

January 23, 2026

**By Electronic Delivery**

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

Re: Filing of an Executed Amended and Restated Interconnection Agreement  
Between the New York Independent System Operator, Inc. and Hydro-Québec;  
Docket No. ER26-\_\_\_\_-000

Dear Secretary Reese:

In accordance with Section 205 of the Federal Power Act (“FPA”)<sup>1</sup> and Part 35 of the regulations of the Federal Energy Regulatory Commission (“Commission”),<sup>2</sup> the New York Independent System Operator, Inc. (“NYISO”) hereby tenders for filing an executed Amended and Restated Interconnection Agreement (“HQ Agreement”) between the NYISO and Hydro-Québec (“HQ”) that the NYISO proposes to add to its Open Access Transmission Tariff (“OATT”) as Attachment JJ / Section 42. The executed version of the HQ Agreement is included as one of the attachments to this transmittal letter.

The NYISO respectfully requests that the Commission accept the HQ Agreement. The HQ Agreement’s terms were developed by two sophisticated entities with decades of experience operating their respective systems. The HQ Agreement’s provisions are, with limited exceptions, very similar to those of the Joint Operating Agreement between the NYISO and PJM Interconnection, L.L.C. (“PJM”) set forth in Section 35 of the NYISO’s OATT (“PJM Joint Operating Agreement”) and the Coordination Agreement between ISO New England, Inc. (“ISO-NE”) and the NYISO set forth in Section 37 of the OATT (“ISO-NE Coordination Agreement”).<sup>3</sup> The Commission found those agreements to be just and reasonable and should reach the same conclusion with respect to the HQ Agreement.

The members of the NYISO’s Business Issues Committee and its Management Committee unanimously approved the filing of the HQ Agreement without abstentions, as did the NYISO’s independent Board of Directors.

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<sup>1</sup> 16 U.S.C. § 824d.

<sup>2</sup> 18 C.F.R. § 35.13 (2025).

<sup>3</sup> The Commission accepted the PJM Joint Operating Agreement in Docket No. ER10-1657-000 (Aug. 26, 2010), and the ISO-NE Coordination Agreement in Docket Nos. ER15-2640-000 (November 9, 2015).

Further, as described in Part III of this letter, the NYISO respectfully requests a waiver of the Commission’s prior notice requirements<sup>4</sup> to permit the HQ Agreement to become effective on February 16, 2026.

Finally, to the extent that the Commission exercises its authority under *NRG Power Marketing, LLC v. FERC*<sup>5</sup> to propose limited modifications to the HQ Agreement, the NYISO would consent to such changes, and would re-execute a modified version of the HQ Agreement, provided that the Commission allows the HQ Agreement to become effective on February 16, 2026.

## **I. Discussion**

### **A. Background and Overview**

The HQ Agreement supersedes the Interconnection Agreement among the NYISO and HQ, dated October 22, 2002 (“Original Agreement”).<sup>6</sup> The NYISO and HQ entered into the Original Agreement (1) to coordinate their operations to maintain reliability and maximize interconnected capability for each of their transmission systems; and (2) to develop, administer, and implement practices, procedures, and information relating to security coordination and power system operations. The HQ Agreement retains most of the provisions of the Original Agreement.

The terms of the HQ Agreement are very similar to those of other agreements that the Commission has previously accepted, specifically the PJM Joint Operating Agreement and the ISO-NE Coordination Agreement. Exhibit 1 below provides a side-by-side comparison of the key provisions of the HQ Agreement with the terms of the PJM Joint Operating Agreement and the ISO-NE Coordination Agreement. The NYISO’s overview of the individual sections of the HQ Agreement in Section I.C. of this filing letter identifies instances where its provisions closely track the PJM Joint Operating Agreement and/or the ISO-NE Coordination Agreement. The similarity of the terms in the HQ Agreement to provisions the Commission has previously reviewed and accepted for filing reinforces that the HQ Agreement’s terms are just and reasonable.”

The NYISO and HQ recently determined that certain changes are needed to the Original Agreement to facilitate the integration of the new, direct current, fully controllable Champlain Hudson Power Express Merchant Transmission Facility (the “MTF”).<sup>7</sup> The MTF is a 1,250 MW

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

<sup>5</sup> 862 F.3d 108 (D.C. Cir. 2017).

<sup>6</sup> The Original Agreement is publicly posted on the NYISO’s web site at: [https://www.nyiso.com/documents/20142/1397306/nyiso\\_hqte\\_agreement.pdf/78a5d5b4-0371-0b44-202b-bfec84724ee5](https://www.nyiso.com/documents/20142/1397306/nyiso_hqte_agreement.pdf/78a5d5b4-0371-0b44-202b-bfec84724ee5)

<sup>7</sup> The NYISO has submitted several filings seeking Commission acceptance of Tariff revisions that are necessary to implement the MTF in its markets and to enable the owner of the MTF to become a non-incumbent

high-voltage direct current merchant transmission line that links the Hertel Station located near Montreal, Canada to the Astoria Annex Substation in New York City. The MTF will be implemented, at least initially, as a unidirectional transmission facility over which reservation holders can submit Bids to the NYISO to schedule Imports into the New York Control Area (“NYCA”) from Québec. Energy will be delivered at the Astoria Annex Substation and will be paid the Locational Based Marginal Price (“LBMP”) that the NYISO develops for the Proxy Generator Bus representing that electrical location. As explained in footnote 7, the NYISO has submitted multiple filings requesting Commission acceptance of Tariff revisions that are necessary to integrate the MTF.

The HQ Agreement updates the Original Agreement to include the following MTF-related revisions:

- Updates to Section 4.6 to address repayment of inadvertent energy transfers on the Hertel – Astoria Interconnection Facilities that are separate and distinct from inadvertent energy transfers that occur on the Châteauguay – Massena Interconnection Facilities and the Cedars — Dennison Interconnection Facilities (i.e., to address repayment of Inadvertent Energy transfers on the MTF);
- Updates to Schedule A to include a description of Interconnection Facilities to add the Hertel – Astoria interconnection and to address the direction in which Emergency Energy can be provided over each interconnection; and
- Updates to Schedule C to include Critical Elements associated with the Hertel – Astoria interconnection.

The Original Agreement was never filed with the Commission. The need to update the Original Agreement to accommodate the MTF prompted the NYISO to evaluate whether its inter-regional coordination arrangements with HQ should be on file. The NYISO concluded that there was no basis for distinguishing the treatment of the Original Agreement from the analogous

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Transmission Owner in New York. Commission Dockets that address the proposed implementation of the MTF include: *Proposed Tariff Revisions Implementing Champlain Hudson Power Express Merchant Transmission Facility*, Docket No. ER26-570-000 (Nov. 21, 2025) (proposing to revise the NYISO’s OATT and Market Administration and Control Area Services Tariff to implement new market rules that address the operation, scheduling and management of reservations for the MTF); *Proposed Tariff Revisions to Pro Forma Non-Incumbent Transmission Owner Operating Agreement*, Docket No. ER26-600-000 (Nov. 25, 2025) (proposing to revise the NYISO’s *pro forma* Operating Agreement for non-incumbent Transmission Owners to account for transmission facilities subject to the NYISO’s operational control for which Transmission Owners will recover their costs outside of the NYISO tariffs through negotiated rates); and *Installed Capacity Market Parameter Enhancements for Certain New Entry*, Docket No. ER26-235-000 (October 24, 2025) (seeking authority to develop and implement alternative Capacity Market parameters for entry of new facilities with characteristics similar to the MTF). The NYISO’s *Installed Capacity Market Parameter Enhancements* filing was accepted in *New York Independent System Operator, Inc.*, 193 FERC ¶ 61,233 (December 23, 2025). The NYISO is currently preparing a response to the Commission’s January 16 letter requiring additional information in Docket No ER26-570-000.

PJM Joint Operating Agreement and the ISO-NE Coordination Agreement. Accordingly, for purposes of consistency, the NYISO is filing the HQ Agreement now.

**B. The Proposed HQ Agreement is Just and Reasonable**

The Commission should accept the proposed HQ Agreement as just and reasonable because it establishes rules that provide for the reliable operation of the interconnected HQ and NYISO systems in accordance with applicable reliability standards. The NYISO and HQ have decades of experience reliably operating their respective systems and agree that the proposed HQ Agreement's terms support such reliable operation. The HQ Agreement is also a necessary part of the NYISO's efforts to timely integrate of the MTF. The 1,250 MW of new transmission capacity offered by the MTF will help enhance system reliability and minimize congestion.

The terms of the HQ Agreement are very similar to the terms of other agreements that the Commission has previously accepted, specifically the PJM Joint Operating Agreement and the ISO-NE Coordination Agreement. Exhibit 1 below provides a side-by-side comparison of the key provisions of the HQ Agreement with the terms of the PJM Joint Operating Agreement and the ISO-NE Coordination Agreement. The NYISO's overview of the individual sections of the HQ Agreement in Section I.C. of this filing letter identifies instances where its provisions closely track the PJM Joint Operating Agreement and/or the ISO-NE Coordination Agreement and Exhibit 1 to this filing letter provides examples of the text included in each agreement. The similarity of the terms in the HQ Agreement to provisions the Commission has previously reviewed and accepted for filing reinforces that the HQ Agreement's terms are just and reasonable.

**C. Description of the HQ Agreement**

The NYISO and HQ each executed the HQ Agreement in January of 2026, with a specified effective date of February 16, 2026. The material terms of the HQ Agreement are described below.

**1. Definitions**

Article 1.0 of the HQ Agreement sets forth the defined terms utilized throughout.

**2. Purpose of Agreement**

Section 2.1 explains the purpose of the agreement as providing for the reliable operation of the interconnected Electricity Systems<sup>8</sup> in accordance with the requirements of the Standards Authority. It likewise establishes a structure and framework for the following operations: (a) developing and issuing Operating Instructions; (b) developing and issuing Security Limits; (c) coordinated operation of the Interconnection Facilities; (d) development and adoption of

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<sup>8</sup> Capitalized terms that are not otherwise defined in this filing letter have the meaning specified in the HQ Agreement or the NYISO Tariffs.

operating criteria and standards; (e) operating performance review of the Interconnection Facilities; (f) considering matters of transmission service and access; (g) providing assistance to the other Party in an Emergency; and (h) implementation of the respective requirements of each Standards Authority in respect of the New York Transmission System and Québec Transmission System.

Section 2.1 of the HQ Agreement is very similar to provisions included in the NYISO's Joint Operating Agreement with PJM and its Coordination Agreement with ISO-NE. Exhibit 1 to this filing letter highlights similarities between the HQ Agreement and the Commission-Accepted PJM Joint Operating Agreement and ISO-NE Coordination Agreement.

### **3. Mutual Benefits**

Article 3.0 provides that the New York State Transmission System and Québec Transmission System share Mutual Benefits and acknowledge the Mutual Benefits as adequate consideration for entering into the HQ Agreement.

### **4. Interconnected Operation, Notification Procedures, Compliance with Decisions of the Interconnection Committee, Reactive and Inadvertent Transfers, and Operating Instructions**

The NYCA and the HQ Balancing Authority Area are *not* synchronously interconnected. Section 4.1. explains that interconnected operation of the Electricity Systems will only occur (a) by detaching load and/or generating units from one Electricity System and connecting this load and/or generating units to the other Electricity System; and/or (b) through the use of flow control devices asynchronously interconnecting the Electricity Systems. The NYISO and HQ agree to establish additional Operating Instructions as required to conduct interconnected operations of the Electricity Systems, as well as Operating Instructions to prevent inadvertent synchronous operation of the Electricity Systems. Portions of one Party's Electricity System that become synchronized or connected to the other Party's Electricity System remain under the control of the responsible Party.

Section 4.2 establishes notice requirements in the event that an Interconnection Facility that is available for use for interconnected operations (a) is declared or rendered unavailable for use; (b) is to be put off-line or has been put off-line; or (c) is or will be subject to a change of transfer capability. As demonstrated in Exhibit 1, Section 35.5.4 of the PJM Joint Operating Agreement and Section 4.4 of the ISO-NE Coordination Agreement include similar notification requirements.

Section 4.3 provides that HQ and the NYISO will each operate their respective portion of the Interconnection Facilities in accordance with the Operating Instructions that conform with their respective tariffs, rules, standards, and agreements with owners of Critical Elements and

applicable directions of the Interconnection Committee,<sup>9</sup> except where prevented by Force Majeure. The Interconnection Committee's directions include decisions and jointly developed and approved Operating Instructions that conform with their respective tariffs, rules, standards and agreements with owners of Critical Elements. If decisions of the Interconnection Committee do not anticipate a particular circumstance, the Parties will act in accordance with Good Utility Practice. Further, each Party may execute agreements with the owners of Critical Elements that have granted to that Party the day-to-day Operational Control of those Critical Elements.

Exhibit 1 to this filing letter demonstrates that the PJM Joint Operating Agreement and ISO-NE Coordination Agreement each include Commission-accepted provisions that are similar to the requirements in Section 4.3 of the proposed HQ Agreement.

Section 4.4 states that each Party will provide or arrange for 24-hour control and monitoring of their portion of the Interconnection Facilities. As indicated in Exhibit 1, Section 35.5.5 of the PJM Joint Operating Agreement and Section 4.5 ISO-NE Coordination Agreement include similar rules.

Section 4.5 provides that each Party will normally provide its own reactive supply to maintain unity power factor at the international boundary. Exhibit 1 demonstrates that the Commission-accepted PJM Joint Operating Agreement and ISO-NE Coordination Agreement include rules that address controlling or managing voltage levels. Due to the asynchronous nature of the NYCA's interconnection with Québec, some differences in the treatment of reactive power are appropriate.

Section 4.6 states that inadvertent energy transfers on all Interconnection Facilities will be controlled and accounted for in accordance with the standards and procedures required by the Standards Authority and utilized by the Parties. This provision explains that the Parties will account for and repay inadvertent energy transfers that occur on the Hertel – Astoria Interconnection Facilities (the MTF) separate and distinct from inadvertent energy transfers that occur on the Châteauguay – Massena Interconnection Facilities and the Cedars — Dennison Interconnection Facilities. It is appropriate to account for inadvertent energy on the MTF distinct from the NYISO's other interconnections with HQ because the price (LBMP) of Energy at the Astoria Annex substation in New York City, where the MTF delivers Energy, is often significantly higher than the LBMPs at the Châteauguay and Cedars interconnection points. It would not be appropriate (for example) to allow under-deliveries of Energy Imports on the MTF (which delivers power to the Astoria Annex substation in New York City) to be repaid via additional in-kind Energy deliveries at Châteauguay or at Cedars, both of which are located at or near New York's northern border with Québec.

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<sup>9</sup> The constitution, purpose and duties of the Interconnection Committee are addressed in Section 8 of the HQ Interconnection Agreement. The PJM Joint Operating Agreement and the ISO-NE Coordination Agreement each include a "Coordination Committee" with responsibilities that are very similar to the Interconnection Committee in the HQ Interconnection Agreement. Exhibit 1 identifies substantial overlap between the duties of the Interconnection Committee and the Coordination Committees under the three agreements.

For the reasons explained above, Exhibit 1 to this filing letter indicates that the proposal to distinguish Inadvertent Interchange on the MTF from the NYISO's other modeled interconnections with Québec is different from the rules that apply at the NYCA's interfaces with PJM and ISO-NE.

Section 4.7 states that the Parties agree to adopt, enforce, and comply with requirements and standards that will safeguard the Reliability of the interconnected Electricity Systems. The Reliability requirements and Reliability Standards will be: (a) adopted and enforced for the purpose of providing reliable service; (b) not unduly discriminatory in substance or application; (c) applied consistently to both Parties; and (d) consistent with the Parties respective obligations to applicable Standards Authorities. Unsurprisingly, Exhibit 1 indicates that the NYISO's Joint Operating Agreement with PJM and its Coordination Agreement with ISO-NE include very similar requirements, which are found in Section 35.5.8 and Section 4.8, respectively.

Section 4.8 provides that real and reactive power will be transferred over the Interconnection Facilities as described in Schedule A where these circuits cross the international boundary.

Section 4.9 states that the Interconnection Committee will issue the Operating Instructions that relate to the Reliability functions of the Parties. Each Party must deliver the Operating Instructions and any future amendments thereto to the owners of Critical Elements in their respective Control Areas as they relate to those facilities and to which such Operating Instructions apply. Other operating instructions may be issued under agreements between either Party and the owners of Critical Elements for the operation and maintenance of the Interconnection Facilities. In the event that there is a conflict or discrepancy between the Operating Instructions issued by the Interconnection Committee and any operating instructions that may be issued under agreements between either Party and owners of Critical Elements, the Parties will follow the Operating Instructions issued by the Interconnection Committee.

## **5. Security Coordination and Reliability Assessment of Outages**

Article 5.0 provides that both Parties agree to provide each other with appropriate updates on planned outage schedules and other activities that may impact the reliability or availability or capability of the Interconnection Facilities. As Control Area Operator and Reliability Authority, HQ for the province of Québec and the NYISO for the State of New York, will cooperate with each other as required, and with other Control Area Operators and Reliability Authorities, to establish Security Limits and to perform security coordination and Reliability assessments of outages.

## **6. Emergencies and Emergency Energy**

Section 6.1 states that both Parties will exercise due diligence to mitigate an Emergency to the extent practicable as per applicable requirements of each of the Standards Authorities and the existing policies and procedures of HQ and the NYISO governing the mitigation of an Emergency. Exhibit 1 to this filing letter identifies similar requirements in Section 35.6.1 of the PJM Joint Operating Agreement and Section 5.1 of the ISO-NE Coordination Agreement.

Under Section 6.2, Emergency Energy deliveries may be requested by a Party after all available market mechanisms have been exhausted. The Party receiving the request will provide Emergency Energy to the Party making the request to the extent practicable while protecting the integrity of its own Transmission System. Emergency Energy may be made available over Interconnection Facilities consistent with Schedule A to the HQ Agreement.<sup>10</sup> Each Party will inform the other Party by written notice of the applicable price or pricing formula for such Emergency Energy it may make available. The Parties must do their best to have such prices or pricing formulas available in advance, therefore avoiding the negotiation of terms during an Emergency.<sup>11</sup>

Section 6.3 states that, in addition to the requirements of Section 6.1, the Parties acknowledge that Emergencies may occur under the provisions of agreements between HQ and owners of transmission facilities in New York State, being any abnormal system condition that requires remedial action to: (a) protect the integrity of equipment; (b) ensure worker and public safety; or, (c) protect the environment. The Parties may be required to participate in remedial action.

## **7. Exchange of Information and Confidentiality**

Section 7.1 provides that the NYISO and HQ agree to exchange information as may be required by the Interconnection Committee. That information will include: (a) information required to develop Operating Instructions; (b) Transmission System facility specifications and modeling data required to perform Security analysis; (c) functional descriptions and schematic diagrams of Transmission System protective devices and communication facilities; (d) ratings data, and associated ratings methodologies, for Interconnection Facilities; (e) telemetry points, equipment alarms and status points required for real-time monitoring of Security dispatch; (f) data required to reconcile accounts for inadvertent energy, and for Emergency Energy transactions; (g) commercially valuable Transmission System information concerning such things as transfer capabilities, physical curtailments and interruptions of supply, ancillary services; provided, however, that the commercially valuable Transmission System information will not be shared by the receiving Party with (1) any other party that is a Market Participant; or (2) any subsidiary, division, or employee within a Party's organization who is a Market Participant; and (h) all other information as may be required for the Parties to maintain the reliable operation of their interconnected Transmission Systems and fulfill their obligations under the HQ Agreement and to any Standards Authority of which either Party is a member or is subject to, provided, however, that other information will be exchanged only if that can be done

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<sup>10</sup> Schedule A to the HQ Agreement specifies the direction in which Emergency Energy can be provided at each interconnection. Because the MTF will be initially implemented as a unidirectional transmission facility, Emergency Energy can only be provided by HQ to the NYCA over the MTF.

<sup>11</sup> The NYISO is currently considering whether its procedures for making Emergency Energy sales to HQ should be updated. Historically, such sales to HQ have been exceedingly rare; no sales have been made in the past decade.

in accordance with applicable restrictions on the disclosure of information to any Market Participant.

Section 7.2 requires that the Party receiving information under Article 7 will treat that information as confidential and will not, except as provided in Section 7.3, disclose any of the information received without the prior written consent of the Party supplying the information. The obligation of each Party under Section 7.2 continues and survives the termination of the HQ Agreement by 7 years.

Section 7.3 states that if information received by a Party is required to be disclosed in compliance with an order or subpoena of a court or regulatory body, or the award of an arbitrator, the Party that received the information, consistent with its legal and regulatory obligations, will make reasonable efforts to obtain an agreement or protective order requiring the maintenance of the confidentiality of the information demanded. The Party receiving the demand for disclosure will also, consistent with its legal and regulatory obligations, notify the other Party promptly, so as to give the other Party an opportunity to obtain an agreement or protective order requiring the maintenance of the confidentiality of the information demanded. Each Party will be responsible for its own legal expenses and other costs for seeking to obtain such agreements or protective orders.

Section 7.4 sets forth each Parties' warranties and representations, including that (a) each Party has, and intends to abide by a code of conduct; (b) HQ also has in place a code of conduct notably with respect to functional separation between transmission and merchant functions; and (c) each Party will follow and enforce the procedures within its respective code of conduct concerning any confidential information received from the other Party.

The rules proposed in Section 7 of the HQ Agreement are consistent with the Code of Conduct set forth in Section 12 of the OATT. The most pertinent provision of the NYISO's Code of Conduct is Section 12.4, which addresses the treatment of Confidential Information and Transmission System Information. The PJM Joint Operating Agreement<sup>12</sup> and the ISO-NE Coordination Agreement<sup>13</sup> each address the treatment of Confidential Information, but the provisions of the three agreements are all different.

## **8. The Interconnection Committee**

Section 8.1 provides that the Parties will form an Interconnection Committee under the HQ Agreement. Each Party appoints two representatives and two alternates, to serve as members of the Interconnection Committee with the authority to act on their behalf with respect to actions or decisions taken by the Interconnection Committee.

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<sup>12</sup> See Section 35.8 of the NYISO's OATT.

<sup>13</sup> See Section 37, Article 6.0 of the NYISO's OATT.

Section 8.2 states that the Interconnection Committee exists to administer the implementation of the provisions of the HQ Agreement. The Interconnection Committee develops and adopts policies, instructions, and recommendations relating to the Parties' performance of their obligations under the HQ Agreement, attempt to resolve disputes between the Parties, and will undertake any other actions specifically delegated to it pursuant to the HQ Agreement. The Interconnection Committee will undertake to jointly develop and authorize Operating Instructions to implement the intent of the HQ Agreement in accordance with Schedule B to the HQ Agreement. If the terms and conditions contained in the HQ Agreement are found to conflict with or fail to recognize obligations of a Standards Authority of which either Party is a member or to which it is subject or other regulatory requirements, the Parties agree to amend the HQ Agreement.

The PJM Joint Operating Agreement and the ISO-NE Coordination Agreement each include rules addressing the creation and responsibilities of a "Coordination Committee" that is very similar in purpose and duties to the Interconnection Committee in the HQ Agreement. Exhibit 1 to this filing letter demonstrates that the HQ Interconnection Committee and the PJM and ISO-NE Coordination Committees have similar responsibilities and duties.<sup>14</sup>

Section 8.3 states that, with the exception of the Schedules, the Interconnection Committee is not authorized to modify or amend any of the terms of the HQ Agreement. While each Party may incur expenses that may result from the Interconnection Committee's administration of the implementation of the provisions of the HQ Agreement, the Interconnection Committee has no authority to commit or otherwise contractually bind either Party to incur or pay any cost or expenditure. Exhibit 1 to this filing letter identifies similar language in Section 35.3.2.3 of the PJM Joint Operating Agreement and in Section 7.3 of the ISO-NE Coordination Agreement.

Section 8.4 provides that the Interconnection Committee will hold meetings at least twice each calendar year. Special meetings may be called at any time. Subject to the limitations on its authority as set forth in Section 8.3 of the HQ Agreement, the Interconnection Committee has the responsibility and authority to take action on all aspects of the HQ Agreement, including, but not limited to the following: (a) amending, adding or canceling Schedules, or Operating Instructions and providing written notice in accordance with Article 15.4; (b) assessment of non-compliance with the HQ Agreement and, subject to Article 10, the taking of appropriate action in respect thereof; (c) preparation, documentation, retention and distribution of Interconnection Committee meeting minutes and agendas; and (d) joint development and implementation of decisions involving but not limited to the following work activities: (i) development and maintenance of procedures for active power and reactive power accounting, including but not limited to methods of energy balancing; (ii) approval of information and data exchange costs and scope; (iii) documented points of operational data, as required by mutual agreement; (iv) development and maintenance of outage scheduling and coordination procedures with respect to the reliable

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<sup>14</sup> See Section 35.3.2 of the PJM Joint Operating Agreement and Section 7.2 of the ISO-NE Coordination Agreement.

operation of the Interconnection Facilities; (v) coordination of system tests; and (vi) development of system restoration and mutual assistance procedures. Exhibit 1 to this filing letter identifies similar responsibilities that are performed by the Coordination Committees under the PJM Joint Operating Agreement and the ISO-NE Coordination Agreement.

Section 8.5 states that all decisions of the Interconnection Committee will be unanimous and are binding on both Parties. The decisions may be unanimously affirmative or negative; however, a deadlock between the members of the Interconnection Committee will be interpreted as a negative decision. All decisions of the Interconnection Committee are final and are not subject to the dispute resolution procedures in Section 10 of the HQ Agreement.

## **9. Metering and Operational Information**

Section 9.1 provides that Metering Equipment will exist in accordance with each Party's metering standards as required to provide to both Parties electric power metered quantities to enable monitoring of Security Limits compliance and control of Inadvertent Transfers as per Section 4.6 of the HQ Agreement. The metered amounts for energy interchanged will be adjusted for actual losses to the delivery point between the NYCA and the Québec Control Area in accordance with the Parties' metering procedures.

Section 9.2 states that any properly designated representative of either of the Parties will have access, through coordination with the meter Owner, during normal business hours to any billing meter used to determine inadvertent energy for the purpose of reading the same. The accuracy of the meters may be periodically verified by proper tests and at any other time upon reasonable notice given by either of the Parties to the other, and each of the Parties will be entitled to have a representative present at such verification, subject to coordination with the meter Owner.

Section 9.3 provides that when Metering Equipment is out of service, has failed or malfunctioned or is deemed inaccurate, metering during the period of outage, failure, malfunction or inaccuracy will be determined, if required, through coordination with the meter Owner, from other Metering Equipment, if available, or, if not available, will be estimated and agreed to by the Parties. Remedial work on Metering Equipment will be coordinated by the Parties with the meter Owner.

## **10. Dispute Resolution Procedures**

In the event of a dispute arising out of or relating to the HQ Agreement that is not resolved by the representatives of the Parties who have been designated under Section 8.1 of the HQ Agreement within 7 days, each Party will designate an officer with authority and responsibility to resolve the dispute and refer the dispute to them. The senior officer designated by each Party will have authority to make decisions on its behalf with respect to that Party's rights and obligations under the HQ Agreement. The senior officers, once designated, will promptly begin discussions in a good faith effort to agree upon a resolution of the dispute. If the senior officers do not agree upon a resolution of the dispute within 14 days of its referral to them, or do not within the same 14-day period agree to refer the matter to some individual or

organization for alternate dispute resolution, then either Party will have the right to pursue any and all remedies available to it at law. Neither the giving of notice of a dispute, nor the pendency of any dispute resolution process as described in Section 10.1 will relieve a Party of its obligations under the HQ Agreement, extend any notice period in the HQ Agreement, or extend the time period in which a Party must act.

Section 10.2 addresses matters that are exempted from the Dispute Resolution Procedures of Section 10.1. Either Party may terminate the HQ Agreement in accordance with its provisions. The issue of whether a termination is proper will not be considered a dispute to which the Dispute Resolution Procedures of Section 10.1 apply. Additionally, any matter under consideration by the Interconnection Committee with respect to administering the implementation of the HQ Agreement which ends in a deadlocked vote among the representatives will not be considered a dispute to which the Dispute Resolution Procedures of Section 10.1 apply.

## **11. Liability and Indemnity**

Section 11.1 establishes the standard of care and limits of liability for the Parties. Specifically, neither Party, nor its directors, officers, trustees, employees or agents, will be liable to the other Party for any loss, damage, claim, cost, charge or expense, whether direct, indirect, incidental, punitive, special, exemplary or consequential, arising from the Party's performance or nonperformance under the HQ Agreement, except to the extent that a Party is found liable for gross negligence or willful misconduct, in which case the Party will not be liable for any incidental, consequential, punitive, special, exemplary or indirect damage.

Section 11.2 states that neither Party will be liable to the other Party for any claim, demand, liability, loss or damage, whether direct, indirect, incidental, punitive, special, exemplary or consequential, resulting from an occurrence on the circuits and system that are under its Operational Control and which results in damage to or renders inoperative the circuits or system of the other Party, or the separation of the systems in an emergency, or interrupts or diminishes service, or increases, decreases or in any way affects for whatever length of time the voltage or frequency of the power and energy delivered to the other Party.

Section 11.3 states that except as otherwise expressly provided, nothing in the HQ Agreement will be construed or deemed to confer any right or benefit on, or to create any duty to, or standard of care with reference to any third party, or liability or obligation, contractual or otherwise, on the part of the Parties to the HQ Agreement to any third party. A Party will promptly notify the other Party of claims, demands, or legal actions made by a third party.

## **12. Force Majeure**

Article 12 states that a Party will not be considered to be in default or breach, and will be excused from performance or liability for damages to any other Party, if and to the extent it is delayed in or prevented from performing any of the provisions of the HQ Agreement due to any Force Majeure event as defined in Section 12.1. Any Party claiming a Force Majeure event will promptly give written notice to the other Party, will use reasonable diligence to remove the

condition that prevents performance of its obligations, and will not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Force Majeure event. Each Party will use its best efforts to mitigate the effects of a Force Majeure event, remedy its inability to perform its obligations, and resume full performance of its obligations except that a Party will not be obliged to settle a labor disturbance to accomplish the foregoing.

### **13. Governing Law**

Article 13 states that the laws of the State of New York will govern the HQ Agreement, with the exception of any choice of law provisions in the HQ Agreement.

### **14. Effective Date and Termination**

Section 14.1 states that the effective date of the HQ Agreement is the date set forth in the preamble. The specified date is February 16, 2026.

Section 14.2, states that the HQ Agreement may be terminated at any time by mutual agreement in writing. It may also be terminated by either of the Parties with at least six months' prior written notice to the other Party, provided that such unilateral termination will not prejudice any outstanding obligations entered into under the HQ Agreement that have accrued as at the date of termination.

### **15. General Provisions**

Section 15.1 states that the HQ Agreement is binding upon HQ and the NYISO and their respective successors and permitted assigns.

Section 15.2 states that the HQ Agreement and the Schedules constitute the entire agreement between the Parties related to the Reliability of the operations of the Electricity Systems and superseded all prior agreements, understandings, and procedures, whether oral or written, express or implied, with respect to the subject matter of the HQ Agreement.

Section 15.3 states that the HQ Agreement will not be assigned by either Party without the prior written consent of the other Party. No assignment will constitute a novation or release the assigning Party from its obligations without the express written agreement of the other Party.

Section 15.4 addresses notice requirements. It was updated from the Original Agreement, removing facsimile as an available method of providing notice, and making other mutually agreed upon improvements.

Section 15.5 provides that the HQ Agreement may be executed in any number of counterparts, each of which may be signed manually or electronically.

## **16. Schedule A: Description of Interconnection Facilities**

Schedule A describes the interconnections that are commonly shared between the New York Transmission System and the Québec Transmission System as part of the Electricity Systems under the respective Operational Control of each of the Parties. Those interconnection facilities include: (1) the Châteauguay – Massena interconnection, a 765-kV single-circuit transmission line, also known as line 7040, that connects the Châteauguay station in Québec with the Massena station in New York State; (2) the Hertel – Astoria interconnection, a +/- 400 kV high-voltage direct current transmission line, that connects the Hertel station in La Prairie, Québec to the Astoria station in Queens, New York (the MTF); and (3) any other existing or future interconnection that is commonly shared between the New York Transmission System and the Québec Transmission System. The HQ Agreement amends the Original Agreement by adding a description of the Hertel – Astoria interconnection (the MTF) and by specifying the direction(s) in which Emergency Energy may be scheduled over each of the interconnections.

Schedule A also identifies other facilities interconnecting the NYCA and Québec Control Areas. They consist of the following: (1) the Cedars – Dennison interconnection, a 120-kV double-circuit transmission line that connects the Cedars generating station in Québec with the Dennison station in New York;<sup>15</sup> and (2) future facilities that interconnect the NYCA and Québec Control Areas.

## **17. Schedule B: Procedures for Development and Authorization of Operating Instructions**

Schedule B details the procedures for development and authorization of Operating Instructions. The members of the Interconnection Committee will jointly develop and approve Operating Instructions and review them at least semi-annually. In the event that any conflicts arise or are made apparent to a Party, such Party will notify the other Party and engage the Interconnection Committee if necessary to resolve such conflicts.

Schedule B also outlines key principles and items of methodology to be observed while the Interconnection Committee is engaged in developing and approving Operating Instructions. Schedule B states that it is an acceptable practice to combine the content of several Operating Instructions to create a single version of Operating Instructions for use by a respective Party's operations staff. Operating Instructions, when approved by the Interconnection Committee, will be binding on the Parties until they expire, are modified, deleted, or superseded by authority of the Interconnection Committee. Each page of the approved Operating Instructions will be identified in the header or footer as being issued by the HQ – NYISO Interconnection Committee with the effective date and the revision number. Based on mutual agreement of the members of

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<sup>15</sup> In Québec and Ontario, the line is owned and operated by Cedars Rapids Transmission Co. Ltd. In New York, the line is owned by Long Sault Division, an affiliate of Alcoa and is under the operating control of Niagara Mohawk Power Corporation. Operation of those facilities in New York State requires notification to the NYISO. Emergency Energy may be made available over the Cedars – Dennison interconnection in either direction.

the Interconnection Committee, one Party will control the revision process from the initial drafting of material through to the conversion of the Operating Instruction into its final form.

Exhibit 1 to this filing letter demonstrates that the NYISO's Coordination Agreement with ISO-NE includes a schedule that outlines very similar procedures for the development and authorization of operating instructions.

## **18. Schedule C: List of Critical Elements**

Schedule C lists the Critical Elements covered by the HQ Agreement, which include the Châteauguay – Massena and Hertel – Astoria interconnections. HQ's Critical Elements include (a) the 765/120 kV transformers of Châteauguay station; (b) the 120 kV static compensators CLC 101 and 102 of Châteauguay station; (c) the converters units GC1 and GC2 of Châteauguay station; (d) the filters F2-101 and F2-102 of Châteauguay station; and (e) the converter of Hertel station. The NYISO's Critical Elements include the 765 kV line 7040 for the Châteauguay station and the converter of the Astoria station. The HQ Agreement amends the Original Agreement to add Critical Elements associated with the Hertel – Astoria interconnection (the MTF).

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

The NYISO respectfully requests an effective date of February 16, 2026, for the HQ Agreement, which is more than three weeks after the date this filing was submitted to the Commission for its consideration. In accordance with 18 C.F.R. §35.11, there is good cause to waive the standard 60-day notice period. In Docket Nos. ER26-570 and ER26-600, the NYISO requested late January effective dates for its proposed revisions to the NYISO's tariffs and agreements to implement the MTF. Testing of the line may commence as early as February 2026. Granting the NYISO's requested February 16, 2026 effective date will enable the NYISO, HQ and CHPE LLC to commence testing if they are otherwise ready and authorized. HQ supports the requested effective date. The Commission has routinely granted requests for same-day effective dates for voluntarily negotiated two-party agreements.<sup>16</sup>

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<sup>16</sup> See, e.g., *N.Y. Indep. Sys. Operator, Inc., et al.*, Letter Order, Docket No. ER11-2953-000 (Apr. 7, 2011) (accepting interconnection agreement effective as of date of execution).

### **III. Communications and Correspondence**

All communications and service in this proceeding should be directed to:<sup>17</sup>

Robert F. Fernandez, Executive Vice President,  
General Counsel and Chief Compliance Officer  
Karen Georgenson Gach, Deputy General Counsel  
\*Alex Schnell, Assistant General Counsel /  
Registered Corporate Counsel  
New York Independent System Operator, Inc.  
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\*Designated to receive service.

### **IV. Stakeholder Discussion and Approval**

The HQ Agreement and the rationale for submitting it to the Commission were discussed with stakeholders in the NYISO's Installed Capacity Working Group and Market Issues Working Group. The proposed text of the HQ Agreement, including provisions unchanged from the Original Agreement, was approved unanimously, without any abstentions, by the NYISO's stakeholders at the December 10, 2025 Business Issues Committee and the December 17, 2025 Management Committee. On January 13, 2026, the NYISO's Board of Directors approved a motion directing the NYISO to file the HQ Agreement.

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<sup>17</sup> The NYISO respectfully requests waiver of 18 C.F.R. § 385.203(b)(3) (2025) to permit service on counsel in multiple locations.

**V. Documents Submitted**

The NYISO submits the following documents with this filing letter:

- Exhibit 1 to this letter, “Table of Material Provisions;”
- A clean version of the HQ Agreement (Attachment I);
- A blacklined version of the HQ Agreement (Attachment II); and
- An executed clean version of the HQ Agreement.

**VI. Service**

This filing will be posted on the NYISO’s website at [www.nyiso.com](http://www.nyiso.com). In addition, the NYISO will e-mail an electronic link to this filing to the official representative of each of its customers and to each participant on its stakeholder committees. In addition, the NYISO will send an electronic copy of this filing to the New York Public Service Commission and to the New Jersey Board of Public Utilities.

**VII. Conclusion**

Wherefore, the NYISO respectfully requests that the Commission waive the standard notice period and accept the HQ Agreement for filing with an effective date of February 16, 2026.

Respectfully Submitted,

/s/ Alex M. Schnell

Alex M. Schnell  
Assistant General Counsel/Registered Corporate  
Counsel for the  
New York Independent System Operator, Inc.

cc: Janel Burdick  
Jaime Knepper  
Emily Chen  
David Morenoff  
James Dawson  
Jason Rhee  
Jignasa Gadani  
Douglas Roe  
Leanne Khamma

**EXHIBIT 1**

**TABLE OF MATERIAL PROVISIONS**

| <b>HQ Agreement</b>   | <b>PJM Joint Operating Agreement</b>  | <b>ISO-NE Coordination Agreement</b>  |
|---|---|---|
| <p align="center">2.1 Purpose of this Agreement</p> <p>This <i>Agreement</i> provides for the reliable operation of the interconnected <i>Electricity Systems</i> in accordance with the requirements of the <i>Standards Authority</i>.</p> <p>This <i>Agreement</i> establishes a structure and framework for the following functions related to the <i>Reliability</i> of the operations of the <i>Electricity Systems</i>:</p> <p>(a) developing and issuing <i>Operating Instructions</i>;</p> <p>(b) developing and issuing <i>Security Limits</i>;</p> <p>(c) coordinated operation of the <i>Interconnection Facilities</i>;</p> <p>(d) development and adoption of operating criteria and standards;</p> <p>(e) operating performance review of the <i>Interconnection Facilities</i>;</p> <p>(f) considering matters of transmission service and access;</p> <p>(g) providing assistance to the other <i>Party</i> in an <i>Emergency</i>; and</p> <p>(h) implementation of the respective requirements of each of <i>Standards Authority</i></p> | <p align="center">35.3.1 Purpose of This Agreement</p> <p>This Agreement establishes a structure and framework for the following functions related to the reliability of interconnected operations between the Parties and efficient joint market operations:</p> <p>35.3.1.1 Developing and issuing <i>Operating Instructions</i> and <i>Security Limits</i>;</p> <p>35.3.1.2 Coordinating operation of their respective <i>Transmission Systems</i>;</p> <p>35.3.1.3 Developing and adopting operating criteria and standards;</p> <p>35.3.1.4 Conducting operating performance reviews of the <i>Interconnection Facilities</i>;</p> <p>35.3.1.5 Implementing each Party’s respective <i>Standards Authority</i> requirements with regard to the PJM and NYISO <i>Transmission Systems</i>;</p> <p>35.3.1.6 Exchanging information and coordination regarding system planning;</p> <p>35.3.1.7 Providing mutual assistance in an <i>Emergency</i> and during system restoration;</p> | <p align="center">2.2 Purpose of This Agreement</p> <p>This Agreement provides for the reliable operation of the interconnected New England and New York <i>Transmission Systems</i> in accordance with the requirements of the <i>Standards Authority</i>. This Agreement establishes a structure and framework for the following functions related to the <i>Reliability</i> of interconnected operations between the Parties:</p> <p>(a) developing and issuing <i>Operating Instructions</i> and <i>System Operating Limits</i>;</p> <p>(b) coordinating operation of their respective <i>Transmission Systems</i>;</p> <p>(c) developing and adopting operating criteria and standards;</p> <p>(d) conducting operating performance reviews of the <i>Interconnection Facilities</i>;</p> <p>(e) considering matters related to transmission service and access;</p> <p>(f) implementing each Party’s respective NERC and NPCC requirements with regard to the New England <i>Transmission System</i> and New York <i>Transmission System</i>;</p> |

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| <p>in respect of the <i>New York Transmission System</i> and <i>Québec Transmission System</i>.</p>   | <p>35.3.1.9 Performance of certain other arrangements among the Parties for coordination of their systems, including, but not limited to performance consistent with the arrangements set forth in the existing agreements listed in Section 35.21 and the M2M transmission congestion coordination process that is set forth in the attached Market-to-Market Coordination Schedule and Section 35.12 below; and</p> <p>35.3.1.9 Performance of certain other arrangements among the Parties for administration of this</p> | <p>(g) exchanging operations information regarding the Interconnection;</p> <p>(h) exchanging information and coordinating regarding system planning;</p> <p>(i) providing mutual assistance in an Emergency and during system restoration;</p> <p>(j) administering Coordinated Transaction Scheduling; and</p> <p>(k) implementing other arrangements between the Parties for the coordination of their systems. The Parties shall, consistent with NPCC Criteria, Guides and Procedures and the Parties' respective tariffs, rules and standards, including with respect to the NYISO, the NYSRC Reliability Rules, to the maximum extent they deem consistent with the safe and proper operation of their respective Reliability Coordinator Area and Balancing Authority Area and necessary coordination with other interconnected systems, and with the furnishing of dependable and satisfactory service to their own customers, operate their systems in accordance with the following procedures and principles.</p> |
| <p>3.2 Contract Consideration<br/>The <i>New York State Transmission System</i> and <i>Québec Transmission System</i>, by virtue of being</p> | <p>35.4.1 No Charge for Mutual Benefits of Interconnection<br/>The PJM Transmission System and the New York Transmission System, by</p>  | <p>3.1 No Charge for Mutual Benefits of Interconnection<br/>Both the New England Transmission System and New York Transmission</p>  |

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| <p>interconnected with each other, share <i>Mutual Benefits</i>. Both <i>Parties</i> acknowledge the <i>Mutual Benefits</i> as adequate consideration for entering into this <i>Agreement</i>.</p>  | <p>virtue of being connected with a much larger Interconnection, share Mutual Benefits such as transient and steady-state support. PJM and NYISO shall not charge one another for such Mutual Benefits.</p>  | <p>System, by virtue of being connected to each other and with a much larger Interconnection, share Mutual Benefits such as transient and steady-state support. NYISO and ISO-NE shall not charge one another for such Mutual Benefits.</p>   |
| <p style="text-align: center;">4.2 Notification of Circumstances</p> <p>In the event that an <i>Interconnection Facility</i> that is available for use for interconnected operations:</p> <p>(a) is declared or rendered unavailable for use;</p> <p>(b) is to be put off-line or has been put off-line; or,</p> <p>(c) is or will be subject to a change of transfer capability, the <i>Party</i> which has experienced or plans to initiate the putting off-line of, or the change to the transfer capability of the <i>Interconnection Facility</i> shall immediately provide the other <i>Party</i> with notification indicating the change in the circumstances of the putting off-line or transfer capability and the expected restoration time, in accordance with procedures adopted by the <i>Interconnection Committee</i>.</p> | <p style="text-align: center;">35.5.3 Notification of Circumstances</p> <p>In the event that an Interconnection Facility is opened or if the Interconnection Facility transfer capability is changed, or if a Party plans to initiate the opening of an Interconnection Facility, or to change the transfer capability of the Interconnection Facilities, such Party shall immediately provide the other Party with notification indicating the circumstances of the opening or transfer capability change and expected restoration time, in accordance with procedures implemented by the Coordination Committee.</p> | <p style="text-align: center;">4.3 Notification of Circumstances</p> <p>In the event that a component of the Interconnection Facilities is opened or if the transfer capability of a component of the Interconnection Facilities is changed, or if a Party plans to initiate the opening of any component of the Interconnection Facilities, or to change the transfer capability of any component of the Interconnection Facilities, such Party shall immediately provide the other Party with notification indicating the circumstances of the opening or transfer capability change and expected restoration time, in accordance with procedures implemented by the Coordination Committee or applicable NPCC Criteria, Guides and Procedures.</p> |
| <p style="text-align: center;">4.3 Compliance with Decisions of the Interconnection Committee</p> <p>Hydro-Québec and NYISO shall each operate their respective portion of the</p>  | <p style="text-align: center;">35.5.4 Compliance with Decisions of the Coordination Committee Direction</p> <p>PJM shall direct the operation of the PJM Transmission System and the NYISO shall</p>   | <p style="text-align: center;">4.4 Compliance with Coordination Committee Direction</p> <p>ISO-NE shall direct the operation of the New England Transmission System and the</p>   |

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| <p><i>Interconnection Facilities</i> in accordance with the <i>Operating Instructions</i> that conform with their respective tariffs, rules, standards, and agreements with owners of <i>Critical Elements</i> and applicable directions of the <i>Interconnection Committee</i>, except where prevented by <i>Force Majeure</i>. The <i>Interconnection Committee's</i> directions include decisions and jointly developed and approved <i>Operating Instructions</i> that conform with their respective tariffs, rules, standards and agreements with owners of <i>Critical Elements</i>. If decisions of the <i>Interconnection Committee</i> do not anticipate a particular circumstance, the <i>Parties</i> will act in accordance with <i>Good Utility Practice</i>.</p> <p>Each <i>Party</i> may execute, as may be deemed commercially desirable by that <i>Party</i> for its sole benefit or may be required of it by tariff or regulatory authority, agreements with the owners of <i>Critical Elements</i> that have granted to that <i>Party</i> the day-to-day <i>Operational Control</i> of those <i>Critical Elements</i>.</p> | <p>direct the operation of the NYISO Transmission System in accordance with the obligations of their respective tariffs, rules and standards and applicable directions of the Coordination Committee that conform with their respective tariffs, rules and standards, except where prevented by Force Majeure. The Coordination Committee's scope includes making decisions and jointly developing and approving Operating Instructions for many expected circumstances within the provisions of the Parties' respective tariffs, rules and standards. If decisions of the Coordination Committee do not anticipate a particular circumstance, the Parties shall act in accordance with Good Utility Practice.</p> | <p>NYISO shall direct the operation of the New York Transmission System in accordance with the obligations of their respective tariffs, rules and standards and applicable directions of the Coordination Committee that conform with their respective tariffs, rules and standards, including with respect to the NYISO, the NYSRC Reliability Rules, except where prevented by Force Majeure. The Coordination Committee direction includes decisions and jointly developed and approved Operating Instructions. If decisions or Operating Instructions of the Coordination Committee do not anticipate a particular circumstance, the Parties shall act in accordance with Good Utility Practice.</p> |
| <p>4.4 Control and Monitoring<br/>Each <i>Party</i> shall provide or arrange for 24-hour control and monitoring of their portion of the <i>Interconnection Facilities</i>.</p>  | <p>35.5.5 Control and Monitoring<br/>Each <i>Party</i> shall provide or arrange for 24-hour control and monitoring of their</p>  | <p>4.5 Control and Monitoring<br/>Each <i>Party</i> shall provide or arrange for 24-hour control and monitoring of their portion of the Interconnection Facilities.</p>  |

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|  | portion of the Interconnection Facilities.   |   |
| <p>4.5 Reactive Transfer</p> <p>In the absence of a commercial agreement, each <i>Party</i> shall normally provide its own reactive supply to maintain unity power factor at the international boundary.</p>   | <p>35.11.1 Specific Voltage and Reactive Power Coordination Procedures</p> <p>35.11.1.1 Under normal conditions, each Party shall provide for the supply and control of the reactive regulation requirements in its own area, including reactive reserve, so that applicable emergency voltage levels can be maintained following any of the set of contingencies that are observed under normal condition</p> | <p>4.6 Reactive Transfer and Voltage Control</p> <p>The Parties agree to determine reactive transfers and control voltages in accordance with the provisions of NPCC “Guidelines for Inter-Area Voltage Control” (Document B-03). Real and reactive power will be transferred over the Interconnection Facilities, which are described in Schedule A of this Agreement.</p> |
| <p>4.6 Inadvertent Transfers</p> <p>Inadvertent energy transfers on all <i>Interconnection Facilities</i> shall be controlled and accounted for in accordance with the standards and procedures required by the <i>Standards Authority</i> and utilized by the <i>Parties</i>.</p> <p>The <i>Parties</i> will account for and repay inadvertent energy transfers that occur on the Hertel – Astoria <i>Interconnection Facilities</i> separate and distinct from inadvertent energy transfers that occur on the Châteauguay – Massena <i>Interconnection Facilities</i> and the Cedars — Dennison <i>Interconnection Facilities</i>.</p> | <p>35.5.7 Inadvertent Exchanges</p> <p>Inadvertent power transfers on all Interconnection Facilities shall be controlled and accounted for in accordance with the standards and procedures developed by the Standards Authorities and the system operators of each Party to this Agreement.</p>  | <p>4.7 Inadvertent</p> <p>Inadvertent power transfers on all Interconnection Facilities shall be controlled and accounted for in accordance with the standards and procedures developed by NERC and NPCC and implemented by the Coordination Committee and the system operators of each Party to this Agreement.</p>  |
| <p>4.7 Adoption of Standards</p> <p>The <i>Parties</i> hereby agree to adopt, enforce and comply with requirements and</p>   | <p>35.5.8 Adoption of Standards</p> <p>The Parties hereby agree to adopt, enforce and comply with all applicable</p>   | <p>4.8 Adoption of Standards</p> <p>The Parties hereby agree to adopt, enforce and comply with requirements and</p>   |

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| <p>standards that will safeguard <i>Reliability</i> of the interconnected <i>Electricity Systems</i>. Such <i>Reliability</i> requirements and <i>Reliability Standards</i> shall be:</p> <p>(a) adopted and enforced for the purpose of providing reliable service;</p> <p>(b) not unduly discriminatory in substance or application;</p> <p>(c) applied consistently to both <i>Parties</i> and,</p> <p>(d) consistent with the <i>Parties</i> respective obligations to applicable <i>Standards Authorities</i>.</p> | <p>requirements and standards that will safeguard the reliability of the interconnected Transmission Systems. Such reliability requirements and Reliability Standards shall be:</p> <p>35.5.8.1 Adopted and enforced for the purpose of providing reliable service;</p> <p>35.5.8.2 Not unduly discriminatory in substance or application;</p> <p>35.5.8.3 Applied consistently to both Parties with the exception of subsection 35.5.8.5 below;</p> <p>35.5.8.4 Consistent with the Parties' respective obligations to applicable Standards Authorities including, without limitation, any relevant requirements or guidelines from each of NERC, or its Regional Councils' or any other Standards Authority or regional transmission group to which either of the Parties is required to adhere; and</p> <p>35.5.8.5 With respect to the NYISO, consistent with the NYSRC Reliability Rules</p> | <p>standards that will safeguard Reliability of the interconnected Transmission Systems. Such Reliability requirements and Reliability Standards shall be:</p> <p>(a) adopted and enforced for the purpose of providing reliable service;</p> <p>(b) not unduly discriminatory in substance or application;</p> <p>(c) applied consistently to both Parties (with the exception of subsection (e) below);</p> <p>(d) consistent with the Parties' respective obligations to applicable Standards Authorities including, without limitation, any relevant requirements or guidelines from each of NERC, NPCC or any other Standards Authority to which the Parties are required to adhere; and</p> <p>(e) with respect to the NYISO, consistent with the NYSRC Reliability Rules.</p> |
| <p>6.1 Obligation to Mitigate</p> <p>Both <i>Parties</i> shall exercise due diligence to mitigate an <i>Emergency</i> to the extent practical as per applicable requirements of each of the <i>Standards Authorities</i> and the existing policies and procedures of Hydro-Québec</p>   | <p>35.6.1. Emergency Assistance</p> <p>Both Parties shall exercise due diligence to avoid or mitigate an Emergency to the extent practical in accordance with applicable requirements imposed by the Standards Authority or contained in the PJM Tariffs and NYISO Tariffs. In avoiding or</p>  | <p>5.1 Emergency Assistance</p> <p>Both Parties shall exercise due diligence to avoid or mitigate an Emergency to the extent practicable as per each Party's requirements related to the mitigation of an Emergency, in applicable policies and procedures imposed by NERC, NPCC, or</p>   |

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| <p>and NYISO governing the mitigation of an <i>Emergency</i>.</p>  | <p>mitigating an <i>Emergency</i>, both Parties shall strive to allow for commercial remedies, but if commercial remedies are not successful or practical, the Parties agree to be the suppliers of last resort to maintain reliability on the system. For each hour during which <i>Emergency</i> conditions exist in a Party's Balancing Authority Area, that Party (while still ensuring operations within applicable Reliability Standards) shall determine what commercial remedies are available and make use of those that are practical and needed to avoid or mitigate the <i>Emergency</i> before any <i>Emergency Energy</i> is scheduled in that hour.</p> | <p>(for the NYISO) the NYSRC, or contained in the ISO-NE Tariff and NYISO Tariffs. In avoiding or mitigating an <i>Emergency</i>, both Parties shall strive to allow for commercial remedies, but if commercial remedies are not successful, the Parties agree to be the suppliers of last resort to ensure Reliability on the system. For each hour during which <i>Emergency</i> conditions exist in a Party's Balancing Authority Area, that Party (while still ensuring operations within applicable Reliability Standards) shall determine what commercial remedies are available and make use of those that are available and needed to avoid or mitigate the <i>Emergency</i> before any <i>Emergency Energy</i> is scheduled in that hour.</p> |
| <p>6.2 <i>Emergency Energy</i><br/> <i>Emergency Energy</i> deliveries may be requested by a <i>Party</i> after all available market mechanisms have been exhausted. The <i>Party</i> receiving the request shall provide <i>Emergency Energy</i> to the <i>Party</i> making the request to the extent practicable while protecting the integrity of its own <i>Transmission System</i>. <i>Emergency Energy</i> may be made available over <i>Interconnection Facilities</i> consistent with Schedule A to this <i>Agreement</i>.</p> | <p>35.6.3 <i>Emergency Energy</i><br/> Each Party shall, to the maximum extent it deems consistent with the safe and proper operation of its respective <i>Transmission System</i>, provide <i>Emergency Energy</i> to the other Party in accordance with the provisions of the <i>Inter Control Area Transactions Agreement</i>.</p>  | <p>5.2 <i>Emergency Energy Transactions</i><br/> Each Party shall, to the maximum extent it deems consistent with the safe and proper operation of its respective <i>Transmission System</i>, provide <i>Emergency Energy</i> to the other Party in accordance with the provisions of Schedule C of this <i>Agreement</i>.</p>   |

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| <p>Each <i>Party</i> shall inform the other <i>Party</i> by written notice of the applicable price or pricing formula for such <i>Emergency Energy</i> it may make available. The <i>Parties</i> must do their best to have such prices or pricing formulas available in advance, therefore avoiding the negotiation of terms during an <i>Emergency</i>.</p>   |   |  |
| <p>8.2 Interconnection Committee Duties and Responsibilities</p> <p>The <i>Interconnection Committee</i> exists to administer the implementation of the provisions of this <i>Agreement</i>. The <i>Interconnection Committee</i> shall develop and adopt policies, instructions, and recommendations relating to the <i>Parties'</i> performance of their obligations under this <i>Agreement</i>, attempt to resolve disputes between the <i>Parties</i> pursuant to Article 11 of this <i>Agreement</i>, and shall undertake any other actions specifically delegated to it pursuant to this <i>Agreement</i>.</p> <p>The <i>Interconnection Committee</i> shall undertake to jointly develop and authorize <i>Operating Instructions</i> to implement the intent of this <i>Agreement</i> in accordance with <i>Schedule B</i>, "Procedures for Development and</p> | <p>35.3.2 Establishment and Functions of Coordination Committee</p> <p>To administer the arrangements under this <i>Agreement</i>, the <i>Parties</i> shall establish a Coordination Committee. The Coordination Committee shall undertake to jointly develop and authorize <i>Operating Instructions</i> to implement the intent of this <i>Agreement</i> with respect to reliable Transmission System operations.</p> <p>35.3.2.1 The Coordination Committee shall have the following duties and responsibilities:</p> <p>35.3.2.1.1 Determine the date(s) for implementing the various parts of this <i>Agreement</i> and undertake to jointly develop and authorize <i>Operating Instructions</i> to implement the intent of this <i>Agreement</i>;</p> <p>35.3.2.1.2 Meet periodically to address any issues associated with this <i>Agreement</i> that a <i>Party</i> may</p> | <p>7.2 Coordination Committee Duties and Responsibilities</p> <p>The Coordination Committee exists to administer or assist the <i>Parties'</i> implementation of the provisions of this <i>Agreement</i>. The Coordination Committee shall develop and adopt policies, instructions, and recommendations relating to the <i>Parties'</i> performance of their obligations under this <i>Agreement</i>, attempt to resolve Disputes between the <i>Parties</i> pursuant to Article 17.0 of this <i>Agreement</i>, and shall undertake any other actions specifically delegated to it pursuant to this <i>Agreement</i>.</p> <p>The Coordination Committee shall undertake to assist the <i>Parties'</i> efforts to jointly develop <i>Operating Instructions</i> to implement the intent of this <i>Agreement</i> in accordance with <i>Schedule B</i> of this <i>Agreement</i>, 'Procedures for Development and Authorization of <i>Operating Instructions</i>'. The</p> |

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| <p>Authorization of <i>Operating Instructions</i>”.</p> <p>Should the terms and conditions contained in this <i>Agreement</i> be found to conflict with or fail to recognize obligations of a <i>Standards Authority</i> of which either <i>Party</i> is a member or to which it is subject or other regulatory requirements the <i>Parties</i> agree to amend this <i>Agreement</i> accordingly.</p> | <p>raise and to determine whether any changes to this <i>Agreement</i>, or procedures employed under this <i>Agreement</i>, would enhance reliability, efficiency or economy;</p> <p>35.3.2.1.3 The matters to be addressed at all meetings shall be specified in an agenda, which shall contain items specified by either <i>Party</i> in advance of the meeting and sent to the representatives of the other <i>Party</i>. All decisions of the <i>Coordination Committee</i> must be unanimous;</p> <p>35.3.2.1.4 Conduct additional meetings upon Notice given by any <i>Party</i>, provided that the Notice specifies the reason(s) for requesting the meeting;</p> <p>35.3.2.1.5 Initiate process reviews at the request of any <i>Party</i> for activities undertaken in the performance of this <i>Agreement</i>; and</p> <p>35.3.2.1.6 In its discretion, take other actions, including the establishment of subcommittees and/or task forces, to address any issues that the <i>Coordination Committee</i> deems necessary consistent with this <i>Agreement</i>.</p> | <p><i>Coordination Committee</i> shall authorize such <i>Operating Instructions</i> once developed. To the extent that the <i>Operating Instructions</i> require participation by local control centers and <i>Transmission Owners</i> in the New England or the New York Reliability Coordinator Areas, those entities will be involved in the development process.</p> <p>Should the terms and conditions contained in this <i>Agreement</i> be found to conflict with or fail to recognize obligations of a <i>Standards Authority</i> of which either <i>Party</i> is a member or other regulatory requirements, the <i>Parties</i> agree to amend this <i>Agreement</i> accordingly.</p> <p>Any recommendations on revisions to this <i>Agreement</i> shall be provided to each <i>Party</i>’s appropriate corporate officers for approval.</p> |
| <p>8.3 Limitations of Interconnection Committee Authority</p> <p>With the exception of the <i>Schedules</i>, the</p>  | <p>35.3.2.3 Limitations Upon Authority of <i>Coordination Committee</i></p> <p>The <i>Coordination Committee</i> is not authorized to modify or</p>   | <p>7.3 Limitations of <i>Coordination Committee</i> Authority</p> <p>The <i>Coordination Committee</i> is not authorized to modify or</p>  |

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| <p><i>Interconnection Committee</i> is not authorized to modify or amend any of the terms of this <i>Agreement</i>. While each <i>Party</i> may incur expenses that may result from the <i>Interconnection Committee's</i> administration of the implementation of the provisions of this <i>Agreement</i>, the <i>Interconnection Committee</i> has no authority to commit or otherwise contractually bind either <i>Party</i> to incur or pay any cost or expenditure.</p>  | <p>amend any of the terms of this <i>Agreement</i>. The Coordination Committee is also not authorized to excuse any obligations under this <i>Agreement</i> or waive any rights pertaining to this <i>Agreement</i>. The Coordination Committee has no authority to commit either <i>Party</i> to any expenditure that is beyond those expenses described in this <i>Agreement</i>.</p>   | <p>amend any of the terms of this <i>Agreement</i>. The Coordination Committee is also not authorized to excuse any obligations under this <i>Agreement</i> or waive any rights pertaining to this <i>Agreement</i>. The Coordination Committee has no authority to commit either <i>Party</i> to any expenditure that is beyond those expenses described herein.</p>  |
| <p style="text-align: center;">8.4 Exercise of Interconnection Committee Duties</p> <p>The <i>Interconnection Committee</i> shall hold meetings at least twice each calendar year. The matters to be addressed at all meetings shall be specified in an agenda, which shall contain items specified by either <i>Party</i> in advance of the meeting and sent to the representatives of the other <i>Party</i>. Special meetings may be called at any time if the <i>Interconnection Committee</i> deems such meetings to be necessary or appropriate.</p> <p>Subject to the limitations on its authority as set forth in Section 8.3 of this <i>Agreement</i>, the <i>Interconnection Committee</i> has the responsibility and authority to take action on all aspects of this <i>Agreement</i>,</p> | <p>35.3.2.1 The Coordination Committee shall have the following duties and responsibilities:</p> <p>35.3.2.1.2 Meet periodically to address any issues associated with this <i>Agreement</i> that a <i>Party</i> may raise and to determine whether any changes to this <i>Agreement</i>, or procedures employed under this <i>Agreement</i>, would enhance reliability, efficiency or economy;</p> <p>35.3.2.1.3 The matters to be addressed at all meetings shall be specified in an agenda, which shall contain items specified by either <i>Party</i> in advance of the meeting and sent to the representatives of the other <i>Party</i>. All decisions of the Coordination Committee must be unanimous;</p> | <p style="text-align: center;">7.4 Exercise of Coordination Committee Duties</p> <p>The Coordination Committee shall hold meetings no less frequently than once each calendar year. The matters to be addressed at all meetings shall be specified in an agenda, which shall contain items specified by either <i>Party</i> in advance of the meeting and sent to the representatives of the other <i>Party</i>. All decisions of the Coordination Committee must be unanimous. Special meetings may be called at any time if the Coordination Committee deems such meetings to be necessary or appropriate.</p> <p>Subject to the limitations on its authority as described in Section 7.3 of this <i>Agreement</i>, the Coordination Committee has the responsibility and authority to take action on all aspects of</p> |

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| <p>including, but not limited to the following:</p> <p>(a) amending, adding or canceling <i>Schedules</i>, or <i>Operating Instructions</i> and providing written notice in accordance with Article 15.4;</p> <p>(b) assessment of non-compliance with this <i>Agreement</i> and, subject to Article 10, the taking of appropriate action in respect thereof;</p> <p>(c) preparation, documentation, retention and distribution of <i>Interconnection Committee</i> meeting minutes and agendas; and</p> <p>(d) joint development and implementation of decisions involving but not limited to the following work activities:</p> <p>(i) development and maintenance of procedures for active power and reactive power accounting, including but not limited to methods of energy balancing;</p> <p>(ii) approval of information and data exchange costs and scope;</p> <p>(iii) documented points of operational data, as required by mutual agreement;</p> <p>(iv) development and maintenance of outage scheduling and coordination procedures with respect to the reliable operation of the <i>Interconnection Facilities</i>;</p> | <p>35.3.2.1.4 Conduct additional meetings upon Notice given by any Party, provided that the Notice specifies the reason(s) for requesting the meeting;</p> <p>35.3.2.1.5 Initiate process reviews at the request of any Party for activities undertaken in the performance of this Agreement; and</p> <p>35.3.2.1.6 In its discretion, take other actions, including the establishment of subcommittees and/or task forces, to address any issues that the Coordination Committee deems necessary consistent with this Agreement.</p> | <p>this Agreement, including, but not limited to the following:</p> <p>(a) amending, adding or canceling Operating Instructions and providing written notice in accordance with Article 18.0 of this Agreement;</p> <p>(b) assessment of non-compliance with this Agreement and, subject to Article 19.0 of this Agreement, the taking of appropriate action in respect thereof;</p> <p>(c) documentation of decisions related to the initial resolution of Disputes as set out in Article 19.0 of this Agreement, or in cases of unresolved Disputes, the circumstances relevant to the Dispute in question as contemplated by the requirements of Article 19.0 of this Agreement; and</p> <p>(d) preparation, documentation, retention and distribution of Coordination Committee meeting minutes and agendas.</p> |
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| <p>(v) coordination of system tests; and</p> <p>(vi) development of system restoration and mutual assistance procedures.</p>  |  |   |
| <p>Schedule B: Procedures for Development and Authorization of Operating Instructions</p> <p><b>Overview</b></p> <p>The members of the <i>Interconnection Committee</i> shall jointly develop and approve <i>Operating Instructions</i> and review them at least semi-annually. The <i>Interconnection Committee</i> members shall submit draft materials to one another for review and their comments. The members of the <i>Interconnection Committee</i> shall promptly provide their comments on the draft material promptly and in any event within 30 days of the date of receipt of such draft materials. The <i>Interconnection Committee</i> shall promptly provide such information as may reasonably be required in connection with establishing, or reviewing, the material.</p> <p>In the event that any conflicts arise or are made apparent to a <i>Party</i>, such <i>Party</i> shall notify the other <i>Party</i> and engage the <i>Interconnection Committee</i> if necessary to resolve such conflicts.</p> <p>Outlined below are the key principles and items of</p> |  | <p>SCHEDULE B: Procedures For Development And Authorization of Operating Instructions</p> <p><b><u>Overview</u></b></p> <p>Operating Instructions (a) will be developed and recorded by the Parties, with assistance from the Coordination Committee, in accordance with this Schedule B, (b) will be contained in a document separate from this Agreement, and (c) may be modified by the Parties, with assistance from the Coordination Committee, without amending this Agreement.</p> <p>The Parties, with assistance from the Coordination Committee, shall jointly develop Operating Instructions and review them at least annually. The Parties, with assistance from the Coordination Committee, shall submit draft material to one another for review and comment. The Parties, with assistance from the Coordination Committee, shall provide comment on the draft material promptly. The Parties, with assistance from the Coordination Committee, shall promptly provide such</p> |

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| <p>methodology to be observed while the <i>Interconnection Committee</i> is engaged in developing and approving <i>Operating Instructions</i>, and issuing them to their respective operations staff of the <i>Parties</i>.</p> <p><b>Principles</b></p> <p>Given that the <i>Parties</i>' respective operations staff benefit from following a single instruction for all aspects of their execution of interconnected operations, it is an acceptable practice to combine the content of the operating instructions to create a single version of <i>Operating Instructions</i> for use by a respective <i>Party</i>'s operations staff.</p> <p>Each <i>Party</i> shall coordinate the internal distribution of any <i>Operating Instructions</i> developed and approved by the <i>Interconnection Committee</i> to ensure that their respective operations staff have the same <i>Operating Instructions</i> at the same time.</p> <p><i>Operating Instructions</i>, when approved by the <i>Interconnection Committee</i>, shall be binding on the <i>Parties</i> insofar as they relate to the <i>Interconnection Facilities</i> and, until they expire, are modified, deleted, or superseded by authority of the <i>Interconnection Committee</i>.</p> <p><b>Items of Methodology</b></p> |  | <p>information as may reasonably be required in connection with establishing, or reviewing, the material. The Coordination Committee shall be responsible for approving final versions of <i>Operating Instructions</i>.</p> <p>In the event that any conflicts arise or are made apparent to a <i>Party</i> regarding any <i>Operating Instructions</i>, they shall notify the other <i>Party</i> and engage the Coordination Committee, if necessary, to resolve such conflicts.</p> <p>The Coordination Committee will periodically review applicable ISO-NE and NYISO individual procedures and processes to determine any benefits of sharing these procedures and processes. These benefits may be for the purpose of training or to satisfy Reliability Standards. The Coordination Committee will determine how best to share these individual procedures and processes.</p> <p>A list of <i>Operating Instructions</i> and applicable ISO-NE and NYISO individual procedures will be maintained by the Coordination Committee.</p> <p>Outlined below are the key principles and items of methodology to be observed while the <i>Parties</i>, with assistance from the Coordination Committee, are engaged in developing <i>Operating Instructions</i>, and</p> |
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| <p>Each page of the approved <i>Operating Instructions</i> shall be identified in the header or footer as being issued by the Hydro-Québec – NYISO <i>Interconnection Committee</i> with the effective date and the revision number. This identification shall continue to be displayed internally when a given <i>Party</i> issues <i>Operating Instructions</i> in their respective company’s documentation system.</p> <p>By mutual agreement of the members of the <i>Interconnection Committee</i>, one <i>Party</i> shall control the revision process from the initial drafting of material through to the conversion of the <i>Operating Instruction</i> into its final form.</p> |  | <p>issuing them to their respective operations staff.</p> <p><b><u>Principles</u></b></p> <p>Given that the Parties’ respective operations staff benefit from following a single instruction for all aspects of their execution of interconnected operations, it is an acceptable practice to combine this content to achieve the single Operating Instructions for use by a respective Party’s operations staff. The preferred methodology when appropriate is to use the NPCC Criteria, Guides and Procedures for the coordination and operation of the interconnected Transmission Systems. When the NPCC documentation is insufficient to accomplish this task separate instructions will be developed in accordance with this Schedule.</p> <p>Each Party shall coordinate the issuance internally of any Operating Instructions developed and agreed to by the Parties, with assistance from the Coordination Committee, to ensure that their respective operations staff has these Operating Instructions. In addition annual review of the Operating Instructions and the Parties’ internal procedures associated with the Operating Instructions shall be conducted by the Parties, with assistance from</p> |
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|  |  | <p>the Coordination Committee, to ensure consistency.</p> <p>Operating Instructions, when approved by the Parties, shall be binding on the Parties insofar as they relate to the Interconnection Facilities until they expire, are changed, deleted, or superseded by authority of the Parties, with assistance from the Coordination Committee.</p> <p><b><u>Items of Methodology</u></b></p> <p>By mutual agreement of the Coordination Committee, one of the Parties shall be designated by the Coordination Committee to control the revision process of the Operating Instruction from the initial drafting of material through to the conversion of the Operating Instruction into its final form.</p> |
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