two phase angle regulators ("PARs") that were identified to mitigate a

¹ 16 U.S.C. § 824d (2023).

² 18 C.F.R. § 35.13 (2023).

³ Capitalized terms that are not otherwise defined in this filing letter shall have the meaning specified in Attachment Y of the OATT, and if not defined therein, in the NYISO OATT and NYISO Market Administration and Control Area Services Tariff.

⁴ *New York Indep. Sys. Operator, Inc.*, Executed Development Agreement Among NYISO, Niagara Mohawk Power Corp., and New York Transco LLC, Docket No. ER20-856-000 (Jan. 23, 2020); *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER20-856-000 (Mar. 10, 2020); *see also New York Indep. Sys. Operator, Inc.*, Filing of an Executed First Amended and Restated Development Agreement Between the New York Independent System Operator, Inc. and New York Transco LLC, Docket No. ER23-1168-000 (Feb. 23, 2023) ("First Amended Agreement Filing"); *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER23-1168-000 (Apr. 12, 2023); *New York Indep. Sys. Operator, Inc.*, Executed Second Amended and Restated Development Agreement Between the New York Independent System Operator, Inc. and New York Transco LLC, Docket No. ER24-865-000 (Jan. 12, 2024) ("Second Amended Agreement Filing"); *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER24-865-000 (Mar. 11, 2024).

transfer degradation in the System Impact Study for the Project conducted pursuant to the NYISO's Transmission Interconnection Procedures in Attachment P to the OATT. As detailed in this letter, the additional time is necessary due to delays that impacted the availability of outage windows.

As described in Part II of this letter, the NYISO also respectfully requests a waiver of the Commission's prior notice requirements⁵ to make the Third Amended Agreement effective as of June 30, 2025, which is the date of its full execution.

I. Discussion

A. Background

The Project is the competitive transmission project selected by the NYISO's Board of Directors to address Segment B of the AC Transmission Public Policy Transmission Needs ("AC Transmission Needs").⁶ The Project is mainly located in the Hudson Valley in New York. It consists of a new 345 kV/115 kV double-circuit transmission line from a new Knickerbocker switching station to the existing Pleasant Valley substation, as well as rebuilding the existing 115 kV transmission lines within the same corridor. In addition, the New York Public Service Commission identified certain other work that all solutions to Segment B of the AC Transmission Needs were required to include. The Project also includes the installation of a substation and two PARs in the Town of Dover ("Dover PARs") to mitigate a transfer degradation identified in the System Impact Study for the Project conducted pursuant to the NYISO's Transmission Interconnection Procedures in Attachment P to the OATT.⁷

The Third Amended Agreement supersedes the Second Amended and Restated Development Agreement that was accepted by the Commission for filing in in Docket No. ER24-865-000 ("Second Amended Agreement").⁸ The Second Amended Agreement, which amended and restated the First Amended and Restated Development Agreement, largely conforms to the *pro forma* Public Policy Transmission Planning Process Development Agreement that was effective at the time the original agreement was executed.⁹

⁵ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, clarified, 65 FERC ¶ 61,081 (1993).

⁶ National Grid and Transco jointly submitted the Project to address a transmission need driven by Public Policy Requirements to increase the UPNY/SENY interface in New York by at least 900 MW (commonly referred to as "Segment B"). See generally, NYPSC Case No. 12-T-0502, *et al.*, *Order Finding Transmission Needs Driven by Public Policy Requirements*, at p 68 & Appendix A (December 17, 2015) ("NYPSC 2015 Order"); see also NYPSC Case No. 12-T-0502, *et al.*, *Order Addressing Public Policy Transmission Need for AC Transmission Upgrades* (Jan. 24, 2017) (confirming the AC Transmission Needs).

⁷ See generally, First Amended Development Agreement Filing at pp 2–3.

⁸ See generally, Second Amended Development Agreement Filing.

⁹ Compare *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER13-102-012, -013, -014 (Jun. 5, 2018) with *New York Indep. Sys. Operator, Inc.*, 170 FERC ¶ 61,098 (2020) (accepting revisions for the consideration of cost containment provisions in the OATT and revisions to the *pro forma* Public Policy Transmission Planning Process Development Agreement to implement a developer's commitment to contain costs); and *New York Indep. Sys. Operator, Inc.*, 178 FERC ¶ 61,179 (2022) (accepting revisions to the *pro forma* Public Policy Transmission Planning Process Development Agreement related to the implementation of a right of first refusal for upgrades to existing facilities); and *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER23-

Following the execution of the Second Amended Agreement that extended the Required Project In-Service Date until June 30, 2025 based on delays in obtaining local permits,¹⁰ Transco obtained the necessary local permits from the Town of Dover Planning Board for the construction of the Dover PARs. Transco, however, encountered certain construction-related issues that impacted the ability for it to perform cross-over work of the Dover Substation to an existing transmission line within its scheduled outage period. Transco reported that its vendor for communication circuits was delayed in performing the necessary connections between Transco's substation and the existing Transmission Owners' control centers and that there was insufficient time to perform the necessary testing before the scheduled outage. Despite an attempt to extend the outage, the NYISO could not accommodate the outage prior to June 30, 2025. As a result, the NYISO notified Transco that an outage would have to occur following the summer operating period (*i.e.*, Fall 2025).

To accommodate the completion of the Dover PARs, Transco requested, on May 5, 2025, a modification to the Required Project In-Service Date from June 30, 2025 to December 31, 2025. The NYISO determined that Transco satisfied the criteria under Article 3.4 of the Second Amended Agreement for the NYISO to consent to the modification of the Required Project In-Service Date. Accordingly, the NYISO consented to a modification of the Required Project In-Service Date. Article 3.4.2 requires the Second Amended Agreement to be amended to reflect the modified Required Project In-Service Date.

B. Description of the Third Amended Agreement

The parties fully executed the Third Amended Agreement on June 30, 2025. The Third Amended Agreement makes limited modifications to the language of the Second Amended Agreement. The NYISO submits that the changes are just and reasonable.¹¹

The NYISO and Transco have made the following modifications to the Second Amended Agreement.

- Revised the cover page and preamble to reflect that this is the “Third Amended and Restated” version of the agreement;
- Limited revisions to the “Recitals” to describe the events that necessitated an amendment to the Second Amended Agreement; and

1151-000 (Apr. 5, 2023) (accepting revisions to the *pro forma* Public Policy Transmission Planning Process Development Agreement related to the alignment of the provisions for the development, funding, and cost recovery of certain Network Upgrade Facilities with the associated, selected Public Policy Transmission Project).

¹⁰ See Second Amended Agreement Filing at p 3 (explaining that the additional time to complete the substation and PARs was due to delays attributable to an order of the New York State Supreme Court of Dutchess County vacating a local siting permit).

¹¹ See *PJM Interconnection, L.L.C.*, 154 FERC ¶ 61,054 (2016); *Southwest Power Pool, Inc.*, 132 FERC ¶ 61,159, at P 7 (2010); *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,163 (2005).

- Updated the project milestone schedule in Appendix C, including the modified Required Project In-Service Date of December 31, 2025.

Based on the foregoing, the NYISO respectfully requests that the Commission accept the Third Amended Agreement with the aforementioned changes.

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

The NYISO requests an effective date of June 30, 2025 for the Third Amended Agreement, which is the date of its full execution. The NYISO respectfully requests that the Commission waive its prior notice requirement to permit the requested effective date. The Commission has permitted similar agreements (*e.g.*, development agreement and interconnection agreements) to become effective upon the date of execution.¹²

III. Communications and Correspondence

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

Robert E. Fernandez, Executive Vice President, Chief Compliance Officer & General Counsel

Karen Georgenson Gach, Deputy General Counsel

Kevin Lanahan, Vice President, External Affairs & Corporate Communications

*Brian R. Hodgdon, Senior Attorney

The New York Independent System Operator, Inc.

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Rensselaer, NY 12144

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*Person designated to receive service.

IV. Documents Submitted

The NYISO submits the following documents with this filing letter:

- A clean version of the Third Amended Agreement (Attachment I);

¹² See, *e.g.*, *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER20-1156-000 (Apr. 16, 2020) (the Original Agreement as of date of execution); *New York Indep. Sys. Operator, Inc.*, Letter Order, Docket No. ER20-865-000 (Mar. 10, 2020) (accepting a Public Policy Transmission Planning Process Development Agreement effective as of date of execution); *New York Indep. Sys. Operator, Inc. and Niagara Mohawk Power Corporation d/b/a National Grid*, Letter Order, Docket No. ER22-2062-000 (Aug. 5, 2022) (accepting interconnection agreement effective as of date of execution).

- A blacklined version of the Third Amended Agreement showing the changes from the Second Amended Agreement (Attachment II); and
- The signature pages for the Third Amended Agreement (Attachment III).

V. 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.

VI. Conclusion

Wherefore, the NYISO respectfully requests that the Commission accept the Third Amended Agreement for filing with an effective date of December 31, 2025.

Respectfully submitted,

/s/ Brian R. Hodgdon

Brian R. Hodgdon

Counsel for the

New York Independent System Operator, Inc.

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| cc: | Janel Burdick | Jaime Knepper |
| | Emily Chen | Kurt Longo |
| | Jignasa Gadani | David Morenoff |
| | Jette Gebhart | Jason Rhee |
| | Leanne Khammal | Douglas Roe |