

Attachment IV

40.1 Definitions

Whenever used in these Standard Interconnection Procedures with initial capitalization, the following terms shall have the meanings specified in this Section 40.1. Terms used in these procedures with initial capitalization that are not defined in this Section 40.1 shall have the meanings specified in Section 1 of the ISO OATT, Section 22.1 of Attachment P to the ISO OATT, Section 25.1.2 of Attachment S of the ISO OATT, Section 30.1 of Attachment Z to the ISO OATT, Appendix 1 to Attachment Z to the ISO OATT, or in Article 2 of the ISO Services Tariff.

10 kW Inverter Process shall mean the procedure for evaluating an Interconnection Request for a certified inverter-based Generating Facility no larger than 10 kW that uses the Section 40.23 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions as set forth in Appendix 12.

Acceptance Notice shall mean the notice by which an Interconnection Customer communicates to the ISO its decision to accept a Project Cost Allocation or Revised Project Cost Allocation.

Additional SDU Study shall mean a study that an Interconnection Customer may elect to pursue if the Class Year Deliverability Study or Cluster Study Deliverability Study identifies the need for a new System Deliverability Upgrade (*i.e.*, a System Deliverability Upgrade not previously identified and cost allocated in a Class Year Study or Cluster Study and not substantially similar to a System Deliverability Upgrade previously identified and cost allocated in a prior Class Year Study or Cluster Study) that requires additional study.

Additional SDU Study Decision Period shall mean the period of time following the Additional SDU Study during which an Interconnection Customer must elect whether to accept the Project Cost Allocation and pay cash or post Security for the System Deliverability Upgrades identified for its Project in accordance with the requirements in Section 40.15.

Affected System shall mean an electric system within the New York Control Area other than the transmission system owned, controlled or operated by the Connecting Transmission Owner that may be affected by the proposed interconnection.

Affected System Interconnection Customer shall mean any entity that submits an interconnection request for a generating facility to a transmission system other than the New York State Transmission System that may cause the need for Affected System Network Upgrades on the New York State Transmission System.

Affected System Network Upgrades shall mean the additions, modifications, and upgrades to the New York State Transmission System required to accommodate Affected System Interconnection Customer's proposed interconnection to a transmission system other than the New York State Transmission System.

Affected System Operator shall mean the entity that operates an Affected System. Affected System Operator includes the Affected Transmission Owners.

Affected System Queue Position shall mean the Queue Position of an Affected System Interconnection Customer in the ISO's Queue in accordance with Section 40.8.3.3 of this Attachment HH.

Affected System Study shall mean the ISO's evaluation of the impacts on the New York State Transmission System of Affected System Interconnection Customers' proposed interconnection(s) to another region's transmission system and the ISO's identification of any required Affected System Network Upgrades, as described in Section 40.8.3 to this Attachment HH.

Affected System Study Agreement shall mean the agreement contained in Appendix 6 to this Attachment HH that is made between the ISO and Affected System Interconnection Customer to conduct an Affected System Study pursuant to Section 40.8.3 to this Attachment HH.

Affected System Study Report shall mean the report issued by the ISO following completion of an Affected System Study pursuant to Section 40.8.3.7 to this Attachment HH.

Affected Transmission Owner shall mean the New York public utility or authority (or its designated agent) other than the Connecting Transmission Owner that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the ISO OATT, and (ii) owns, leases or otherwise possesses an interest in a portion of the New York State Transmission System where System Deliverability Upgrades, System Upgrade Facilities, Affected Network Upgrade Facilities, or Network Upgrade Facilities are or will be installed pursuant to Attachment HH or Attachment P to the ISO OATT.

Applicable Laws and Regulations shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority, including but not limited to Environmental Law.

Applicable Reliability Councils shall mean the Electric Reliability Organization, the NPCC, and the NYSRC.

Applicable Reliability Requirements shall mean the NYSRC Reliability Rules, and other criteria, standards and procedures, as described in Section 40.12.1.2 of this Attachment HH; provided that no Party shall waive its right to challenge the applicability or validity of any requirement or guideline as applied to it in the context of the Standard Interconnection Procedures. The Applicable Reliability Requirements applied are those in effect when the particular assessment is commenced.

Application Fee shall mean the non-refundable fee an Interconnection Customer must submit with its Interconnection Request or CRIS-Only Request pursuant to Section 40.5.5.1.3 to this Attachment HH.

Application Window shall mean the time period set forth in Section 40.5.3 to this Attachment HH.

Attachment Facilities shall mean the Connecting Transmission Owner's Attachment Facilities and the Interconnection Customer's Attachment Facilities. Collectively, Attachment Facilities include all facilities and equipment between the Generating Facility or Cluster Study Transmission Project and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Facility to the New York State Transmission System or Distribution System. Attachment Facilities are sole use facilities and shall not include Stand Alone System Upgrade Facilities, Distribution Upgrades, System Upgrade Facilities, or System Deliverability Upgrades.

Balancing Authority shall mean an entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Cluster Study by the ISO, Connecting Transmission Owner, Affected Transmission Owner, Affected System Operator, or Interconnection Customer; described in Section 40.2.6 of this Attachment HH.

Business Day shall mean Monday through Friday, excluding federal holidays.

Byway shall mean all transmission facilities comprising the New York State Transmission System that are neither Highways nor Other Interfaces. All transmission facilities in Zone J and Zone K are Byways.

Calendar Day shall mean any day including Saturday, Sunday or a federal holiday. If a deadline that is established in Calendar Days in this Attachment HH does not end on a Business Day, the deadline will be extended to the next Business Day.

Capacity Region shall mean one of four subsets of the Installed Capacity statewide markets comprised of: (1) Rest of State (*i.e.*, Load Zones A through F); (2) Lower Hudson Valley (*i.e.*, Load Zones G, H and I); (3) New York City (*i.e.*, Load Zone J); and (4) Long Island (*i.e.*, Load Zone K).

Capacity Resource Interconnection Service ("CRIS") shall mean the service provided by the ISO to Interconnection Customers that satisfy the NYISO Deliverability Interconnection Standard or that are otherwise eligible to receive CRIS in accordance with the requirements in

this Attachment HH; such service being one of the eligibility requirements for participation as an ISO Installed Capacity Supplier.

Class Year shall mean the group of Projects included in any particular Class Year Study (Annual Transmission Reliability Assessment and/or Class Year Deliverability Study), in accordance with the criteria specified in Attachments S, X, and Z. Class Year 2023 shall be the final Class Year that is subject to a Class Year Study.

Class Year Interconnection Facilities Study (“Class Year Study”) shall mean the last of the successive interconnection studies conducted in the ISO’s Standard Large Facility Interconnection Procedures for proposed interconnections of Small Generating Facilities (if applicable), Large Generating Facilities, and Class Year Transmission Projects with the New York State Transmission System or with the Distribution System in accordance with the requirements in Attachments S, X, and Z to the ISO OATT. The Class Year Study for Class Year 2023 shall be the final Class Year Study conducted by the ISO.

Cluster shall mean a group of one or more Projects with validated Interconnection Requests and CRIS-Only Requests that are studied together for the purpose of conducting a Cluster Study.

Cluster Baseline Assessment (“CBA”) shall mean an assessment, conducted by the ISO in cooperation with Market Participants, to identify the System Upgrade Facilities and Distribution Upgrades that Transmission Owners are expected to need during the time period covered by the assessment to comply with Applicable Reliability Requirements and to reliably meet the load growth and changes in load pattern projected for the New York Control Area. For purposes of applying the requirements in this Attachment HH, the term Cluster Baseline Assessment include the Annual Transmission Baseline Assessment when the term refers to the assessment performed for a Class Year Study.

Cluster Project Assessment (“CPA”) shall mean an assessment, conducted by the ISO in cooperation with Market Participants, to determine the System Upgrade Facilities and Distribution Upgrades required for each Project included in this assessment to interconnect to the New York State Transmission System or Distribution System in compliance with Applicable Reliability Requirements and the NYISO Minimum Interconnection Standard. For purposes of applying the requirements in this Attachment HH, the term Cluster Project Assessment includes the Annual Transmission Reliability Assessment when the term refers to the assessment performed for a Class Year Study.

Cluster Study shall mean the study conducted, as applicable, by the ISO, Connecting Transmission Owner, Affected Transmission Owner, Affected System Operator or a third party consultant for the Interconnection Customer to determine a list of facilities (including Connecting Transmission Owner’s Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades), the cost of those facilities, and the time required to interconnect the Generating Facility or Cluster Study Transmission Project with the New York State Transmission System or with the Distribution System. The Cluster Study includes the Phase 1 Study and the Phase 2 Study.

Cluster Study Agreement shall mean the form of agreement contained in Appendix 3 to this

Attachment HH for conducting the Cluster Study.

Cluster Study CRIS Project shall mean a Cluster Study Project with an executed Cluster Study Agreement entering a Cluster Study for a CRIS evaluation, that thereby becomes one of the group of Cluster Study Projects included in the Cluster Study Deliverability Study. A Cluster Study CRIS Project may be a CRIS-Only Cluster Study Project that is entering a Cluster Study only for a CRIS evaluation, or it may be a Project seeking both ERIS and CRIS.

Cluster Study Deliverability Study shall mean an assessment, conducted by the ISO in cooperation with Market Participants, to determine whether System Deliverability Upgrades are required for Cluster Study CRIS Projects under the NYISO Deliverability Interconnection Standard.

Cluster Study Project shall mean a project with a validated Interconnection Request or CRIS-Only Request that thereby becomes one of the group of Projects included in the particular Cluster for that Cluster Study Process.

Cluster Study Project List shall mean the list of Cluster Study Projects with validated Interconnection Requests or CRIS-Only Requests that the ISO posts during the Customer Engagement Window in accordance with the requirements in Section 40.7.2.

Cluster Study Process shall mean the following processes, conducted in sequence: the Application Window; the Customer Engagement Window (including the Physical Infeasibility Screening and Scoping Meetings therein); the Phase 1 Study; the Phase 2 Study; and, if applicable, the Additional SDU Study.

Cluster Study Process Start Date shall mean the date upon which the ISO will open the Application Window for a given Cluster Study Process, which date shall be determined pursuant to Section 40.5.1 of this Attachment HH.

Cluster Study Transmission Project shall mean an Interconnection Customer's 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 (1) the Interconnection Customer is eligible to request and does request Capacity Resource Interconnection Service, subject to the eligibility requirements set forth in the ISO Procedures; or (2) the Interconnection Customer requests only Energy Resource Interconnection Service and the transmission facility for which it requests Energy Resource Interconnection Service is a transmission facility over which power flow can be directly controlled by power flow control devices directly connected to the Cluster Study Transmission Project without having to re-dispatch generation. Cluster Study Transmission Projects shall not include Attachment Facilities, Distribution Upgrades, Network Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades. The term Cluster Study Transmission Project shall include those transmission projects that were classified as a Class Year Transmission Project in the ISO's Standard Large Facility Interconnection Procedures and satisfied the requirements to complete a Class Year Study for purposes of applying the post-interconnection study requirements

applicable to a Cluster Study Transmission Project in this Attachment HH, except as otherwise indicated in this Attachment HH.

Cluster Study Report shall mean the report issued following completion of the Phase 2 Study pursuant to Section 40.11.7 to this Attachment HH.

Clustering shall mean the process whereby the impact to the New York State Transmission System of a group of Affected System Interconnection Customers which projects are interconnecting to another region are studied together, instead of serially, for the purpose of conducting the Affected System Study.

Commercial Operation shall mean the status of a Facility that has commenced generating or transmitting electricity for sale, excluding electricity generated or transmitted during Trial Operation.

Commercial Operation Date of a Facility shall mean the date on which the Facility commences Commercial Operation, notice of which must be provided by the Interconnection Customer to the ISO and Connecting Transmission Owner in the form provided in Appendix E-2 to the Standard Interconnection Agreement.

Commercial Operation Incentive Payment Amount shall mean the amount a Payment Eligible Project is eligible to receive from the Withdrawal Penalty Fund collected for a particular Cluster Study Process if it enters Commercial Operation pursuant to Section 40.6.5.2.5.

Confidential Information shall mean any information that is defined as confidential by Section 40.24.1 to this Attachment HH.

Connecting Transmission Owner shall mean the New York public utility or authority (or its designated agent) that (i) owns facilities used for the transmission of Energy in interstate commerce and provides Transmission Service under the ISO OATT, (ii) owns, leases or otherwise possesses an interest in the portion of the New York State Transmission System or Distribution System at the Point of Interconnection, and (iii) is a Party to the Standard Interconnection Agreement.

Connecting Transmission Owner's Attachment Facilities shall mean all facilities and equipment owned, controlled or operated by the Connecting Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Connecting Transmission Owner's Attachment Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone System Upgrade Facilities, or System Upgrade Facilities. For purposes of applying the requirements in this Attachment HH, Connecting Transmission Owner's Attachment Facilities shall include facilities that were categorized as Connecting Transmission Owner's Interconnection Facilities under the ISO's Small Generator Interconnection Procedures and facilities that were categorized as Connecting Transmission Owner's Attachment Facilities under the ISO's Standard Large Generator Interconnection Procedures.

Contingent Facilities shall mean those Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and/or System Deliverability Upgrades associated with Cluster Study Projects upon which the Facility's Cluster Study Project Cost Allocations are dependent, and if delayed or not built, could impact the actual costs and timing of the Facility's Project Cost Allocation for System Upgrade Facilities or System Deliverability Upgrades.

Contingent Project shall mean an Interconnection Request or CRIS-Only Request that an Interconnection Customer submits during the Application Window of the Cluster Study Process pursuant to Section 40.5.4.1 for a Project that is simultaneously participating in the prior, ongoing Class Year Study, Cluster Study Process, Additional SDU Study, or Small Generator facilities study.

Contribution Percentage shall mean the ratio of a Project's measured impact or pro rata contribution to a System Upgrade Facility, Distribution Upgrade, or System Deliverability Upgrades, as applicable, identified in the Cluster Project Assessment, to the sum of the measured impacts or pro rata contributions of all the Projects in the same Cluster Study that have at least a de minimus impact or contribution to the System Upgrade Facility or Distribution Upgrade.

Cost Estimate Update shall have the meaning set forth in Section 40.6.3.5.3.2.

CRIS-Only Cluster Study Project shall mean a project that is participating in a Cluster Study Process solely to obtain CRIS or an increase in CRIS. For purposes of applying the requirements in this Attachment HH, the term CRIS-Only Cluster Study Project when used in connection with the Class Year Interconnection Facilities Study requirements in Attachment X and S of the OATT shall mean a Class Year Project that participated in a Class Year solely to request CRIS or an increase in CRIS.

CRIS-Only Request shall mean Interconnection Customer's request, in the form of Appendix 2 to this Attachment HH, to solely obtain CRIS or an increase in CRIS. For purposes of applying the requirements in this Attachment HH, the term CRIS-Only Request when used in connection with the Class Year Interconnection Facilities Study requirements in Attachment X and S of the OATT shall mean a Class Year Project's request to participate in a Class Year solely to request CRIS or an increase in CRIS.

CTOAF and SUF Project Cost Allocation shall have the meaning set forth in Section 40.15.1 to this Attachment HH.

Customer Engagement Window shall mean the time period set forth in Section 40.7.1 of this Attachment HH.

Deliverable MW shall have the meaning set forth in Section 40.15.1 to this Attachment HH.

Dispute Resolution shall mean the procedure described in Section 40.24.5 to this Attachment HH for resolution of a dispute between the Parties.

Distribution System shall mean the Transmission Owner's facilities and equipment used to distribute electricity that are subject to FERC jurisdiction, and are subject to the ISO's Standard

Interconnection Procedures in this Attachment HH under FERC Order Nos. 2003 and/or 2006. The term Distribution System shall not include LIPA's distribution facilities.

Distribution Upgrades shall mean the modifications or additions to the existing Distribution System at or beyond the Point of Interconnection that are required for the proposed Project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard. Distribution Upgrades do not include Attachment Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Effective Date shall mean the date on which the Standard Interconnection Agreement, Standard Upgrade Construction Agreement, or Multiparty Standard Upgrade Construction Agreement becomes effective upon execution by the Parties, subject to acceptance by the Commission, or if filed unexecuted, upon the date specified by the Commission.

Electric Reliability Organization ("ERO") shall mean the North American Electric Reliability Corporation or its successor organization.

Energy Duration Limitation shall have the meaning set forth in Section 5.12.14 of the ISO Services Tariff.

Energy Resource Interconnection Service ("ERIS") shall mean the service provided by the ISO to interconnect the Interconnection Customer's Generating Facility or Cluster Study Transmission Project to the New York State Transmission System or to the Distribution System, in accordance with the NYISO Minimum Interconnection Standard, to enable the New York State Transmission System to receive Energy and Ancillary Services from the Generating Facility or Cluster Study Transmission Project, pursuant to the terms of the ISO OATT.

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes Connecting Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

ERO Planning Standards shall mean the transmission system planning standards of the Electric Reliability Organization.

Existing System Representation shall mean the representation of the New York State Power System developed as specified in Section 40.10.3 of this Attachment HH.

Expedited Deliverability Study shall mean a study conducted by the ISO or a third party consultant to determine the extent to which an existing or proposed facility satisfies the NYISO Deliverability Interconnection Standard at its requested CRIS level without the need for System Deliverability Upgrades. The schedule and scope of the study is defined in Sections 40.19.1 and 40.13.1.2 of this Attachment HH.

Expedited Deliverability Study Agreement shall mean the agreement contained in Appendix 8 to this Attachment HH to conduct an Expedited Deliverability Study pursuant to Section 40.19.3 of this Attachment HH.

External Affected System shall mean an electric system outside of the New York Control Area that may be affected by the proposed interconnection.

External Affected System Operator shall mean the entity that operates an External Affected System.

External CRIS Rights shall mean a determination of deliverability within the Rest of State Capacity Region (*i.e.*, Load Zones A-F), awarded by the ISO for a term of five (5) years or longer, to a specified number of Megawatts of External Installed Capacity that satisfy the requirements set forth in Section 40.13.11 to Attachment HH, and that can be certified in a Bilateral Transaction used for the NYCA and not a Locality, or sold into the NYCA for an Installed Capacity auction and not in an Installed Capacity auction for a Locality.

External-to-ROS Deliverability Rights shall have the meaning set forth in Section 2.5 of the ISO Services Tariff.

Facility shall mean either a Generating Facility or a Cluster Study Transmission Project.

Facility Modification Request shall mean an Interconnection Customer's request to modify its Facility in the form of Appendix 5 to this Attachment HH.

Fast Track Process shall mean the procedure for evaluating an Interconnection Request for a certified Generating Facility that meets the eligibility requirements of Section 40.23.1 of the Attachment HH and includes the Section 40.23 screens, customer options meeting, and optional supplemental review.

Fast Track Request shall mean a request in the form of Appendix 13 to this Attachment HH to enter the Fast Track Process set forth in Section 40.23 to this Attachment HH.

Final Decision Period shall mean the period of time following the conclusion of the Phase 2 Study during which an Interconnection Customer must elect whether to accept its Project Cost Allocation and provide the related cash or post Security for, as applicable, the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and/or System Deliverability Upgrades identified for its Project in accordance with the requirements in Section 40.15.

Final Decision Round shall mean the final round of ISO-communicated cost estimates and Interconnection Customer responses in, as applicable, the Final Decision Period or Additional SDU Study Decision Period, in which all remaining eligible Interconnection Customers issue an Acceptance Notice and provide cash or post Security.

Force Majeure shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or

equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility shall mean Interconnection Customer's device(s) for the production and/or storage for later injection of electricity identified in the Interconnection Request or CRIS-Only Request, but shall not include: the Interconnection Customer's Attachment Facilities or Distribution Upgrades. A facility comprised of multiple Generators will be treated as a single Generating Facility if the facility proposed in the Interconnection Request or CRIS-Only Request is comprised of multiple Generators behind a single Point of Interconnection, even if such Generators are different technology types.

Generating Facility Capacity shall mean the net seasonal capacity of the Generating Facility or the aggregate net seasonal capacity of the Generating Facility consisting of more than one device for a production and/or storage for later injection.

Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over any of the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; *provided, however*, that such term does not include Interconnection Customer, the ISO, Affected System Operator, Affected Transmission Owner, Connecting Transmission Owner, or any Affiliate thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Headroom shall mean the functional or electrical capacity of the System Upgrade Facility or the electrical capacity of the System Deliverability Upgrade that is in excess of the functional or electrical capacity actually used by the Interconnection Customer's Project.

Headroom Security shall have the meaning set forth in Section 40.17.1.5 to this Attachment HH.

Heatmap shall mean the ISO's publicly posted interactive visual representation of estimated incremental injection capacity available at each point of interconnection and related table of metrics in accordance with the requirements in Section 40.4.1.

Highway shall mean 115 kV and higher transmission facilities that comprise the following NYCA interfaces: Dysinger East, West Central, Volney East, Moses South, Central East/Total East, and UPNY-ConEd, and their immediately connected, in series, Bulk Power System facilities in New York State. Each interface shall be evaluated to determine additional "in series" facilities, defined as any transmission facility higher than 115 kV that (a) is located in an upstream or downstream zone adjacent to the interface and (b) has a power transfer distribution factor (DFAX) equal to or greater than five percent when the aggregate of generation in zones or systems adjacent to the upstream zone or zones which define the interface is shifted to the aggregate of generation in zones or systems adjacent to the downstream zone or zones which define the interface. In determining "in series" facilities for Dysinger East and West Central interfaces, the 115 kV and 230 kV tie lines between NYCA and PJM located in LBMP Zones A and B shall not participate in the transfer. Highway transmission facilities are listed in ISO Procedures.

Initial Decision Round shall mean the 30 calendar day period of, as applicable, the Final Decision Period or Additional SDU Study Decision Period within which an Interconnection Customer must provide an Acceptance Notice or Non-Acceptance Notice to the ISO in response to the first Project Cost Allocation issued by the ISO to the Interconnection Customer.

Initial Backfeed Date shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Connecting Transmission Owner's Attachment Facilities to obtain back feed power. Initial Backfeed Date shall include the term In-Service Date as that term is used in Attachments S, X, and Z to the ISO OATT.

Interconnection Customer shall mean any entity, including the Connecting Transmission Owner or any of its affiliates or subsidiaries, that submits an Interconnection Request or CRIS-Only Request that is subject to the application of the Standard Interconnection Procedures as set forth in Section 40.2.3 of this Attachment HH or elects to enter an Expedited Deliverability Study. For purposes of applying the requirements in this Attachment HH, an Interconnection Customer shall include an entity that was categorized as a Developer under the ISO's Standard Large Facility Interconnection Procedures or as an Interconnection Customer under the ISO's Small Generator Interconnection Procedures.

Interconnection Customer's Attachment Facilities shall mean all facilities and equipment, as identified in Appendix A of the Interconnection Agreement, that are located between the Generating Facility or Cluster Study Transmission Project and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility or Cluster Study Transmission Project to the New York State Transmission System or Distribution System. Interconnection Customer's Attachment Facilities are sole use facilities. For purposes of

applying the requirements in this Attachment HH, Interconnection Customer's Attachment Facilities shall include facilities that were categorized as Developer's Attachment Facilities under the ISO's Standard Large Facility Interconnection Procedures or Interconnection Customer's Interconnection Facilities under the ISO's Small Generator Interconnection Procedures.

Interconnection Request shall mean Interconnection Customer's request, in the form of Appendix 1 to this Attachment HH, to interconnect a new Generating Facility or Cluster Study Transmission Project to the New York State Transmission System or to the Distribution System, or to materially increase the capacity of, or make a material modification to the operating characteristics of, an existing Generating Facility, Cluster Study Transmission Project, or Class Year Transmission Project that is interconnected with the New York State Transmission System or with the Distribution System. For purposes of the Interconnection Request, a facility comprised of multiple Generators behind the same Point of Interconnection may be considered a single Generating Facility, provided the Interconnection Request identifies a single Interconnection Customer. An Interconnection Request submitted pursuant to the ISO's Standard Large Facility Interconnection Procedures in Attachment X to the ISO OATT or the ISO's Small Generator Interconnection Procedures in Attachment Z to the ISO OATT shall be subject to the transition requirements set forth in Section 40.3.1 to this Attachment HH.

IRS shall mean the Internal Revenue Service.

Local System Upgrade Facilities shall mean the System Upgrade Facilities necessary to physically interconnect a proposed Project to the Connecting Transmission Owner's transmission system, consistent with applicable interconnection and system protection design standards. Local System Upgrade Facilities include any electrical facilities required to make the physical connection (*e.g.*, a new ring bus for a line connection or facilities required to create a new bay for a substation connection). Local System Upgrade Facilities also include any system protection or communication facilities that may be required for protection of the Connecting Transmission Owner's and/or Affected Transmission Owner's transmission facility (line or substation) involved in the interconnection. Local System Upgrade Facilities do not include System Upgrade Facilities required to mitigate any adverse reliability impact(s) of the Project(s) identified through analysis such as power flow, short circuit, or stability (*e.g.*, replacement of a circuit breaker at a nearby substation that becomes overdutied as a result of the Project(s)).

Material Modification shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with an equal or later Queue Position.

Merchant Transmission Facility shall mean an Interconnection Customer's 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 costs of construction will be recovered through negotiated rates instead of cost-based rates and not subject to the competitive evaluation and selection process for purposes of cost allocation under Attachment Y to the ISO OATT. Merchant Transmission Facilities shall not include Attachment Facilities, Distribution Upgrades, Network Upgrade Facilities, System Upgrade Facilities, or System Deliverability Upgrades.

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility or Cluster Study Transmission Project pursuant to the Standard Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Minor Modification shall mean, for purposes of the Fast Track Process requirements, modifications that will not have a material adverse impact on the cost or timing of any Interconnection Request.

Multiparty Affected System Study Agreement shall mean the agreement contained in Appendix 7 to this Attachment HH that is made among the ISO and multiple Affected System Interconnection Customers to conduct an Affected System Study pursuant to Section 40.8.3 of this Attachment HH.

Non-Acceptance Event shall have the meaning set forth in Section 40.15.2.9 of this Attachment HH.

Non-Acceptance Notice shall mean the notice by which an Interconnection Customer communicates to the ISO its decision not to accept a Project Cost Allocation or Revised Project Cost Allocation.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Interconnection Procedures, the Standard Interconnection Agreement, the Standard Upgrade Construction Agreement, or the Multiparty Standard Upgrade Construction Agreement, or its performance.

Notice of SDUs Requiring Additional Study shall have the meaning set forth in Section 40.14.1 of this Attachment HH.

NPCC shall mean the Northeast Power Coordinating Council or its successor organization.

NPCC Basic Design and Operating Criteria shall mean the transmission system design and operating criteria of the Northeast Power Coordinating Council.

NYISO Deliverability Interconnection Standard shall mean the standard that must be met, unless otherwise provided in this Attachment HH, by (i) any generation facility larger than 2MW in order for that facility to obtain CRIS; (ii) any Cluster Study Transmission Project; (iii) any entity requesting External CRIS Rights, and (iv) any entity requesting a CRIS transfer pursuant to Section 40.18.4 to Attachment HH. To meet the NYISO Deliverability Interconnection Standard, the Interconnection Customer must, in accordance with the rules in this Attachment HH, pay cash or post Security for any System Deliverability Upgrades identified for its Project in the Cluster Study Deliverability Study.

NYISO Load and Capacity Data Report shall mean the annual ISO survey of power demand and supply in New York State, published pursuant to Section 6-106 of the Energy Law of New York State.

NYISO Minimum Interconnection Standard shall mean the reliability standard that must be met by any Generating Facility or Cluster Study Transmission Project that is subject to the Standard Interconnection Procedures that is proposing to connect to the New York State Transmission System or to the Distribution System to obtain ERIS. The standard is designed to ensure reliable access by the proposed Project to the New York State Transmission System or to the Distribution System, as applicable. The standard does not impose any deliverability test or deliverability requirement on the proposed interconnection.

NYSRC Reliability Rules shall mean the reliability rules of the New York State Reliability Council.

Other Interfaces shall mean the following interfaces into Capacity Regions: Lower Hudson Valley *i.e.*, Rest of State (Load Zones A-F) to Lower Hudson Valley (Load Zones G, H and I); New York City *i.e.*, Lower Hudson Valley (Load Zones G, H and I) to New York City (Load Zone J); and Long Island *i.e.*, Lower Hudson Valley (Load Zones G, H and I) to Long Island (Load Zone K), and the following Interfaces between the NYCA and adjacent Control Areas: PJM to NYISO, ISO-NE to NYISO, Hydro-Quebec to NYISO, and Norwalk Harbor (Connecticut) to Northport (Long Island) Cable.

Overage Cost shall mean the dollar amount by which the total cost of, as applicable, System Upgrade Facilities, Distribution Upgrades, and/or System Deliverability Upgrades identified in the Cluster Project Assessment exceeds the total cost of System Upgrade Facilities considered in the Cluster Baseline Assessment for the same Cluster for a given Cluster Study.

Overage Cost Percentage shall mean the ratio of the Overage Cost to the total cost of System Upgrade Facilities, Distribution Upgrades, or System Deliverability Upgrades, as applicable, identified in the Cluster Project Assessment.

Party or Parties shall mean, as applicable, the ISO, Interconnection Customer, Affected System Interconnection Customer, Connecting Transmission Owner, Affected System Operator, Affected Transmission Owner, or any combination of the above.

Payment Eligible Project shall mean a Cluster Study Project eligible to recover certain study costs from the Withdrawal Penalty Funds collected by the ISO for that Cluster Study Process as defined in Section 40.6.5.2.2.

Pending Project shall have the meaning set forth in Section 40.5.4.1.1 to this Attachment HH.

Permissible Technological Advancement shall mean advancements to turbines, inverters, or plant supervisory controls or other similar advancements to the existing technology proposed in the Interconnection Request, provided that such advancements result in electrical performance that is equal or better than the electrical performance prior to the technological change and do not (i) increase the capability of the Facility by more than two (2) megawatts (ii) change the generation technology or fuel type of the Facility, (iii) have a material adverse impact on the New York State Transmission System or Distribution System, and (iv) degrade the electrical characteristics of the generating equipment proposed in the Interconnection Request (*e.g.*, the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady state and dynamic conditions).

Phase 1 Cost Estimates Summary Report shall mean the ISO report that summarizes the cost estimates identified in the Phase 1 Studies performed by the Connecting Transmission Owners and Affected Transmission Owners.

Phase 1 Entry Decision Period shall mean the period of time following the conclusion of the Customer Engagement Window during which an Interconnection Customer must satisfy the requirements for its Cluster Study Project to enter the Phase 1 Study or be withdrawn. The Phase 1 Entry Decision Period requirements are set forth in Section 40.7.5 to this Attachment HH.

Phase 1 Study shall mean the first part of the Cluster Study as set forth in Section 40.10 in which the Connecting Transmission Owners and Affected Transmission Owners will perform design and engineering studies to identify the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and Local System Upgrade Facilities required to reliably interconnect the Cluster Study Project with the New York State Transmission System or Distribution System in accordance with Applicable Reliability Requirements and to provide cost estimates for and a preliminary schedule to construct the facilities.

Phase 1 Study Start Date shall mean the start date for the Phase 1 Study process as set forth in Section 40.10.1.

Phase 2 Entry Decision Period shall mean the period of time following the conclusion of the Phase 1 Study during which an Interconnection Customer must satisfy the requirements for its Cluster Study Project to enter the Phase 2 Study or be withdrawn. The Phase 2 Entry Decision Period requirements are set forth in Section 40.10.8 to this Attachment HH.

Phase 2 Study shall mean the second part of the Cluster Study as set forth in Sections 40.11, 40.12, and 40.13 in which the ISO will identify the System Upgrade Facilities and Distribution Upgrades required for the reliable interconnection of Cluster Study Projects to the New York State Transmission System or to the Distribution System in compliance with the NYISO Minimum Interconnection Standard and, for Cluster Study Projects requesting CRIS, will assess their requested CRIS in compliance with the NYISO Deliverability Interconnection Standard and identify any required System Deliverability Upgrades. The Connecting Transmission Owner, Affected Transmission Owner, or Affected System Operator will determine the cost estimates for and a preliminary schedule to construct the facilities, along with updating, as needed, the identification of and cost estimates of the facilities identified in the Phase 1 Study.

Phase 2 Study Start Date shall mean the start date for the Phase 2 Study process as set forth in Section 40.11.1.

Physical Infeasibility shall have the meaning set forth in Section 40.7.3.2 to this Attachment HH.

Physical Infeasibility Screening shall mean the assessment performed by the applicable Transmission Owner during the Customer Engagement Window of whether the proposed interconnection of a Cluster Study Project is Physically Infeasible. The Physical Infeasibility Screening requirements are set forth in Section 40.7.3 to this Attachment HH.

Point of Change of Ownership shall mean the point where the Interconnection Customer's Attachment Facilities connect to the Connecting Transmission Owner's Attachment Facilities, as set forth in Appendix A to the Standard Interconnection Agreement.

Point of Interconnection shall mean the point where the Attachment Facilities connect to the New York State Transmission System or to the Distribution System, as set forth in Appendix A to the Standard Interconnection Agreement.

Pre-Application Report shall mean the report issued following an Interconnection Customer's completion of the Pre-Application Request Form pursuant to Section 40.4.2 of this Attachment HH.

Pre-Application Request Form shall mean a request in the form of Appendix 4 to this Attachment HH for a Pre-Application Report.

Project shall mean the proposed facility as described in a single Interconnection Request or CRIS-Only Request, to the extent permitted by this Attachment HH. For facilities not subject to the ISO's Standard Interconnection Procedures in Attachment HH to the ISO OATT, the Project refers to the facility as described in a single Cluster Study Agreement or Expedited Deliverability Study Agreement, to the extent permitted by this Attachment HH.

Project Cost Allocation shall mean the dollar figure estimate for an Interconnection Customer's share of the cost of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities required for the reliable interconnection of its Project to the New York State Transmission System or to the Distribution System and/or the share of the cost of the System Deliverability Upgrades required for the Interconnection Customer's Project to meet the NYISO Deliverability Interconnection Standard.

Proportional Impact Method shall mean the technical analysis conducted by the ISO to determine the degree to which each Facility in the Cluster Study contributes to the need for a specific System Upgrade Facility, Distribution Upgrade, or System Deliverability Upgrade as set forth in Section 40.12.2 to this Attachment HH.

Provisional Interconnection Service shall mean interconnection service provided by the ISO associated with interconnecting the Interconnection Customer's Facility to the New York State Transmission System (or Distribution System as applicable) and enabling the transmission system to receive electric energy from the Facility at the Point of Interconnection, pursuant to the terms of the Provisional Interconnection Agreement and, if applicable, the ISO OATT.

Provisional Standard Interconnection Agreement shall mean the interconnection agreement for Provisional Interconnection Service established between the ISO, Connecting Transmission Owner(s) and the Interconnection Customer. This agreement shall take the form of the Standard Interconnection Agreement, modified for provisional purposes and type of facility.

Queue shall mean the ISO's list of: (i) projects that possess an Interconnection Request or CRIS-Only Request participating in the ISO's Standard Interconnection Procedures set forth in this Attachment HH, (ii) projects with a valid Transmission Interconnection Application participating in the Transmission Interconnection Procedures in Attachment P to the ISO OATT, (iii) projects

with a valid Study Request participating in Section 3.7 of the ISO OATT, (iv) load projects submitted in accordance with Section 3.9 of the ISO OATT, (v) projects subject to an Affected System Study, and (vi) projects that prior to the effective date of the Standard Interconnection Procedures were participating in the ISO's Standard Large Facility Interconnection Procedures in Attachment X to the ISO OATT or the Small Generator Interconnection Procedures in Attachment Z to the ISO OATT and retain their Queue Position in accordance with the transition requirements set forth in Section 40.3 to this Attachment HH.

Queue Position shall mean the unique number and/or letter designation in the Queue for a valid Interconnection Request, CRIS-Only Request, Study Request, Load request, or Transmission Interconnection Application that satisfies the applicable requirements for inclusion in the Queue.

Readiness Deposits shall mean Readiness Deposit 1 and Readiness Deposit 2.

Readiness Deposit 1 shall mean a deposit paid by Interconnection Customer for its Cluster Study Project to enter the Phase 1 Study as set forth in Section 40.7.5 to this Attachment HH.

Readiness Deposit 2 shall mean a deposit paid by Interconnection Customer for its Cluster Study Project to enter the Phase 2 Study as set forth in Section 40.10.8 to this Attachment HH.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Interconnection Procedures, Standard Interconnection Agreement, Standard Upgrade Construction Agreement, or Multiparty Standard Upgrade Construction Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Regulatory Limitations shall mean a federal, state, Tribal, or local law, other than permitting and siting requirements, that makes it infeasible to obtain Site Control prior to an Interconnection Customer's submission of its Interconnection Request as set forth in ISO Procedures.

Retired shall mean a Generator that has permanently ceased operating on or after the effective date of Section 5.18 of the ISO Services Tariff either: i) pursuant to applicable notice; or ii) as a result of the expiration of its Mothball Outage or the expiration of its ICAP Ineligible Forced Outage.

Revised Project Cost Allocation shall mean the revised dollar figure cost estimate and related information provided by the ISO to an Interconnection Customer following receipt by the ISO of a Non-Acceptance Notice, or upon the occurrence of a Security Posting Default by another member of the respective Cluster.

Scoping Meeting shall mean the group meeting during the Customer Engagement Window among representatives of the Interconnection Customers in the Cluster for a given Cluster Study Process, the ISO, Connecting Transmission Owners, and Affected Transmission Owners conducted for the purpose of discussing Interconnection Customers' Interconnection Requests and CRIS-Only Requests and providing available information including any transmission data and earlier study evaluations that would be reasonably expected to impact their proposed interconnections.

SDU Project Cost Allocation shall have the meaning set forth in Section 40.15.1 to Attachment HH.

Security shall mean, under the interconnection facilities cost allocation rules set out in this Attachment HH, an Interconnection Customer must signify its willingness to pay the Connecting Transmission Owner, Affected Transmission Owner(s), and/or Affected System Operator(s) for the Interconnection Customer's share of the required Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities and System Deliverability Upgrades by posting Security for the full amount of the Interconnection Customer's share within a specified time frame. The Security can be a bond, irrevocable letter of credit, parent company guarantee or other form of security from an entity with an investment grade rating, executed for the benefit of the Connecting Transmission Owner, Affected Transmission Owner(s), and/or Affected System Operator(s), meeting the requirements of the cost allocation rules in this Attachment HH, and meeting the commercially reasonable requirements of the Connecting Transmission Owner, Affected Transmission Owner(s), and/or Affected System Operator(s).

Security Posting Default shall mean a failure by one or more Interconnection Customers to post Security in, as applicable, the Final Decision Period or Additional SDU Study Decision Period, as required by this Attachment HH.

Site Control shall mean the necessary land right sufficient to develop, construct, operate, and maintain the Facility over a term of at least ten (10) years from the date of the submission of the Interconnection Request. Site Control may be demonstrated by documentation establishing: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size to construct and operate the Facility; (2) an option to purchase or acquire a leasehold site of sufficient size to construct and operate the Facility; or (3) any other documentation that clearly demonstrates the right of Interconnection Customer to occupy a site of sufficient size to construct and operate the Facility. The term "necessary land right" restricts the use of the site for mutually exclusive projects, but does not restrict multi-use applications of the site in addition to its use for the Facility, such as agriculture, ranching, etc. The ISO will maintain acreage requirements and other applicable parameters for each facility type on its OASIS or public website.

Site Control Deposit shall mean the deposit provided by the Interconnection Customer to satisfy the Site Control requirement due to a Regulatory Limitation as set forth in Section 40.5.5.1.5.1 to this Attachment HH.

Stand Alone System Upgrade Facilities shall mean System Upgrade Facilities that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the New York State Transmission System during their construction. The ISO, the Connecting Transmission Owner, and the Interconnection Customer must agree as to what constitutes Stand Alone System Upgrade Facilities and identify them in Appendix A to the Standard Interconnection Agreement. If the ISO, the Connecting Transmission Owner, and the Interconnection Customer disagree about whether a particular System Upgrade Facility is a Stand Alone System Upgrade Facility, the ISO and the Connecting Transmission Owner must provide the Interconnection Customer a written technical explanation outlining why the ISO and

the Connecting Transmission Owner do not consider the System Upgrade Facility to be a Stand Alone System Upgrade Facility within fifteen (15) Business Days of its determination.

Standard Interconnection Procedures (“Interconnection Procedures” or “IP”) shall mean the interconnection procedures applicable to an Interconnection Request or a CRIS-Only Request pertaining to a Generating Facility or Cluster Study Transmission Project that are included in this Attachment HH of the ISO OATT.

Standard Interconnection Agreement (“IA”) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility or Cluster Study Transmission Project, that is included in Appendix 15 to this Attachment HH of the ISO OATT. For purposes of applying the requirements in this Attachment HH, the term Standard Interconnection Agreement shall include, as applicable, Standard Large Generator Interconnection Agreement and Small Generator Interconnection Agreement.

Standard Upgrade Construction Agreement shall mean the agreement contained in Appendix 16 to this Attachment HH that is made, as applicable, among (i) the ISO, (ii) the Affected System Operator or Affected Transmission Owner, and (iii) the Interconnection Customer or Affected System Interconnection Customer to facilitate the construction of and to set forth cost responsibility for necessary System Upgrades Facilities, System Deliverability Upgrades, or Affected System Network Upgrades on the New York State Transmission System or Distribution System.

Standard Multiparty Upgrade Construction Agreement shall mean the agreement contained in Appendix 17 to this Attachment HH that is made, as applicable, among (i) the ISO, (ii) the Affected System Operator, Affected Transmission Owner, or Connecting Transmission Owner, and (iii) multiple Interconnection Customers or Affected System Interconnection Customers to facilitate the construction of and to set forth cost responsibility for necessary System Upgrade Facilities, System Deliverability Upgrades, or Affected System Network Upgrades on the New York State Transmission System or Distribution System.

Study Deposit shall mean the study deposit the Interconnection Customer must submit with its Interconnection Request or CRIS-Only Request pursuant to Section 40.5.5.1.4 to this Attachment HH.

Subsequent Decision Round shall mean a seven calendar day period of, as applicable, the Final Decision Period or Additional SDU Study Decision Period, within which an Interconnection Customer must provide an Acceptance Notice or Non-Acceptance Notice to the ISO in response to the Revised Project Cost Allocation issued by the ISO to the Interconnection Customer.

Synchronization Date shall mean the date upon which the Generating Facility or Cluster Study Transmission Project is initially synchronized and upon which Trial Operation begins, notice of which must be provided by the Interconnection Customer to the ISO and Connecting Transmission Owner in the form of Appendix E-1 of the Standard Interconnection Agreement. Synchronization Date shall include the term Initial Synchronization Date as that term is used in Attachments S, X, and Z to the ISO OATT.

System Deliverability Upgrades shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications or additions to Byways and Highways and Other Interfaces on the existing New York State Transmission System that are required for the proposed Project to connect reliably to the system in a manner that meets the NYISO Deliverability Interconnection Standard for Capacity Resource Interconnection Service.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to (1) protect the New York State Transmission System from faults or other electrical disturbances occurring at the Generating Facility or Cluster Study Transmission Project and (2) protect the Generating Facility or Cluster Study Transmission Project from faults or other electrical system disturbances occurring on the New York State Transmission System or on other delivery systems or other generating systems to which the New York State Transmission System is directly connected.

System Upgrade Facilities shall mean the least costly configuration of commercially available components of electrical equipment that can be used, consistent with Good Utility Practice and Applicable Reliability Requirements, to make the modifications to the existing transmission system that are required to maintain system reliability due to: (i) changes in the system including such changes as load growth and changes in load pattern, to be addressed in the form of generic generation or transmission projects; and (ii) proposed interconnections. In the case of proposed interconnections, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed Project to connect reliably to the system in a manner that meets the NYISO Minimum Interconnection Standard.

Transition Cluster Study shall mean the Cluster Study conducted during the Transition Cluster Study Process.

Transition Cluster Study Process shall mean the first Cluster Study Process conducted in accordance with the Standard Interconnection Procedures requirements in this Attachment HH.

Transition Cluster Study Process Start Date shall mean the date upon which the ISO will open the Application Window for the Transition Cluster Study Process, which date shall be determined pursuant to Section 40.5.1.1 to this Attachment HH.

Trial Operation shall mean the period during which an Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility or Cluster Study Transmission Project prior to Commercial Operation.

UCAP Deration Factor (“UCDF”) shall have the meaning set forth in Sections 40.13.8.2.1.3 and 40.13.8.2.2.2 of this Attachment HH.

Upgrades shall mean the required additions and modifications to the Connecting Transmission Owner’s portion of the New York State Transmission System or the Distribution System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities or System Deliverability Upgrades or Distribution Upgrades. Upgrades do not include Attachment Facilities.

Withdrawal Penalty shall mean the penalties assessed by the ISO to an Interconnection Customer that chooses to withdraw or is deemed withdrawn by the ISO from the ISO's Queue or whose Generating Facility or Cluster Study Transmission Project does not otherwise reach Commercial Operation. The calculation of the Withdrawal Penalty is set forth in Section 40.6.5.1 to this Attachment HH.

Withdrawal Penalty Funds shall mean the amount of the Withdrawal Penalties that the ISO has collected from Cluster Study Projects for a given Cluster Study Process.

40.6 Queue Position/ Modification/ Withdrawal/ Withdrawal Penalties

40.6.1 Queue Position

40.6.1.1 Assignment of Queue Position

The ISO shall assign a Queue Position for an Interconnection Customer's Interconnection Request or CRIS-Only Request based upon the date and time of the ISO's receipt during the Application Window of the Interconnection Customer's complete submission of an Interconnection Request or CRIS-Only Request pursuant to Sections 40.5.4 and 40.5.5. If the ISO validates the Interconnection Request or CRIS-Only Request pursuant to Section 40.5.7, then the Interconnection Request or CRIS-Only Request shall retain its assigned Queue Position based on the date and time the submission was originally filed.

40.6.1.2 Higher Queue Position

A higher "Queue Position" assigned to an Interconnection Request or CRIS-Only Request is one that has been placed "earlier" in the Queue in relation to another Interconnection Request or CRIS-Only Request that is assigned a lower Queue Position. All Interconnection Requests and CRIS-Only Requests submitted and validated in a single Application Window that are a part of a single Cluster for the Cluster Study Process shall be considered equally queued as between the Interconnection Requests and CRIS-Only Requests within the same Cluster; *provided, however,* that an Interconnection Request's individual Queue Position will be used to determine priority as between Interconnection Requests in the same Cluster in the event of a Physical Infeasibility determination as set forth in Section 40.7.3. Interconnection Requests and CRIS-Only Requests that are part of a particular Class Year Study or Cluster Study shall be considered to have a higher Queue Position than Interconnection Requests and CRIS-Only Requests that are part of a subsequent Cluster Study.

40.6.2 Transferability of Queue Position

An Interconnection Customer may transfer its Queue Position for its Interconnection Request or CRIS-Only Request to another entity only if: (i) such entity acquires the specific Facility identified in the Interconnection Request or CRIS-Only Request, (ii) the Point of Interconnection does not change, (iii) for an Interconnection Request, the acquiring entity demonstrates Site Control for its Project, (iv) the transferring Interconnection Customer is up-to-date on payments to the ISO, and (v) the acquiring entity submits any deposits required for its Interconnection Request or CRIS-Only Request under this Attachment HH. As a result of such a transfer, the acquiring entity shall become the Interconnection Customer of the specific Facility identified in the Interconnection Request or CRIS-Only Request. After such transfer, the ISO will refund to the transferring Interconnection Customer any refundable cash portion of the Study Deposit, Readiness Deposit(s), or Site Control Deposit or provide written authorization for Interconnection Customer to request that the bank cancel any remaining letter of credit or surety bond provided as a deposit.

40.6.3 Modifications

An Interconnection Customer may request an ISO determination as to whether an Interconnection Customer's proposed modification to any information provided in the Interconnection Request or CRIS-Only Request for its project is permitted or is a Material Modification by submitting to the ISO: (i) a Facility Modification Request in the form of Appendix 5 to these Standard Interconnection Procedures, (ii) a study deposit in cash in the amount of \$10,000, and (iii) any supporting information or documentation required under this Section 40.6.3; *provided, however*, that an Interconnection Customer is not required to provide a study deposit to submit a permitted extension of its Commercial Operation Date pursuant to

Section 40.6.3.4, a change to its Point of Interconnection pursuant to Section 40.6.3.1, a name change for the Cluster Study Project, or a name change for the Interconnection Customer. Any proposed modification to any information provided in the Interconnection Request or CRIS-Only Request must be accompanied by any resulting updates to the models included in such requests to the extent required in the Facility Modification Request. Except as otherwise provided in Sections 40.6.3.1 and 40.6.3.7, an Interconnection Customer cannot request a modification to the information provided in its validated Interconnection Request or CRIS-Only Request for its Cluster Study Project until the completion of the later of the Final Decision Period or Additional SDU Study Decision Period in which its Cluster Study Project is participating. Except as otherwise indicated in Section 40.6.3.1, the Interconnection Customer shall retain its Queue Position if its requested modification is permitted in accordance with Sections 40.6.3.4 or is determined not to be Material Modifications pursuant to this Section 40.6.3.

40.6.3.1 Within five (5) Business Days after the ISO posts the Cluster Study Project List during the Customer Engagement Window pursuant to Section 40.7.2, the Interconnection Customer may propose a modification to the Point of Interconnection in its Interconnection Request in accordance with the requirements in Section 40.7.2.3 to this Attachment HH.

40.6.3.2 Upon the ISO's receipt of an Interconnection Customer's Facility Modification Request, the ISO shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the ISO commence such studies later than thirty (30) Calendar Days after receiving Interconnection Customer's complete Facility Modification Request; *provided, however*, that: (i) the ISO will not perform a study for a proposed modification to a Point of

Interconnection pursuant to Section 40.6.3.1; (ii) for a modification subject to the Commercial Operation Date extension requirements in Section 40.6.3.5, the ISO and Connecting Transmission Owner shall assess the proposed modification in accordance with the requirements in 40.6.3.5; and (iii) for a proposed technological change pursuant to Section 40.6.3.7, the ISO shall assess the proposed modification in accordance with the requirements in Section 40.6.3.7. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.

40.6.3.3 Prior to making any modification other than those specifically permitted by Section 40.6.3.4, Interconnection Customer shall first request that the ISO evaluate whether such modification is a Material Modification in accordance with the requirements in this Section 40.6.3. In response to Interconnection Customer's request, the ISO shall evaluate the proposed modifications, including performing any studies required by this Section 40.6.3, prior to making them and inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection except the change deemed acceptable under Section 40.6.3.1 or so allowed elsewhere shall constitute a Material Modification. Any change in requested CRIS from the requested CRIS set forth in the Interconnection Request or CRIS-Only Request or any request for CRIS not included in the Interconnection Request (*i.e.*, if the Interconnection Request included only a request for ERIS) or CRIS-Only Request shall constitute a Material Modification. Except as otherwise set forth in Section 40.6.3.1 above, any modification to a

Cluster Study Project during a Cluster Study Process for which it is a member of the Cluster shall constitute a Material Modification. For proposed modifications deemed to be Material Modifications, the Interconnection Customer may withdraw the proposed modification request or proceed with a new Interconnection Request or CRIS-Only Request in a subsequent Cluster Study Process for such modification.

40.6.3.4 Extensions of the proposed Commercial Operation Date will not be Material Modifications if the proposed Commercial Operation Date is within four (4) years from the following date:

40.6.3.4.1 For all Facilities that participated in a Cluster Study Process, the date the Interconnection Customer and all other Interconnection Customers remaining in the Final Decision Period for the Cluster Study provided the required cash or Security in the Final Decision Round of the Final Decision Period (i.e., the completion of the Cluster Study).

40.6.3.4.2 For all Large Facilities and for Small Generating Facilities that participated in a Class Year Interconnection Facilities Study subject to Attachment S to the ISO OATT, the date the Interconnection Customer and all other Interconnection Customers remaining in the Class Year provided the required cash or Security as part of a Class Year Interconnection Facilities Study (i.e., completion of the Class Year).

40.6.3.4.3 For Small Generating Facilities that were subject to the Small Generator Interconnection Procedures in Attachment Z to the ISO OATT and did not

participate in a Class Year Interconnection Facilities Study or Cluster Study, the date the ISO tendered the SGIA to the Interconnection Customer.

40.6.3.5 An Interconnection Customer may request an extension of its Commercial Operation Date beyond the limit specified in Section 40.6.3.4 or beyond the limit of a previous extension that the ISO determined was not a Material Modification. Such request for an extension will not be a Material Modification only if the ISO determines that all three components of the extension requirements set forth in Sections 40.6.3.5.1, 40.6.3.5.2, and 40.6.3.5.3 have been met.

40.6.3.5.1 An Interconnection Customer must satisfy the first component of the extension requirements by meeting the requirements set forth in Section 40.6.3.5.1.1, 40.6.3.5.1.2, or 40.6.3.5.1.3 for an extension of its Commercial Operation Date.

40.6.3.5.1.1 Interconnection Customer's requested extension of its Commercial Operation Date for its Facility is on or before May 2, 2028; or

40.6.3.5.1.2 Interconnection Customer demonstrates (via an officer certification) that both: (i) its Facility cannot meet the timeframe in Section 40.6.3.4 or a previously granted extension due to: (A) its technology type, or (B) the sequencing of work on the transmission or distribution system that is beyond its control (e.g., unavailability of required system outages, delays in the completion of facilities included in the base case of the Small Generator facilities study, Class Year Study, or Cluster Study for the Facility that are required for the Facility to enter Commercial Operation at the Point of

Interconnection), and (ii) its project is still progressing to the extent reasonably possible; or

40.6.3.5.1.3 An Interconnection Customer demonstrates (via an officer certification) that it has made reasonable progress in the development of its project against milestones set forth in the Interconnection Agreement or Section 40.6.3.5.2 (e.g., (i) completion of engineering design, (ii) major equipment orders, (iii) commencement and continuation of construction of the Facility and associated Attachment Facilities, Distribution Upgrades, or System Upgrade Facilities, as applicable, (iv) completion of applicable permitting process, (v) application of the applicable primary siting permitting process deemed complete with demonstration that project is on course to obtain final permit in time to meet requested Commercial Operation Date).

40.6.3.5.1.4 Upon the ISO's request, an Interconnection Customer shall promptly provide the ISO with information concerning its demonstration that its project is progressing to the extent reasonably possible pursuant to Section 40.6.3.5.1.2 or has made reasonable progress pursuant to Section 40.6.3.5.1.3.

40.6.3.5.1.5 An Interconnection Customer that relied on its satisfaction of certain milestones to extend its Commercial Operation Date in accordance with the requirements in this Section 40.6.3.5.1 must demonstrate satisfaction of additional milestones for any subsequent requested extensions.

40.6.3.5.2 As the second component of the extension requirements, Interconnection Customer must also provide the ISO with a milestone schedule for the interconnection of the Project that it has agreed upon with the Connecting

Transmission Owner that meets the requested extended Commercial Operation Date. The Connecting Transmission Owner's agreement to the revised milestone schedule shall not be unreasonably withheld.

40.6.3.5.3 As the third component of the extension requirements, the ISO, in consultation with the Connecting Transmission Owner or Affected Transmission Owner, must either determine that: (i) a Cost Estimate Update is not required to update the cost estimates of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, or System Upgrade Facilities identified in the Small Generator facilities study, Class Year Study, or Cluster Study for the Facility, or (ii) if the ISO, in consultation with the Connecting Transmission Owner or Affected Transmission Owner, determines that a Cost Estimate Update is required, the Interconnection Customer must agree in writing that the Cost Estimate Update be performed, that it will be responsible for the costs of such evaluation, and that its extended Commercial Operation Date shall be subject to its acceptance of, and its posting of any additional Security, of any increase in the cost estimate as described in Section 40.6.3.5.3.3.

40.6.3.5.3.1 To determine whether a Cost Estimate Update is required and when such study will be performed, the ISO, in consultation with the Connecting Transmission Owner and/or any Affected Transmission Owner(s), will consider the requested length of the extension, the duration in time since the cost estimates were determined in a Small Generator facilities study, Class Year Study, or Cluster Study, the updated milestone schedule for the Project

agreed upon by the Interconnection Customer and Connecting Transmission Owner, and whether the interconnection facilities are shared with other projects. If the ISO determines, in consultation with the Connecting Transmission Owner and/or any Affected Transmission Owner(s), that a Cost Estimate Update is required, the ISO will provide the Interconnection Customer its basis for requiring such update. The need and timeframe for the update will be included in the interconnection agreement or an amended version of the interconnection agreement for the project, unless the Cost Estimate Update will be performed prior to the execution, or the unexecuted filing, of the interconnection agreement.

40.6.3.5.3.2 The Connecting Transmission Owner or Affected Transmission Owner will perform, at Interconnection Customer's expense, any Cost Estimate Update agreed upon with the Interconnection Customer to update the cost estimates of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, or System Upgrade Facilities identified in the Small Generator facilities study, Class Year Study, or Cluster Study for the Facility. If the Connecting Transmission Owner or Affected Transmission Owner determines that equipment identified in the applicable interconnection study for the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, or System Upgrade Facilities for Interconnection Customer's project is no longer available, the Connecting Transmission Owner or Affected Transmission Owner may, as part of its Cost

Estimate Update, identify and provide the cost estimate for any replacement equipment.

40.6.3.5.3.3 If the Cost Estimate Update identifies revised cost estimates, including for any replacement equipment, the Interconnection Customer will only be permitted to proceed with its requested Commercial Operation Date extension if it accepts within ten (10) Business Days of the conclusion of the Cost Estimate Update its cost allocation for, and provides cash or posts Security to, the Connecting Transmission Owner for, the revised cost estimates. In such case, the updated cost estimates will be included in the interconnection agreement for the project. If the project has an effective interconnection agreement, the parties will amend the agreement to include this information. Any updated cost estimate and Security provided in accordance with this section shall be subject to the Security forfeiture requirements in Section 40.16.1 and the requirements for future cost responsibility set forth in Section 40.16.3.

40.6.3.6 As soon as it becomes apparent to Interconnection Customer that the most recent proposed Initial Backfeed Date posted on the Queue is infeasible, and also prior to the expiration of the proposed Initial Backfeed Date posted on the ISO Queue, Interconnection Customer is obligated to provide the ISO with notice of any proposed extensions of the proposed Initial Backfeed Date, proposed Synchronization Date, or proposed Commercial Operation Date.

40.6.3.7 Technological Change Procedure. A technological change that satisfies the definition of a Permissible Technology Advancement or that the ISO

determines is not a Material Modification under this Technological Change Procedure is a permissible modification that will not result in an Interconnection Customer losing its Queue Position if it elects to proceed with the requested modification; provided however, if an Interconnection Customer in an ongoing Cluster Study requests a technological change, such request (1) must be submitted to the ISO no later than ten (10) Business Days prior to the close the Customer Engagement Window pursuant to Section 40.7.2 of this Attachment HH and (2) must fully satisfy the requirements in Section 40.6.3.7.1 of this Attachment HH no later than the cutoff of this ten (10) Business Day period prior to the close of the Customer Engagement Window. Technological changes proposed less than ten (10) Business Days prior to the close of the Customer Engagement Window, or any time following the close of the Customer Engagement Window during the ongoing Cluster Study, will be deemed material during the remainder of the Cluster Study.

40.6.3.7.1 An Interconnection Customer seeking to modify its proposed Facility based upon a change to the turbines, inverters, or plant supervisory controls or other similar advancements to the existing technology proposed in the Interconnection Customer's Interconnection Request shall submit, in accordance with Section 40.6.3, a Facility Modification Request, study deposit, and updated valid modeling data. The Interconnection Customer should also provide any available analyses (in particular, short circuit, power flow, and stability analyses) that demonstrate the requested modification does not have a material adverse impact on the New York State Transmission System or Distribution System.

Upon receipt of a Facility Modification Request that identifies a request for a technological change, the ISO, in consultation with the Connecting Transmission Owner(s) to the extent practicable, shall first conduct a review of the technological change and supporting information to determine whether such change constitutes a Permissible Technological Advancement. The ISO shall commence such review within thirty (30) Calendar Days after receiving notice of Interconnection Customer's complete Facility Modification Request. If the Facility Modification Request demonstrates that the proposed technological change satisfies the definition of Permissible Technological Advancement, meets the requirements of Section 40.6.3.7.1, and does not result in a change to the electrical characteristics that is (i) greater than two (2) percent voltage drop at the Point of Interconnection or (ii) greater than 100 amperes short circuit contribution, then no additional study is required and the technological change shall constitute a Permissible Technological Advancement.

40.6.3.7.2 If the ISO identifies that additional studies are required to determine whether the technological change constitutes a Permissible Technological Advancement, the ISO shall commence and perform any necessary studies to determine whether the proposed technological advancement meets the requirements of Section 40.6.3.7.1 and to determine whether the proposed technological advancement has an adverse reliability impact on the New York State Transmission System or Distribution System. Such additional studies shall be identified and performed based on the ISO's engineering judgment and at the Interconnection Customer's expense. If the ISO determines that the requested

technological change is not a Permissible Technological Advancement or the Interconnection Customer fails to provide the required information or data to conduct the additional studies, the ISO shall reject the requested technological change; however, the Interconnection Customer may resubmit a Facility Modification Request for the same technological change with the required information at the conclusion of the ongoing Cluster Study Process.

40.6.3.7.3 If the ISO concludes that the requested technological change does not constitute a Permissible Technological Advancement after completing the additional studies, the ISO shall review whether the technological change would constitute a Material Modification consistent with Section 40.6.3 of this Attachment HH.

40.6.3.7.4 The ISO will complete its review and any additional studies required under this Technological Change Procedure in accordance with the requirements in Section 40.6.3.2. Following completion of the ISO's review and any additional studies, the ISO shall describe the studies that were conducted, if any.

40.6.4 Withdrawal

40.6.4.1 The Interconnection Customer may withdraw its Interconnection Request or CRIS-Only Request at any time by written notice of such withdrawal to the ISO. In addition, if the Interconnection Customer fails to adhere to all requirements of these Standard Interconnection Procedures, except as provided in Section 40.24.5 (Disputes), the ISO shall deem the Interconnection Request or CRIS-Only Request to be withdrawn and shall provide written notice to the Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, the

Interconnection Customer shall have a cure period of fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify the ISO of its intent to pursue Dispute Resolution; except that:

(i) for a failure to timely make a payment or submit or maintain a deposit required by Attachment HH, an Interconnection Customer shall have a ten (10) Business Day cure period to submit payment or deposit in an acceptable form to the ISO, and

(ii) the cure period set forth in this Section 40.6.4.1 does not extend specific deadlines set forth in Section 40.5.7.2 for an Interconnection Customer to cure a deficiency in its Interconnection Request or CRIS-Only Request identified by the ISO or in Section 40.5.7.3.3 for an Interconnection Customer to cure a deficiency in its submission of the required Transmission Owner-specific information.

40.6.4.2 Withdrawal shall result in the loss of the Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the Interconnection Customer's Interconnection Request or CRIS-Only Request is eliminated from the Queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request or CRIS-Only Request shall pay to the ISO and Connecting Transmission Owner all costs that the ISO and Connecting Transmission Owner prudently incurred with respect to that Interconnection Request or CRIS-Only Request prior to the receipt of notice described above. The Interconnection Customer must pay all monies due to the ISO and Connecting Transmission Owner before it is allowed to obtain any Cluster Study data or results.

40.6.4.3 If Interconnection Customer withdraws its Interconnection Request or CRIS-Only Request, or is deemed withdrawn by the ISO, pursuant to this Section 40.6.4, the ISO shall (i) update the OASIS Queue posting to remove the Queue Position for the Interconnection Request or CRIS-Only Request, and (ii) conduct a final reconciliation of Interconnection Customer's costs and any applicable Withdrawal Penalties and follow the process set forth in 40.24.3 for returning or cancelling deposits. The ISO shall also refund to the Interconnection Customer the refundable cash portion of the Interconnection Customer's Site Control Deposit, if applicable, or provide written authorization for Interconnection Customer to request that the bank cancel any remaining letter of credit or surety bond provided as a deposit.

40.6.4.4 In the event of such withdrawal, the ISO and Connecting Transmission Owner, subject to non-disclosure arrangements consistent with Section 40.24.1, shall provide, at Interconnection Customer's request, supporting documentation, workpapers, and databases or data that the ISO and Connecting Transmission Owner developed in the preparation of the applicable study conducted up to the date of withdrawal of the Interconnection Request or CRIS-Only Request.

40.6.5 Withdrawal Penalties

40.6.5.1 Interconnection Requests and CRIS-Only Requests Subject to Withdrawal Penalties

40.6.5.1.1 If an Interconnection Customer withdraws its Interconnection Request or CRIS-Only Request, or such Interconnection Request or CRIS-Only Request is deemed withdrawn by the ISO, either during the Application Window or during the Customer Engagement Window up to five (5) Business Days after the ISO posts the Cluster Study Project List in the Customer Engagement Window pursuant to Section 40.7.2.2, the Interconnection Request or CRIS-Only Request shall not be subject to a Withdrawal Penalty.

40.6.5.1.2 If an Interconnection Customer withdraws its Interconnection Request or CRIS-Only Request, or such Interconnection Request or CRIS-Only Request is deemed withdrawn by the ISO, after the periods sets forth in Sections 40.6.5.1.1, the Interconnection Request or CRIS-Only Request may be subject to a Withdrawal Penalty as determined based on when in the Cluster Study Process the Interconnection Request or CRIS-Only Request withdraws or is deemed withdrawn by the ISO as detailed in Sections 40.7.6, 40.10.9, and 40.15.5 to this Attachment HH. If the Interconnection Customer has accepted its Project Cost Allocation and paid cash or posted Security in the Final Round of the Final Decision Period or Additional SDU Study Decision Period for any required Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrades Facilities, and/or System Deliverability Upgrades, the Interconnection Customer's Security will be subject to the forfeiture requirements in Section 40.16.1.

40.6.5.2 Distribution of Withdrawal Penalties

40.6.5.2.1 For each Cluster Study Process, the ISO shall hold all Withdrawal Penalty Funds that it has collected from any Cluster Study Project(s) participating in the Cluster for that study that withdraw or are deemed withdrawn by the ISO at or before the completion of the later of: (i) the Final Decision Period or (ii) the Additional SDU Study Decision Period for that Cluster Study Process. The ISO shall post the balance of Withdrawal Penalty Funds held by the ISO but not yet dispersed on its OASIS or a publicly accessible portion of its website and update this posting on a quarterly basis.

40.6.5.2.2 The ISO shall first use any collected Withdrawal Penalty Funds to offset the study costs of the Cluster Study Process, as applicable, that were incurred by those Interconnection Customers: (i) for the Cluster Study Project(s) in that Cluster that accepted their

Project Cost Allocation and paid cash or posted Security (if any required) for any Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and/or System Upgrade Facilities identified in the study process and (ii) for the CRIS-Only Cluster Study Project(s) in that Cluster: (A) that accepted their Deliverable MW or Project Cost Allocation and paid cash or posted Security (if any required) for any System Deliverability Upgrades or (B) that participated in an Additional SDU Study that was not completed for that Cluster Study Process ("Payment Eligible Projects").

40.6.5.2.3 Within one hundred fifty (150) Calendar Days of the completion of the later of, as applicable, the Final Decision Period or Additional SDU Study Decision Period for the Cluster Study Process, the ISO shall refund to the Interconnection Customers of each Payment Eligible Project a share of the Withdrawal Penalty Funds to offset the study costs it incurred in that Cluster Study Process. The ISO shall calculate the refund payment for each individual Payment Eligible Project by dividing the total Withdrawal Penalty Funds amount by the number of Payment Eligible Projects. The ISO shall then provide this refund payment to the Interconnection Customer for each Payment Eligible Project; *provided, however*, that an Interconnection Customer shall not receive from the ISO a higher study refund payment for its Payment Eligible Project than the total payments it made to the ISO for the actual study costs of the Payment Eligible Project in that particular Cluster Study Process.

40.6.5.2.4 If, after the ISO makes the payments required by Section 40.6.5.2.3, there remains Withdrawal Penalty Funds for that Cluster, the ISO shall then calculate and apply the Commercial Operation Incentive Payment Amount for that Cluster.

40.6.5.2.5 The ISO shall calculate the Commercial Operation Incentive Payment Amount for a Cluster by dividing the remaining Withdrawal Penalty Funds by the total number of Payment Eligible Projects except for CRIS-Only Cluster Study Projects.

40.6.5.2.6 The ISO shall hold the remaining Withdrawal Penalty Funds for the Cluster until the Commercial Operation Incentive Payment Amount has been applied for each Payment Eligible Project, except CRIS-Only Cluster Study Projects, as follows. If a Payment Eligible Project enters Commercial Operation, the ISO shall pay the Interconnection Customer for that Payment Eligible Project the Commercial Operation Incentive Payment Amount. If a Payment Eligible Project withdraws or is deemed withdrawn by the ISO prior to entering Commercial Operation, it shall forfeit at that time its Commercial Operation Incentive Payment Amount, which amount the ISO shall use to offset the ISO's administration costs.

40.6.5.2.7 The following is an example of the distribution of the Withdrawal Penalty Fund pursuant to this Section 40.6.5.2.

40.6.5.2.7.1 Assume at the conclusion of a Cluster Study Process that there are ten Payment Eligible Projects and \$2,000,000 in Withdrawal Penalty Funds. The ISO will first determine the share of study costs that will be refunded to the Payment Eligible Projects by dividing the \$2,000,000 by 10, which results in a refund payment share for each project of \$200,000. The ISO would make this refund payment to each Payment Eligible Project up to the amount in actual study cost such project paid in that Cluster Study Process. Accordingly, if a Payment Eligible Project only paid \$100,000 in actual study costs during the Cluster Study Process, its refund payment would be limited to \$100,000, and the remaining \$100,000 would be subject to the second stage of the Withdrawal Penalty Fund distribution.

40.6.5.2.7.2 Assume for this second stage, that \$500,000 remained following the study cost refund payments. The ISO would then calculate the Commercial Operation Incentive Payment Amount. This would be calculated as the remaining \$500,000 divided by 10 or a \$50,000 amount for which each Payment Eligible Project would be eligible. Assume 7 of the 10 Payment Eligible Projects entered into Commercial Operation. In such case, those 7 projects would each receive the \$50,000 Commercial Operation Incentive Payment Amount. The remaining \$150,000 associated with the 3 projects that did not enter Commercial Operation would be forfeited and used by the ISO to offset its administration costs.