

40.15 Final Decision Period / Additional SDU Study Decision Period

40.15.1 ISO Provision of Description and Project Cost Allocation of Connecting Transmission Owner's Attachment Facilities, System Upgrade Facilities, and System Deliverability Upgrades

The ISO shall provide the Interconnection Customer of each Cluster Study Project with a dollar figure for its share of the cost of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities required for the reliable interconnection of the Project to the New York State Transmission System ("CTOAF and SUF Project Cost Allocation"). The ISO shall also provide the Interconnection Customer of each Cluster Study Project requesting CRIS with (i) a dollar figure for its share of the cost of the System Deliverability Upgrades required for the megawatt level of CRIS requested for the Cluster Study Project ("SDU Project Cost Allocation"), and (ii) the number of megawatts of Installed Capacity, if any, that are deliverable from the Cluster Study Project with no new System Deliverability Upgrades ("Deliverable MW"). The ISO shall also provide a dollar figure for the total cost of the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades required for interconnection of the Cluster Study Project, as well as a description of the required Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades, their expected in-service date, and a plan for their installation that is sufficient to verify these dollar figures. The ISO shall also provide a dollar figure for the total cost of all Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities required by Projects in the Cluster Study and a dollar figure for the total cost of the System Deliverability Upgrades necessary to support the level of CRIS requested by each Cluster Study Project. Each Cluster Study Project will be

given the Project Cost Allocation(s) and, Deliverable MW, if any associated with its Interconnection Service evaluation election, as soon as practicable prior to the submittal of the Cluster Study Report with the Cluster Project Assessment and Cluster Study Deliverability Study to the ISO Operating Committee.

40.15.2 Decision Rounds in the Final Decision Period for the Cluster Study and the Additional SDU Study Decision Period for the Additional SDU Study

40.15.2.1 Each Interconnection Customer shall provide notice to the ISO, in writing and via electronic mail, stating whether it shall accept (an “Acceptance Notice”) or not accept (a “Non-Acceptance Notice”) the Project Cost Allocation(s) and Deliverable MW, if any, reported to it by the ISO for its Cluster Study Project:

(i) within thirty (30) Calendar Days – the Initial Decision Round – following, as applicable, (1) approval of the final Cluster Study Report with the Cluster Project Assessment and Cluster Study Deliverability Study by the ISO Operating Committee in accordance with Section 40.11.7; or (2) approval of the final Additional SDU Study report by the ISO Operating Committee in accordance with Section 40.14.2.3, or

(ii) if applicable, within seven (7) Calendar Days – the Subsequent Decision Round – following the ISO’s issuance of a revised Cluster Study report or a revised Additional SDU Study report, as applicable, and accompanying Revised Project Cost Allocation and revised Deliverable MW report, as defined in and pursuant to Section 40.15.3.

40.15.2.2 An Interconnection Customer for a Cluster Study Project that is a multi-unit facility may not submit separate notices for separate portions of the Cluster Study Project (e.g. a Cluster Study Project that is a Co-located Storage Resource may not submit an Acceptance Notice for one of its resources and a Non-Acceptance Notice for the co-located resource).

40.15.2.3 Failure to notify the ISO by the prescribed deadline as to whether an Interconnection Customer accepts or rejects its Project Cost Allocation and Deliverable MW, if any, will be deemed a Non-Acceptance Notice. Each Interconnection Customer may respond with either an Acceptance Notice or a Non-Acceptance Notice to each Project Cost Allocation and Deliverable MW reported to it by the ISO. An Acceptance Notice for Projects not yet in-service must also include a confirmed Initial Backfeed Date and Commercial Operation Date, subject to the limitations set forth in Section 40.6.3.4.

40.15.2.4 An Interconnection Customer that requests to be evaluated for CRIS may accept both its SDU Project Cost Allocation and its CTOAF and SUF Project Cost Allocation. Alternatively, that Interconnection Customer, if it accepts its CTOAF and SUF Project Cost Allocation, may provide a Non-Acceptance Notice for its SDU Project Cost Allocation and at the same time accept, or not accept its Deliverable MW. Or, as another alternative, that same Interconnection Customer may elect to interconnect taking ERIS by providing an Acceptance Notice only for its CTOAF and SUF Project Cost Allocation.

40.15.2.5 An Interconnection Customer that accepts a CTOAF and SUF Project Cost Allocation and/or an SDU Project Cost Allocation will not be provided with the option to accept a Revised Project Cost Allocation following a Subsequent Decision Round unless the Revised Project Cost Allocation provides for (1) an increase of greater than ten percent (10%) in the CTOAF and SUF Project Cost Allocation or the SDU Project Cost Allocation, measured against the last Project Cost Allocation accepted by the Interconnection Customer; or (2) a decrease in the Interconnection Customer's Deliverable MW.

40.15.2.6 If the ISO commences an Additional SDU Study Decision Period separate from the Final Decision Period in accordance with Section 40.14.2, an Interconnection Customer

in the Additional SDU Study must, in the Initial Decision Round or Subsequent Decision Round(s) of the Final Decision Period for the Cluster Study in which the Additional SDU Study was triggered: (1) accept its CTOAF and SUF Project Cost Allocation and proceed with its Additional SDU Study; or (2) reject its CTOAF and SUF Project Cost Allocation and be withdrawn from both the Cluster Study and the Additional SDU Study.

40.15.2.7 As soon as practicable following the end of the Initial Decision Round and any Subsequent Decision Round, as applicable, but not later than two (2) Business Days following the end of such decision round, the ISO shall report to the ISO Operating Committee, all of the Acceptance Notices and Non-Acceptance Notices that were received during that decision round. For any Project that fails to provide a confirmed Initial Backfeed Date and Commercial Operation Date in its Acceptance Notice or that provides a proposed Initial Backfeed Date or Commercial Operation Date with its Acceptance Notice that is beyond the time period permissible by Section 40.6.3.4, the ISO's Queue will reflect the latest possible permissible date, even if that requires the ISO to reject and modify the proposed Initial Backfeed Date or Commercial Operation Date provided in the Cluster Study Project's Acceptance Notice. Subsequent modifications to a Project's Initial Backfeed Date or Commercial Operation Date are governed by Section 40.6.3.4.

40.15.2.8 If, following the Initial Decision Round or any Subsequent Decision Round, each and every Interconnection Customer that remains eligible at that time provides Acceptance Notice(s), each Interconnection Customer must signify its willingness to pay the Connecting Transmission Owner and Affected Transmission Owner(s) for its share of the required Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades that it accepted by (i) satisfying

Headroom payment/security posting obligations, if any, as specified in Section 40.17.1.5 and (ii) paying cash or posting Security in accordance with these rules, for the full amount of its respective Project Cost Allocation within five (5) Business Days after the end of the Initial Decision Round or Subsequent Decision Round, as applicable. Security shall be posted to cover the period ending on the date on which full payment is made to the Connecting Transmission Owner, Affected Transmission Owner, or Affected System Operator, as applicable for the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities, and the date(s) on which full payment is made to the Connecting Transmission Owner or Affected Transmission Owner(s) for the System Deliverability Upgrades; *provided, however*, that Security may be posted with a term as short as one year, so long as such Security is replaced no later than fifteen (15) Business Days before its stated expiration. In the event Security is not replaced as required in the preceding sentence, the Connecting Transmission Owner, Affected Transmission Owner, or Affected System Operator, shall be entitled to draw upon the Security and convert it to cash, which cash shall be held by the Connecting Transmission Owner or Affected Transmission Owner for the account of the Interconnection Customer. The round of the Final Decision Period or Additional SDU Study Decision Period, as applicable, in which no remaining eligible Interconnection Customers issue a Non-Acceptance Notice or commits a Security Posting Default shall be the final round for that Cluster Study or Additional SDU Study (the "Final Decision Round").

40.15.2.9 At the end of the Initial Decision Round or any Subsequent Decision Round, if one or more of the Interconnection Customers with Cluster Study Projects participating in that decision period provides Non-Acceptance Notice (such event a "Non-Acceptance Event"), then the Interconnection Customer of every Cluster Study Project participating in that

round shall be relieved of its obligation to pay cash or post Security in connection with that version of its Project Cost Allocation for Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, System Upgrade Facilities, and System Deliverability Upgrades. In addition, following the Initial Decision Round or any Subsequent Decision Round, if all Interconnection Customers for Cluster Study Projects participating in the round provide Acceptance Notices under the Cluster Study Deliverability Study, the CPA or both, but one or more of the Interconnection Customer fails to pay cash or post the Security required hereunder (such event a "Security Posting Default"), then the beneficiaries of the payments and Security posted by the Interconnection Customers that did pay or post Security (*e.g.*, the Connecting Transmission Owners and Affected Transmission Owners) shall surrender the cash and posted Security to the respective Interconnection Customers immediately. The Connecting Transmission Owners or Affected Transmission Owner(s) shall not make any draws or encumbrances on any cash or posted Security unless and until cash has been paid and Security has been posted by all Interconnection Customers that issued Acceptance Notices in the Final Decision Round.

40.15.2.10 Following the Initial Decision Round, or any Subsequent Decision Round, if a Non-Acceptance Event or a Security Posting Default shall have occurred with respect to the CPA, the ISO will withdraw the Interconnection Customer that provided the Non-Acceptance Notice or committed the Security Posting Default with respect to the CTOAF and SUF Project Cost Allocation from the Cluster Study and the Queue pursuant to Section 40.6.4 and subject to the Withdrawal Penalties set forth in Section 40.6.5. If an Interconnection Customer provides an Acceptance Notice and posts the required Security for the CTOAF and SUF Project Cost Allocation for its Cluster Study Project or has done so in a prior Class Year Interconnection

Facilities Study or Cluster Study, but provides a Non-Acceptance Notice with respect to the SDU Project Cost Allocation for its Cluster Study Project, it may provide an Acceptance Notice for its Deliverable MW and interconnect taking CRIS at that level. If the Interconnection Customer either (i) provides a Non-Acceptance Notice with respect to both the SDU Project Cost Allocation and Deliverable MW for its Cluster Study Project, or (ii) commits a Security Posting Default with respect to the SDU Project Cost Allocation for its Cluster Study Project, then the ISO shall remove the Cluster Study Project from the ~~Class Year~~Cluster Study Deliverability Study or Additional SDU Study, as applicable, but, if in the Cluster Study, it may continue to participate in the CPA and interconnect taking ERIS if the Interconnection Customer provides an Acceptance Notice and posts the required Security for its CTOAF and SUF Project Cost Allocation. The Interconnection Customer electing to interconnect taking ERIS may later request, any number of times, to enter a Cluster Study or Expedited Deliverability Study and be evaluated for CRIS, subject to the Cluster Study entry requirements set forth in Section 40.5.4 and the Expedited Deliverability Study entry requirements set forth in Section 40.19.2 of this Attachment HH. The Interconnection Customer's Cluster Study Project may not request to be re-evaluated for ERIS. Once a Cluster Study Project is evaluated for CRIS in a later Cluster Study or Expedited Deliverability Study, the Interconnection Customer for that project may elect to accept either its SDU Project Cost Allocation or its Deliverable MW, or the Interconnection Customer may provide a Non-Acceptance Notice for both its SDU Project Cost Allocation and its Deliverable MW and continue its interconnection taking ERIS. If the Interconnection Customer does provide a Non-Acceptance Notice for both the SDU Project Cost Allocation and Deliverable MW for its Cluster Study Project and continues taking ERIS, the Interconnection Customer may later request for its Cluster Study Project to enter a Cluster Study or Expedited

Deliverability Study, subject to the Cluster Study entry requirements set forth in Section 40.5.4 and Expedited Deliverability Study entry requirements set forth in Section 40.19.2 of this Attachment HH, and be evaluated again for CRIS. If, however, an Interconnection Customer provides a Non-Acceptance Notice or commits a Security Posting Default for the CTOAF and SUF Project Cost Allocation for the Cluster Study Project, that Cluster Study Project shall be removed from both the CPA and, if applicable, the ~~Class Year~~Cluster Study Deliverability Study, and the ISO shall withdraw that Interconnection Customer's Interconnection Request pursuant to Section 40.6.4 and subject to the Withdrawal Penalties set forth in Section 40.6.5.

40.15.2.11 Whenever Projects are removed from a Cluster Project Assessment, Cluster Study Deliverability Study, or Additional SDU Study, the ISO will notify the remaining Interconnection Customers still included in the Cluster Project Assessment, Cluster Study Deliverability Study, or Additional SDU Study, as applicable.

40.15.3 Revised Study Results

Immediately following receipt of Non-Acceptance Notices for any SDU Project Cost Allocations or CTOAF and SUF Project Cost Allocations or Deliverable MW, or upon the occurrence of a Security Posting Default, the ISO shall update the Cluster Study results or Additional SDU Study results for those remaining Interconnection Customers that continue to be included in the then-current Cluster Project Assessment, Cluster Study Deliverability Study, or Additional SDU Study, as applicable, to reflect the impact of Non-Acceptance Notices and any Security Posting Default. The updated Cluster Study or Additional SDU Study, as applicable, shall include updated CTOAF and SUF Project Cost Allocations and updated SDU Project Cost Allocations (each a "Revised Project Cost Allocation") together with a revised Deliverable MW report. The updated Cluster Study shall be issued as soon as practicable, but in no event later

than fourteen (14) Calendar Days following the occurrence of the Non-Acceptance Event or the Security Posting Default that necessitated development of the Revised Project Cost Allocations and revised Deliverable MW report. The ISO shall also provide the additional dollar figures relating to total cost for Interconnection Customers in the Cluster Study or Additional SDU Study, as applicable, and the related information, described in Section 40.15.1, above. Following the issuance of the revised Cluster Project Assessment, Cluster Study Deliverability Study, or Additional SDU Study, as applicable, and the issuance of Revised Project Cost Allocations and the revised Deliverable MW, each remaining Interconnection Customer shall provide notice to the ISO within seven (7) Calendar Days whether it will accept its respective Revised Project Cost Allocation and revised Deliverable MW.

40.15.4 Completion of Final Decision Period/Additional SDU Study Decision Period and Refund of Interconnection Customer's Deposits

40.15.4.1 The process set forth in Sections 40.15.2 through 40.15.3 shall be repeated until none of the remaining eligible Interconnection Customers in the Cluster Study or Additional SDU Study, as applicable, provides a Non-Acceptance Notice or commits a Security Posting Default.

40.15.4.2 After the ISO's final reconciliation of the Interconnection Customer's costs incurred in the Cluster Study Process pursuant to Section 40.24.3 and Interconnection Customer's payment of all invoices, the ISO will proceed with the return and cancellation process in Section 40.24.3 for the Study Deposit and Readiness Deposit 2 if:

(i) an Interconnection Customer for a Cluster Study Project accepts its CTOAF and SUF Project Cost Allocation and pays cash or posts Security for that allocated amount in the Final Decision Round of the Final Decision Period; or

(ii) an Interconnection Customer for a CRIS-Only Cluster Study Project: (A) accepts its SDU Project Cost Allocation or Deliverable MWs and pays cash or posts Security for any allocated amount in the Final Decision Round of, as applicable, the Final Decision Period or Additional SDU Study Decision Period, or (B) participated in an Additional SDU Study that was not completed in the Cluster Study Process pursuant to Section 40.14.2.

40.15.5 Withdrawal Penalties

40.15.5.1 If: (i) an Interconnection Customer withdraws the Interconnection Request or CRIS-Only Request for its Cluster Study Project, or the Interconnection Request or CRIS-Only Request for its Cluster Study Project is deemed withdrawn by the ISO, from the ISO's Queue during the Phase 2 Study, the Final Decision Period, the Additional SDU Study, or the Additional SDU Study Decision Period, except for a CRIS-Only Cluster Study Project that is withdrawn because the Additional SDU Study it participated in was not completed in the Cluster Study Process;

(ii) an Interconnection Customer does not accept the CTOAF and SUF Project Cost Allocation for its Cluster Study Project or does not pay cash or post Security for the allocated amount in the Final Decision Period; or

(iii) an Interconnection Customer does not accept the SDU Project Cost Allocation for its CRIS-Only Cluster Study Project or does not pay cash or post Security for the allocated amount in, as applicable, the Final Decision Period or Additional SDU Study Decision Period (except for an Additional SDU Study that is not completed during the Cluster Study Process),

then the Interconnection Customer for the Cluster Study Project shall pay a Withdrawal Payment in an amount equal to one hundred percent (100%) of the initial Study Deposit amount

for the project and twenty percent (20%) of the Readiness Deposit 2 for the project; except for the following:

(A) a CRIS-Only Cluster Study Project shall only pay a Withdrawal Penalty in the amount of one hundred percent (100%) of its initial Study Deposit amount;

(B) if the ISO determined that the Cluster Study Project cannot move forward due to Physical Infeasibility pursuant to Section 40.7.3, then the Cluster Study Project shall not be assessed a Withdrawal Penalty;

(C) if the Interconnection Request or CRIS-Only Request was for a Contingent Project that was withdrawn by the ISO pursuant to Section 40.5.4.1.3, then the Interconnection Request or CRIS-Only Request shall not be assessed a Withdrawal Penalty; and

(D) if the CTOAF and SUF Project Cost Allocation amount is greater than 50% higher than the amount determined in Phase 1 for the Connecting Transmission Owner's Attachment Facilities, Distribution Upgrades, and System Upgrade Facilities required for the Cluster Study Project, then the Cluster Study Project shall only pay a Withdrawal Penalty in the amount of one hundred percent (100%) of its initial Study Deposit amount and shall not pay a Withdrawal Penalty based on any of its Readiness Deposit 2.

40.15.5.2 The ISO shall invoice, and Interconnection Customer shall pay, for any Withdrawal Penalty as set forth in Section 40.24.3.

40.15.5.3 The ISO shall apply the collected Withdrawal Penalty Funds pursuant to Section 40.6.5.